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Insurance Institute of India

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i-Think Monthly Magazine – August 2014

Editorial

This is the second issue of i-Think. What began as a sort of Quality Circle initiative by some of our staff members has struck a chord in our readers and we are very grateful for the overwhelming response we received to our request for your contributions. The current issue again carries a mix of articles and other features, both from our III staff members and our valuable readers. We hope you would enjoy it.

The idea of this magazine is to work towards developing a wide network of friends and associates, weaving many threads together to build a national and in course, a global community of practice. Let's all be a part of this movement and create new possibilities together.

Editorial team
i-Think

Importance of Month – August

In the original Roman calendar the month of August was called Sextilis. This was because it was the sixth month of the year. Later, after January and February were added to the calendar, it became the eighth month of the year. At the time the month had 29 days. When Julius Caesar created the Julian calendar in 45 BC, two days were added giving the month 31 days. The month was later renamed Augustus in honor of the first emperor of Rome, Caesar Augustus.

August is the 8th month of the year and has 31 days.

Season (Northern Hemisphere): Summer

August in Other Languages

- Chinese (Mandarin) - bayuè
- Danish - august
- French - août
- Italian - agosto
- Latin - Augustus
- Spanish - agosto

Historical Names:

- Roman: Sextilis/Augustus
- Saxon: Weodmontha (Weed month)

Germanic: Ernte-mond (Harvest month)

Symbols of August

- Birthstone: Agate or onyx
- Flower: Gladiolus or poppy
- Zodiac signs: Leo and Virgo

Important days / Historical event took place in this month

Sr No	Event	Date
1	Ram Mohan Roy Born (to 1833)	1772 -14 August
2	Death of Ahilyabai Holkar	1795 - 13 August
3	Narayana Guru is born (to 1928)	1856 - 20 August
4	Kakori conspiracy	1925 - 9 August
5	Communal Award	1932 - 4 August
6	Government of India Act 1935	1935
7	National Sports Day - This day marks the birthday of DhyanChand, the hockey player who won gold medals for India in year 1928,1932 and 1936	29 August
8	August offer 1940	1940 - 8 August
9	Indian National Army Established by Subhas Chandra Bose	1942 -
10	Quit India Day	1942 - 9 August
11	Hiroshima Day	1945- 6 August
12	Nagasaki Day	1945 - 9 August
13	Direct Action Day/Great Calcutta Killings	1946 - 16 August
14	Independence Day - India	1947 - 15 August
15	Pakistan's Independence Day	1947 - 14 August
16	National Day of Malaysia	1957 - 31 August
17	Friendship Day	1958 - 1st Sunday of August
18	Independence Day in Jamaica	1962 - 6 August
19	Moldova National Day	1991 - 27 August
20	National Librarian's Day	12th August
21	Philippines celebrates National Heroes Day in commemoration of the First Cry of the Philippine Revolution	23 August
22	National Day of Singapore	9 August
23	Swiss National Day	1 August
24	Women's Equality Day	26 August
25	National Catfish Month	
26	Harvest Month	
27	National Water Quality Month	
28	Peach Month	
29	National Immunization Awareness Month	
30	Get Ready for Kindergarten Month	

Compiled by Mrs. Sneha Pednekar
i-Think Member



Life Insurance

Life insurance plan - a gesture that you care for your family

Most of us live in a belief of immortality; to us early deaths, families going through bad times are only stories that we hear from a friend or about our friends or distant relative or a neighbour. We sympathize with them but ignore the odds that something similar can happen to us which will leave one's family in despair and financial deprivation.

The irony is that we buy car insurance without a second thought but ignore life insurance which is much more important for the family. Life insurance is needed for everyone who makes an economic impact to somebody else's life. At any point in time one should have planned in such a manner that in one's absence, the family will not need to compromise on their current lifestyle and yet-to-be fulfilled needs.

Here are 7 common mistakes people make ---

1. "I am single. I don't need life insurance!"

Life insurance is a necessity if you have any sort of financial obligation or people financially dependent on you. You may be running some loans or have credit card outstanding at any point of time. In your absence your family will have to repay them back to the bank. Life insurance can help you cover such liabilities and relieve your family from your financial obligations.

2. "I am young and fit. Why should I take life insurance?"

Life Insurance is all about covering the financial void in your absence for your family - a sudden death of a young and healthy person due to an accident or disease can deprive the family of a sound financial future. On the contrary, it actually makes financial sense to buy life insurance if you are young as it helps you lock in lower rates and guaranteed coverage. This especially helps because later in life you may develop health issues and will not be eligible for insurance or will have to pay a heavy price for it.

3. "I don't have kids. Why do I have to think of life insurance?"

you should consider life insurance because it secures that comfortable lifestyle and provides a safe financial future for your spouse in your absence. Your spouse will still have to manage the loan EMI's and monthly expenses. This will be more difficult if your spouse is not working as it will take time for a career onset, which may further require education or training. With life insurance, your spouse can cope up and move ahead in life.

4. "I already have a life insurance policy purchased few years back. I am done."

Life insurance isn't about 'Buy once and then forget about it'. Your coverage should be reviewed at every important milestone of your life like - marriage, birth of a child, purchase of an asset etc. Every important milestone should prompt you to revisit your insurance coverage. Even if there are no big changes, a review every 3 to 5 years will help you to keep pace with inflation, change in standard of living and change in income.

Such reviews of your life insurance coverage will help you get the best value for the premiums you pay as per your attained age.

5. "Life insurance does not give any returns."

Many people compare life insurance with an investment product; however it's not about returns but about peace of mind! Life insurance covers the risk of 'dying too early'; by paying a few thousand Rupees every year one could avail cover in lakhs and crores.

6. "Life insurance is very expensive."

The premiums for life insurance have almost become less than half of what was offered 10 years back. There are many affordable life insurance plans now available online. For - instance: A 30 year old

male can get a cover of Rs 1 Crore by paying a premium around Rs 6500 for a 20 year term. This works out to be less than Rs 18 per day making it probably cheaper than your daily commute cost or mobile bill for a day or even expense for a cup of coffee.

7. “I can defer buying this policy for a few years. What’s the hurry?”

You need life insurance till the time you accumulate sufficient liquid assets and/or have reduced dependence. By deferring the decision to purchase, you take a big chance when you depend solely on your savings in the early years of your life, especially if you have dependents. If you die without coverage for them there may be no other means of provision after the depletion of your current assets.

Vishakha R. M.
Director- Sales & Marketing,
Canara HSBC Oriental Bank of Commerce Life Insurance Co. Ltd.

CSR

Corporate Social Responsibility CSR, also called sustainable responsible business/ Responsible Business.

Types of CSR

There are actually two different types of corporate social responsibility to consider. The first one consists of corporations providing funding and resources for worthwhile social causes, such as donating money or employee time to charities. For many people, this is the definition used when thinking about corporate responsibility. However, another type of CSR involves putting together a real plan to produce products or provide services that are in the best interests of society. These include things like using safe materials in design and manufacture, corporate environmental initiatives, and other factors such as job creation and economic development.

Showing a True Commitment

The most successful corporate social responsibility programs integrate these two types of CSR together to show a true commitment to a cause. For example, a company that uses sustainable materials in their products, donates financial resources to environmental causes, and allows employees to take paid time off for volunteering at environmental charities would be showing a true commitment to the environment that goes beyond any single CSR initiative.

Social Media Visibility

One of the reasons that corporations should have visible CSR campaigns is due to the importance and prevalence of social media. Corporations that want to protect their brand understand that social media is an integral part of public perception. When a corporation exercises social responsibility in the form of fundraising or setting up employee giving programs, using social media to promote these actions helps to create a positive branding environment and it is a great way to engage with your audience on a deeper level that goes beyond your products or services.

Public Relations Benefits

Public Relations is a powerful tool for shaping consumer perception and building a company’s image. Corporations that actively promote their social responsibility activities often take steps to publicize these efforts through the media. Getting the word out about corporate donations, employee volunteer programs, or other CSR initiatives is a powerful branding tool that can build publicity for you in both online and print media.

Building a Positive Workplace Environment

Finally, one of the greatest benefits of promoting social responsibility in the workplace is the positive

environment you build for your employees. When employees and management feel they are working for a company that has a true conscience, they will likely be more enthusiastic and engaged in their jobs. This can build a sense of community and teamwork which brings everyone together and leads to happier, more productive employees.

Jagadish Nadar
Chief Manager IT
SBI Life Insurance Co. Ltd.

Insurance Advisor

Qualities For Successful Insurance Advisor

Definition: A professional who provides specialized guidance and advice for investment in various insurance schemes is an insurance advisor or insurance consultant.

Description: There is a stipulated fee or charge levied on the customer/ investor for the services offered by the advisor who is required to have a license for the practice of the same or the concerned qualification in this field. He is alternatively also known as insurance consultant.

ROLES & RESPONSIBILITIES

An Insurance advisor is required to solicit and procure new business keeping in mind the interest of the policyholders and of the insurance Company. At the same time, there is a need to gain the trust of the prospect and advice him suitably, keeping his insurance needs in mind. Thus as an advisor he would be required to play the unique role, whereby, he would be trusted by the customer as well as Insurer.

An Advisor is required to interact with individuals and families to:

- ✓ *Understand their insurance protection and investment needs*
- ✓ *Identify and recommend solutions that best fit their requirements*
- ✓ *Offer to customer a complete product portfolio*
- ✓ *Complete the formalities necessary to get the policy issued*
- ✓ *Keep in touch with customers to ensure that their service requests towards policies are managed properly.*
- ✓ *Facilitate settlement of claims*

All kinds of people work as insurance Advisors so that there is almost no such thing as a “typical” Advisor. Being a successful insurance Advisor, on the other hand, is something that all Advisors aspire to. Some Advisors achieve success quite early in their career, while others take a longer time and need to exert a bit more effort to get there.

An insurance Advisor is basically a service provider. You help consumers fulfill their insurance needs, whether it's for their own or their loved ones' health or property.

You also need to be an expert on the products and services that you offer. You also need to be updated on the latest insurance technology and methods to ensure that your operations as an Advisor and as an agency are always efficient.

Technology – as it pertains to insurance -- is another area you need to be familiar with. With the popularity of the Internet, the business of selling insurance had a major facelift. Leads can now be obtained and managed online, for instance. New ways to do follow ups also arose (e.g. email, e-newsletters).

Advisors who can keep up with all of these changes and use these changes to their advantage are the ones who have staying power in the insurance industry.

In spite of the technological advances, many consumers still prefer to deal with a real person for their insurance needs. This is why the importance of establishing good customer relations is always emphasized when it comes to dealing with potential and existing clients. Some Advisors are better at sales than in customer relations.

New Advisors can usually acquire more leads by simply asking their clients for referrals. These can be their clients' family members, neighbors or co-workers.

Cross-selling is another way to get more sales. Consumers will usually have – and need – more than one kind of insurance. You may need to do something extra to get the license to do so, but selling more than one kind of insurance makes you a one-stop shop for insurance that people will find convenient to do business with.

Your success depends on your ability to sell the product, which includes skill at communicating with potential buyers. Feeling comfortable with yourself and staying determined in your sales approach helps in selling your product. Success in sales depends on your ability to explain information in a pleasant manner to potential clients so they understand why they need your product. You will most likely get turned down on your offers for insurance a majority of the time, especially during the start of your career. One important quality is the ability to recognize that each rejection brings you one step closer to a sale. Continuing your efforts to communicate the advantages of your product after many rejections plays an essential part in the success of an insurance agent.

The 21st century insurance professional must embrace a strong set of ethical and moral values; possess experience, integrity, and independence; and continually add to these qualities a growing number of skills set in order to successfully and professionally serve today's high net worth personal and business clients.

Sourabh Srivastava
Manager Training
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Insurance

Run-off Insurance

Background:

Policy coverages can be classified as 'Occurrence Basis' or 'Claims Made Basis'.

While under the 'Occurrence basis' coverage the occurrence of an event resulting in a claim needs to be during the policy period, under a 'Claims Made Basis' coverage, both the occurrence as well as the claim needs to be within the policy period. Hence under the 'Claims Made' coverage it is the policy in place at the time that you first become aware of the claim that provides the cover and not the policy that was in place when the original action which resulted in the claim / loss was undertaken.

This requires that in a situation where the basic coverage is not opted for or is not taken there shall still be a need for extension of the reporting period to take care of past losses, if any, which occurred under the original policy coverage. This extension is called a 'Run Off' cover.

For example, if a company or firm ceases operations say in 2012, a claim may still arise from the work that they had undertaken prior to the closure of their operations. To take care of such eventualities run-off insurance is obtained. Had the run off insurance not been in place the entity and / or the individuals responsible with its management at that that time would have to bear the loss on their own account.

Run-off insurance is usually provided by the insurance carrier that provided cover prior to closure. Normally, a new insurer shall be reluctant to provide a run-off policy for a risk that they have not insured prior to its cessation.

Situations that could trigger a run-off insurance:

- *When the insured has ceased operations or ceases to be covered due to change in its ownership structure, say, ceasing to be a subsidiary , etc.,*
- *When the existing policy is cancelled or is not renewed*
- *When the policy retroactive date is advanced*
- *When the insured changes over from a ‘Claims basis’ policy to an ‘Occurrence basis’ policy*

The need for run-off protection is particularly relevant to corporate action situations of mergers & acquisitions. Invariably the acquired company buys a runoff provision that covers claims related to wrongful acts that might have taken place prior to the acquisition, but are likely to be intimated after the acquisition. However if the terms of the acquisition are such that all the liabilities are also taken over by the acquiring company then there might not be a need to purchase a run-off policy , though in most cases notwithstanding the terms agreed, the claims are still sought to be pushed back to the erstwhile management.

Important points to decide while opting for run off insurance:

- 1.Coverage Duration: It is always advisable to have the run-off policy which covers the period till there is no likelihood of any claim getting reported*
- 2.Nature of extension: The run off cover can be obtained in more than one way. It could be taken through a possible Extended Reporting Period clause in the original policy or through purchase of an independent Run-off Policy.*

Major variances between an Extended Reporting protection & a Run-off policy are as below:

- *Extended Reporting Period terms, viz., duration , cost, etc., are agreed as part of the Original Claims Made policy, while the terms of the Run-off insurance are negotiated while obtaining the extension cover*
- *Extended Reporting Period is normally restricted to a maximum of 1 year while Run-off covers are longer term covers of say 3 / 5 years*
- *The time allowed to seek the Extended Reporting Period is normally restricted to defined duration, usually a short duration of say 30 days prior to expiry of the original policy.*
- *Right to opt for the Extended Reporting Period could also be restricted to particular situations like, say, only upon cancellation of the original cover by the insurer upon non-payment of premium, etc.,*

Though it is difficult to predict the closure of a business, companies should try and remain with the same insurer at least for two to three years ahead of closure as this will help then get the extension coverage at competitive rates from the same insurer.

Relevance of Run-off insurances:

The run-off insurance coverage is relevant in almost all cases where a ‘Claims Basis’ coverage is coming to cessation. Considering that most liability covers in India are written on ‘Claims Basis’ coverage, this has relevance in Directors & Officers Liability, Professional Indemnity, Corporate Errors & Omissions, Commercial General Liability ,etc.,

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IRDA

IRDA permits long term insurance for 2 wheelers – Small step high impact

IRDA has permitted non-life insurers to issue 3 year Motor Third Party Liability insurance policies for two-wheelers. This move by the regulator is in the right direction. It will help to curb the proportion of uninsured vehicles. The insured will be able to beat inflation as the premium for full 3 year policy period would be thrice the 1st year annual premium instead of paying the annual premiums which are revised upwards by IRDA every year.

There is a tremendous gap (estimated at 50%) between actual number of registered two-wheelers and two wheeler insurance policies. There were 11.5 crore (rounded off) two-wheelers registered in India as per Road Transport Year Book 2011-12 and the sales volume for the year 2012-13 was 1.37 crores (growth rate of 2.9% over previous year). Therefore, assuming the same growth rate it can be estimated that for 13-14 (year ended 31st March) the total number of two-wheelers in the market is 14.3 crores (rounded off). Minimum Third Party liability premium for two-wheeler is Rs.455/- and own damage premium averages to Rs. 700/-. Based on these projections, the revenue loss on account of the uninsured two-wheelers amounts to Rs. 3253 crores just for the liability only policies. As per the provision of Motor Vehicles Act 1988 the motor third Party insurance cover is mandatory for each vehicle plying on the road. Therefore, owners have to compulsorily take third party insurance policy for registration purposes. However, subsequent renewals are avoided or forgotten by the owners. This leads to the insured and uninsured vehicles gap.

The claims ratio is less than 100% in case of two-wheelers and the long term insurance initiative will further boost insurers' operational efficiency as it will reduce annual policy issuance and renewal burden.

Product innovation in insurance is the need of the hour. Motor insurance industry is bleeding and long term third party motor insurance policies should be devised for private car and commercial vehicles as well.

The idea of long terms policies could be extended for motor package/comprehensive (Third Party plus Own Damage) insurance policies. However, own damage cover constitutes several aspects such as Insured's Declared Value (IDV), No Claim bonus and add-on covers which are dynamic in nature. The solution could lie in devising an adjustable motor package policy for 3 or 5 year period. As per the depreciation grid we know what the IDV will be for a long term period upto 5 year until it becomes agreed value policies. NCB discount is also fixed as per the tariff guidelines. At inception it can be assumed by the insurer that the insured will not make any claim during the full policy term. In the event of any claim during the policy period the NCB recovery can be made by deducting the appropriate premium from the claim settlement. Add-on covers premium computation for full period is tricky but certain assumptions will have to be considered so that appropriate premium is charged for the full period. One way to tackle it is by computing add-on cover premium on reducing IDV basis. Once IRDA shows a positive intent insurers will invest in technology and custom made premium computation software can be installed using various permutation and combinations.

With co-operation from insureds, insurers, transport authorities and the Regulator, it is possible to make the motor industry profitable.

Sagar Goregaonkar
Manger - Insurance
ALBA Asia Pvt. Ltd.

Insure

Insure self and be selfless

The latest Insurance census report says only about 21% of insurable population of India is actually insured. While this proportion in the more developed countries is around a whopping 75% or more, we in India certainly have to go a long way. Every time sales agents approach their leads to generate a sale they have to explain the need of insurance to the prospective customer very tactfully. If you have anchored an insurance sales scene or have been a game to it, you will understand what I mean. A layman in India believes that insurance is synonymous to pondering over a perpetually unresolved question of humanity, 'What after death?' Who will look after my loved ones? What will happen to my property, my hard earned money? And most importantly, what will happen of me? Even though we all know the answer very well, we neither accept nor reject it. We can do only what we can do in any kind of uncertainty of life, which is to prepare for the worst. And what can be worse than 'death' itself!

Of course it's true that most of us neither want to die any sooner nor wish to think about life after death. It is a mystery that will definitely be unveiled after we die, so what's the hurry! Our creator thinks differently. He or she is full of surprises. Some of us may receive adormant hint or sign indicating that the creator beckons us sooner than we thought or then just out of the blue we may find ourselves at his/her mercy. Apparently, many times a hail and hearty person is suddenly no more part of this world. Given this uncertainty, it is always better to do the best we can, while we can, for our selves and for the people who make our time in this world worthwhile. Similarly, you never know when the creator is in the mood to grant us an extended survival period while he is all set to end our story for once and for all. When prayers sent by some one may appease our creator and we become worthy of living some more magical moments in this beautiful world. Insurance does come very handy in times like these. It can help us and our loved ones survive the period of trial and grief with pride, support and a hope to move on.

Those who have dealt with the insurance sector as consumers or as professionals, often feel that insurance products fail to substantiate their guarantee. The benefits promised while selling the plan seldom meet the actual delivery at the time of the event. Unfortunately, it is often true, especially so in market linked plans. But our good old pure term plan never fails to deliver the promise it makes. If the life assured survives the term of the policy, gets nothing, and if unfortunately he expires within the term, the nominee or beneficiary receives the promised amount. However, to an average Indian this plan has never been attractive, simply because the product delivers only after one's death. Who wants to pay for things that will not give you anything while you alive! A term plan for many people is similar to gambling between life and death. The perception is that only if you die within the term the dice rolls in favour of your loved ones or the money incorporated into the policy is as good as, 'wasted', at least for you. When we as professionals study the Insurance concepts, we learn that insurance business is based purely on the principle of 'large numbers'. To put it in more simple words a lot of people pool in money to form a fund that can be a source to indemnify the presumed probable risk which may affect one or more members of the pool. This is called the 'concept of pooling'. A term plan is the base of the concept of insurance at its most nascent stage. Purchasing a term plan is one of the many ways of doing an act of selflessness and it is anything but gambling. It is an assurance that if we die during the term of the policy we will leave a ray of hope for our loved ones by financially providing for them. If we survive, the money that we have paid towards our policy will be used to serve some other pool member's loved ones. It provides an assurance that your beneficiary will get much more than what you have contributed towards creating the pool.

Sarika Shukla

Union Budget 2014

GEM- Going Extra Mile- Thanks to the Union Budget 2014

After quite a few years, the salary earner, the middle-income individual and the honest income tax paying individual received a bonanza of relief through the latest Union Budget presented by the Honorable Union Finance Minister on July 10.

More cash in the pockets

- *The basic income tax exemption limit has been raised from Rs 2 lacs to Rs 2.5 lacs for all tax payers below 80 years of age. This means a direct saving of Rs 5000 for the people with 10% income tax slab, Rs 10000 for the 20% and Rs 15000 at the 30% slabs.*
- *The basic income tax limit for the Senior Citizens has been increased from Rs 2.5 lacs to Rs 3 lacs, again bringing in a windfall gain of Rs 5000, Rs 10000 & Rs 15000 at the three income tax slabs of 10, 20 & 30% respectively.*
- *Even if your income is Rs 1 crore or more, you save Rs 5665.*
- *The maximum deduction for payment of interest on home loans for self-occupied property is to go up from Rs 1.5 lacs to Rs 2 lacs. This will allow you to knock off Rs 50000 from your taxable income and hence result in cutting your tax liability by anywhere between Rs 5150 to Rs 16995.*
- *The maximum deduction under Section 80C which covers investment options like the Provident Fund, Public Provident Fund- PPF-, life insurance policies, equity-linked savings schemes etc is to increase from Rs 1 lac to Rs 1.5 lacs. The tax savings in view of this alone could go as high as Rs 16995 depending on which tax slab you are in. Even at the lowest tax slab, this change will save you Rs 5150 a year.*
- *The maximum amount one can invest in the PPF has been increased to Rs 1.5 lacs from Rs 1 lac.*
- *Taken together the annual tax savings from these changes could go up to nearly Rs 39000 for those in the top income bracket. Even for those in the 10% tax slab, the savings are quite significant- Rs 15665.*
- *It is theoretically possible to pay zero tax right up to an income of Rs 9.30 lacs-provided that you do a tax saving of Rs 2 lacs on Housing loan interest, Rs 1.5 lac through the Section 80C, avail of deduction of Rs 20000 on medical insurance premium and another Rs 60000 on specified medical expenses.*
- *For those aged between 60 & 80, the corresponding figure could be Rs 7.10 lacs and for those aged below 60, it could be Rs 6.40 lacs (as the medical expenses limit is lower at Rs 40000).*
- *Those earning more than Rs 10 lacs a year, stand to save up to Rs 20000 annually in income tax.*

FDI in insurance

FDI in insurance could go up to 49% from the present 26%.

There is a possibility of nearly 3 billion USD flowing in to India, through different companies like Scotland's Standard Life, France's AXA Group, and UK's Lombard, Allianz of France, Italy's Generali and the like.

More foreign insurers may enter forming Joint Ventures with the Indian companies.



All this means- more funds in to the insurance sector, more offices, more opportunities for employment, more agents providing insurance cover to more and more millions of persons in this country, leading to more savings and more money being pumped in to nation building activities.

More penetration of life insurance

Now is the most opportune time for life insurance agents to jump in to the field and begin making presentations of how much each individual can save in view of these relaxations depending on his/her income tax slab and canalize that extra savings in to a suitable life insurance package.

Now nobody can say that there is no extra cushion for savings in to a life insurance policy.

The service tax on premiums for Micro-insurance policies up to a sum assured of Rs 50000 has been dispensed with- this is the golden chance for agents to bring in a lot of small and downtrodden people in to the life insurance bracket, especially those living at the 'bottom of the pyramid', thus fulfilling one of our social objectives too.

Banking Correspondents- BCs- have been authorized to collect life insurance premium- again a great opening for the Banc Assurance Sector to move in a big way and show fantastic results as well as helping the young BCs earn more.

GEM- Going Extra Mile- our slogan

This is the need of the hour for all life insurance agents - to GO EXTRA MILE- GEM-and bring in more and more persons under the insurance fold.

By doing this GEM, you may yourself get a GEM of rewards and awards, in addition to the commission. Many life insurance companies will be able to complete their annual BUDGETS through this Union BUDGET- they may announce a new business competition called- Achieve your Budget through Union Budget!

Then what are we waiting for?

**-R. Venugopal
Retired ED LIC of India and
Retired Professor, National Insurance Academy Pune.**

Note: The figures in this article have been taken from the Times of India & the Economic Times newspapers of July 11 2014 and the author thankfully acknowledges the same.

Sigma Report

Natural catastrophes and man-made disasters in 2013

Catastrophes' in 2013 - Global overview

As per sigma criteria, there were 308 catastrophic events in 2013. Out of this total 150 were natural catastrophes and 158 were manmade.

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

The sigma event selection criteria is as follows-

<i>Insured losses (threshold in USDm)</i>	
<i>Maritime disasters</i>	<i>19.3</i>
<i>Aviation</i>	<i>38.6</i>
<i>Other losses</i>	<i>48</i>
<i>Or Total economic losses (threshold in USDm)</i>	<i>96</i>
<i>Or Casualties</i>	
<i>Lost or missing lives</i>	<i>20</i>
<i>Injured</i>	<i>50</i>
<i>Homeless</i>	<i>2000</i>

Almost 26000 people lost their lives or went missing due to natural catastrophes and man-made disasters. The year 2013 ranks as the 20th most deadly year on sigma records.

In 2013, around 20000 people were killed or went missing in natural disasters includes storms, floods and other severe weather events. In man-made disasters approximately 6000 peoples were killed. 1127 death were from a fire at garment factory in Bangladesh. Maritime disasters meeting the Sigma thresholds accounted for 1135 lives. Major fires and explosions in commercial and residential buildings killed 2113 people. Terrorism attacks in different parts of the world claimed 1192 lives. Aviation disasters killed 179 lives.

Estimated total economic losses from natural catastrophes and man-made disasters were around USD140 billion in 2013. Out of this total Natural catastrophe related losses were around USD131 billion and man-made disasters are estimated to more than USD 9 billion.

From the above total USD140 billion economic losses, almost one third or USD45 billion are insured losses. Insured losses were equivalent to 0.05% of GDP.

The summer floods in central Europe were the costliest single event of the year causing estimated USD 4 Billion of insured loss and approx USD 16 Billion in economic losses. In 2013, the global protection gap was USD 95 billion.

Regional Overview

North America and Europe has the highest insured losses in 2013.



Number of catastrophe, victims and economic and insured losses by region in 2013

Region	Number	Victims	In%	Insured loss		Economic loss	
				In USD bn*	In %	In USD bn*	In %
North America	52	249	1.0%	19	42.0%	32	22.7%
Latin America & Caribbean	20	1055	4.1%	2	5.4%	9	6.3%
Europe	38	1167	4.5%	15	33.8%	33	23.4%
Africa	44	1751	6.8%	1	1.4%	1	0.7%
Asia	125	20653	79.7%	6	12.5%	62	44.1%
Oceania / Australia	6	21	0.1%	1	2.9%	3	2.0%
Seas/Space	23	1007	3.9%	1	2.2%	1	0.8%
World	308	25903	100.0%	45	100.0%	140	100.0%

*Rounded numbers

Source: Swiss Re Economic Research & Consulting

North America

In 2013, insured losses were USD19 billion, total losses were 32bn and total victims were 249, the largest in any region. The Alberta floods caused the biggest loss in the region, and the highest ever in Canada. There were violent tornadoes in the US plains in May. The tornado season in the US ran from March through to November.

The number of recorded tornadoes in the US was below average. The 2013 tornado season ranks as the 6th most expensive in terms of insured losses. The 2013 North Atlantic hurricane season was very quiet. Dry weather conditions limited the formation of storms. The derailment of a train carrying oil and subsequent explosion claimed 47 lives in Lac-Mégantic in Quebec. The collapse of a pit wall at a copper mine caused the highest insured loss from a man-made disaster.

Europe

Total losses were USD 33bn and insured losses were USD 15bn in 2013. Most losses were come from the summer flooding in central Europe, hail storms in Germany, and a cluster of winter storms in northern Europe. The overall economic losses were still substantial due to sheer scale of event. Flood resilience has progressed; more can be done in terms of integrated flood risk management. The 2013 summer floods are the biggest flood-included loss event in Europe ever.

Hail storms in Germany and France led to at least USD 3.8bn insured losses. Windstorms Christian and Xaver together generated USD 2.5 bn in insured losses. Heat waves caused the most loss of life in Europe in 2013.

Asia

Asia was hardest hit in terms of human loss, with 20653 victims from natural and man-made catastrophes in 2013. The biggest loss event was Haiyan in 2013. The authorities provisionally estimate the property, agriculture and infrastructure damage from Typhoon Haiyan to be at least USD 12 bn.

The Philippines is highly exposed to a range of natural hazards. Manila is one of the most high-risk metropolitan areas in the world. Around 6000 people died or went missing in heavy flooding in the Himalayan state of Uttarakhand, northern India. Typhoon Fitow was the most expensive event in China in 2013. In Bangladesh, 1127 people died in a garment factory fire.

Latin America and Caribbean

Natural catastrophe and man-made disasters created total damage of at least USD 8bn in Latin America and the Caribbean in 2013, and insured losses of cover USD 2bn. Mexico was hit by 8 storms in 2013. Hurricane Manuel caused the most damage. Freezing temperatures killed 275 people in Peru.

Oceania

Natural catastrophes and man-made disasters in 2013 caused total losses of around USD 2.7 bn, of which USD 1.3 bn was covered by insurers. The insured claims from Cyclone Oswald in Australia were USD 1 bn. Drought in New Zealand impacted milk production.

Africa

Natural catastrophe and man-made disasters in Africa claimed 1751 lives in 2013, and caused total losses of USD 0.8 bn. Insured losses were around USD 0.5 bn, from incidents at oil and gas facilities. Floods in Southern Africa caused the most loss of life.

Fostering climate change resilience

Rising temperatures are the central component of climate change. Climate change can lead to changes in frequency, intensity and duration of extreme weather events such as floods, heat waves and other natural disasters. Climate change is caused by greenhouse gas emissions, as a result of human activity. It has been projected that global mean temperatures will continue to rise by between 2°C and 4.5°C by 2100. Sea levels continue to rise.

Climate change can lead to more frequent and intense rainfall over most land masses. Climate change poses significant challenges and costs to economies and societies. Understanding natural catastrophe risks and the impact of climate change is critical to structuring good risk-transfer solutions. Risk models will adjust to the continuing rise in natural catastrophe losses.

The re/insurance industry as ultimate risk taker is exposed to the future impacts of climate change. Re/insurers can play a central role in building global resilience to climate change.

List of major losses in 2013, according to loss category -

	Number	In %	Victims - Dead or missing	In %	Insured loss - Property and business interruption, excluding liability and life insurance losses (in USD m)	In %
Natural Catastrophes	150	48.7%	20201	78.0%	37047	82.5%
Man-made disasters	158	51.3%	5702	22.0%	7870	17.5%
Major fires, explosions	51	16.6%	2113	8.2%	5148	11.5%
Aviation disasters	11	3.6%	176	0.7%	814	1.8%
Maritime Disasters	25	8.1%	1135	4.4%	814	1.8%
Rail disasters (incl. cableways)	13	4.2%	231	0.9%	98	0.2%
Mining accidents	11	3.6%	447	1.7%	920	2.0%
Collapse of buildings / bridges	1	0.3%	21	0.1%		0.0%
Miscellaneous	46	14.9%	1579	6.1%	76	0.2%
Total	308	100.0%	25903	100.0%	44917	100.0%

Source - Swiss Re Economic Research & Consulting



The 10 most costly catastrophes in 2013, in insured loss terms

Insured loss (in USD m)	Victims	Date (start)	Event	Country
4134	25	27.05.2013	Floods	Germany, Czech Republic, Austria, Slovakia
3838	-	27.07.2013	Hailstorms	Germany, France
1882	4	19.06.2013	Floods	Canada
1776	28	18.05.2013	Severe thunderstorms, Tornadoes	United States
1615	2	18.03.2013	Thunderstorms, Tornadoes, Hail	United States
1486	7345	08.11.2013	Typhoon Haiyan, storm surge	Philippines, Vietnam, China, Palau
1471	13	27.10.2013	Windstorm Christian (St Jude)	Germany, Denmark, Netherlands, United Kingdom, Sweden, Belgium
1425	27	28.05.2013	Severe thunderstorms, tornadoes, large hail	United States
1204	4	07.04.2013	Winter storms, ice, tornadoes, heavy rains	United States
1133	10	29.09.2013	Typhoon Fitow	China, Japan

The 10 worst catastrophes in terms of victims, 2013

Victims	Insured loss (in USD m)	Date (start)	Event	Country
7345	1486	08.11.2013	Typhoon Haiyan, storms surge	Philippines, Vietnam et al
5748	500	14.06.2013	Floods caused by heavy monsoon rains	India
1127	20	24.04.2013	Eight storey building housing garment factories collapses	Bangladesh
760	-	06.08.2013	Heat wave	United Kingdom
531	-	01.04.2013	Heat wave	India
399	-	24.09.2013	Earthquake Mw *7.7, aftershocks	Pakistan
388	-	01.01.2013	Cold wave	India, Bangladesh, Nepal
366	-	03.10.2013	Boat carrying immigrants catches fire and capsizes	Mediterranean sea, Italy
275	-	24.08.2013	Heavy snowfall, freezing temperature	Peru
246	-	17.01.2013	Floods caused by heavy seasonal rains	Mozambique, Zimbabwe

Source - Swiss Re Economic Research & Consulting

Source:

Sigma - Swiss Re No1/2014 _ Natural catastrophes and man-made disasters in 2013: large losses from floods and hail; Haiyan hits the Philippines

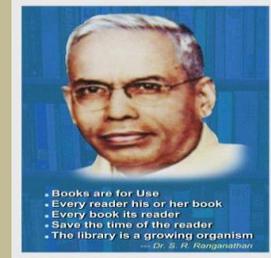
Compiled by Mrs. Sneha Pednekar
i-Think Member

Article - III

Remembering Dr S. R. Ranganathan - the father of library sciences in India

Libraries play very important role in the development of our country.

Dr S. R. Ranganathan, who is known as “Father of Library Science in India”, was the first person who identified the real need of libraries and library science education in our country. India celebrates August 12 as Librarians Day in his honour.



Dr S.R.R. was born on August 9, 1892, at Shiyali (present Sirkazhi). He was a mathematician and librarian. His most notable contributions to the field were his five laws of library science and the development of the first major analytico-synthetic classification system, the colon classification. He is considered to be the father of library science, documentation, and information science in India and is widely known throughout the rest of the world for his fundamental thinking in the field.

He started the Library Science Department in the year 1931 at Madras University. Because of Dr S.R.R.'s interest, Madras became the first state in our country to enact the Madras Public Library Act (1957) and he persuaded the UNESCO to establish the Documentation Centre in New Delhi.

Dr S.R.R. was later invited to Banaras University and Delhi University.

He was a Professor of Library Science in Delhi University from 1947 to 1955. He was Chairman of the UGC Library Commission and started DRTC (Documentation Research and Training Centre) at Bangalore to promote the research activities in the field of Library and Information Science. The last appointment made him director of the first Indian school of librarianship to offer higher degrees. He was president of the Indian Library Association from 1944 to 1953. In 1957 he was elected an honorary member of the International Federation for Information and Documentation (FID) and was made a vice president for life of the Library Association of Great Britain.

Dr S.R. Ranganathan formulated “Five Laws of Library Science”. They are:

- 1. Books are for use*
- 2. Every reader has his/her book*
- 3. Every book has its reader*
- 4. Save the readers' time*
- 5. Libraries are growing organizations.*

The above five laws are base of the library science and library services. The form of libraries is also change with the time change. Libraries moved from Traditional set up to automated and now towards digital era.

With the above change in form of libraries, there is change in five laws of library science. We called it as modern laws of library science.

- 1. Information is for use*
- 2. Every user his or her information*
- 3. Every piece of information its user*
- 4. Save the time of the information user*
- 5. The universe of information is ever growing*

Now-a-days information is not only available in text and pictures format but it is available in electronic / multimedia formats. Information is readily available on internet and users can easily get access to requested information. It provides challenges to librarians to stand as an information provider.

In the present digital era library professionals have to change themselves as the information need of the users and challenges of the information profession is changed. The basic goal of the library professionals



to provide access to relevant information to users. Professionals are involved in information gathering, storage, retrieval and dissemination in required forms. Therefore, it is essential that Library professionals are well trained with knowledge and skills to act as information provider in this digital age.

Compiled by Mrs. Sneha Pednekar
i-Think Member

Highlights – Asia Insurance Review

Issue- June 2014

Brief History of Asia Insurance Review :

Asia Insurance Review was launched in January 1991 to meet the information needs of insurance practitioners in Asia in particular and the rest of the world in general. It quickly became the premier and comprehensive professional regional magazine, read by all the key decision makers and readers in the insurance industry in Asia from Australia, Bangladesh, Brunei, Cambodia, China, Fiji, Hong Kong, India, Indonesia, Japan, Korea, Macau, Malaysia, Myanmar, Nepal, New Zealand, Pakistan, Papua New Guinea, the Philippines, Singapore, Sri Lanka, Taiwan, Thailand, Vietnam, etc.

Main Activities Conducted :

- Organizing Insurance-related Conference.
- Launched Asia Insurance Industry Awards since 1997.
- Launched the Australia and New Zealand Insurance Industry Awards in 2004
- Publishing Five Comprehensive Insurance Directories , such as
 - Asean Insurance Directory,
 - Insurance Directory of Asia,
 - Reinsurance Directory of Asia,
 - World Islamic Insurance Directory,
 - MENA Insurance Directory
- Serve the services to Reinsurers, Insurers, Risk Managers and Brokers.

Special Highlights of June-2014 issue :

01. India's Life Industry : "Staying alive despite the odds", conversation with two CEO's of Indian Insurance Companies to find the way forward to Life Insurance Sector

Background :

The Indian Life Insurance Sector is facing challenges in recent times with slower economic growth and frequent regulatory changes, but the long term opportunity is still good for the country with a large young population and increasing affluence.

The Indian Life Insurance sector from being a single player market in 2000, the sector today has 23 private players apart from the state-owned LIC. According to report by KPMG, the decade 2001-2010 was characterised by a period of high growth with a CAGR of 31% in new business premium while from 2010-2012, a flat growth of CAGR of around 2% in new business premium was registered. As per the recent data released by IRDA, private life insurer saw a 4% drop in new premium to INR29,517.38 crore in 2013-2014.

Views expressed by Mr. Rajesh Sud, Managing Director & CEO, Max Life Insurance Company.

He said that, "a well developed and evolved life insurance sector is needed for economic development as it provides long-term funds for infrastructure development for the country"

He feels that since Life Insurance is not the main business for banks, in the new scenario, they need to bring in greater focus as they will not have the support of one life insurance company. For this IRDA is playing vital role for the sector.

A recent research by Max Life along with Nielsen on the online business of Life Insurance revealed that even though life insurance is one of the most searched for financial product on the internet, about 3/4th of those who searched dropped off before completing the purchase. As per Mr. Sud, lack of personal interaction during the purchase process is the main hindrance in online sales. About the use of Social Media as a facilitator, Mr. Sud said, "The Industry's dependence on interpersonal interaction makes it imperative for insurers to examine ways to leverage social media". His company uses social media to offer customer services in order to improve connectivity with its existing and prospective customers. He further mentioned that, Technology has also helped to improve the service standards of their company through all India connectivity.

About the Future Challenges he said that, "As regulations extend further, insurers need to acclimatize their products and business models accordingly, as managing this large scale product portfolio transition while minimizing disruption to business continuity requires significant efforts"

Views expressed by Dr. P. Nandgopal, Managing Director & CEO, India First Insurance Company.:

"New regulations mean that a company has to re-align its business accordingly and at times it adversely impacts the businesses in the short term. But in long run, I am sure all these regulations will help us and the industry to grow"

For online opportunities, he said that, "Today it's not a question of just being online, its about whether you are present across various digital touch points that are now an integral part of your consumer's life. Digital is acting as critical enabler that helps a company to connect with its customers on real-time basis.

As per his view, Social Media is an extraordinary platform and can be extremely useful to companies, providing them an opportunity to engage with its customers. The Indian market offers significant top-line growth and working population, an increasing customer base, and regulations that maintain the development of financially sound industry. Mr. Nandgopal said, "There are moments in every industry which define the destiny of the business and these moments are challenges as well as opportunities, especially for a business which touches the customer's life as sensitively as life insurance"

02. Special on Agriculture Insurance : India – The El Nino Threat

The El Nino threat on Indian agriculture has become increasingly real as weather forecasters predict scanty rainfall across the country that can greatly affect the crop and weather insurance sectors. Views of Two insurers on the likely impact on the industry in India.

Background :

El Nino is a periodic warming of ocean waters in the eastern and central equatorial Pacific, which drives changes in wind patterns impacting weather over a large part of the globe. El Nino generally leads to weak monsoon in India — the droughts in 2009, 2004 and 2002 being recent examples.

India is principally an agricultural country and this industry with its allied sectors, is the largest livelihood provider in the country. Many other industries also depend upon it for their raw materials. The India Meteorological Department (IMD) has predicted that the country could get below-normal rainfall this year if El Nino affects the weather pattern. The weather department is forecasting around 60% probability for the phenomenon that is usually linked to droughts in India.

Views expressed by Mr. Sanjay Datta, Chief – Underwriting and Claims, ICICI Lombard General Insurance Co.

"In the past, El Nino years correspond to bad monsoon years in India so El Nino is expected to have some impact on Indian agriculture since majority of farming in India is rain fed and depends directly on rainfall. Moreover, if the entire farmer base needs to be protected against weather perils, it is imperative that the government explore alternate channels of distribution other than financial institution". (The ICICI

Lombard Gen. Ins. Co. is the pioneer of weather insurance in India and insures close to 4 million farmers annually under agriculture insurance.

Views expressed by Mr. P.J. Joseph, CMD, Agriculture Insurance Company of India(AIC).

“if El Nino does occur and if monsoon is affected adversely, it can have a negative impact on agricultural production. The extent of drop in production will depend on the spatial and temporal distribution of rain during monsoon. India is a vast country with 127 agro climatic zones and usually not all zones are affected at the same time and hence our objective is to underwrite business in as many agro-climatic zones as possible and thereby minimize the impact of losses. ”

His company is also working with the government to harness new technologies like remote sensing technology; GIS/GPS enabled devices, to improve the speed and quality of yield assessment which will reduce the time taken for claim payment.

Archana Sawant
I-Think Member

Forensic Science in Insurance

Forensic Science in Marine Insurance Fraud

In our last issue we had gone through the use of Forensic Science Analysis/ Techniques utilized for the investigate on part against Fraud in Fire Insurance. Forensic Science has a vast repository of analysis & techniques in various other types of Insurance as well .Now we shall deal with issues related to Fraud in Marine Insurance.

Frauds happening in Marine Insurance claims are related to

- *Cargo Loss and Damage*
- *Admiralty Cases*
- *Speed and Performance Claims*
- *Arrival Delays*
- o *Ship Damage, Accidents and Sinkings*
- *Yacht and Personal Watercraft Accidents and Damage*
- *Personal Injury Cases on Ships, Docks and Off-Shore Platforms*
- *Jones Act Claims and Cases*
- *Claims and Cases involving Tropical Storms and Hurricanes*
- *In-Port or Demurrage Claims*
- *Route Analysis*
- *Inland Waterway Cases and Claims*

We are now having Forensic Science Services available to get rid of Frauds related to Marine Insurance claims whether it is due to Swelling, Sea, Ocean Currents, Ocean Waves, Gale/Storm Warnings, Tides and Icing.

The first Part of the Investigation starts from the Location where the Incident happened; we assume the location as a crime scene which is the most important source of information about the crime. It includes not only the location in which the actual crime was committed, but also every other location associated with the commission of the crime (e.g. crime preparation location, body disposition location etc.). A Master of Forensics specialized in crime scene investigation is qualified for conducting and overseeing complex crime scene investigations as well as understanding the needs of later laboratory analysis of physical evidence. He also possesses the knowledge of the legal framework for criminal investigations which ensures the validity of collected evidence in court.

Crime Scene Investigation module covers a wide range of both theoretical and practical knowledge focused primarily on

- *Identification of the crime scene (location, boundaries, objects etc.);*
- *Securing and protecting the crime scene;*
- *Crime scene investigation methods and procedures, "tactics and technique," depending on the offense;*
- *Modern methods of detection, collection and preservation of physical evidence and relevant information;*
- *Knowledge of the Crime/Forensic Traceology*
- *Types of evidence and classification according to their mode of origin and formation;*
- *Activities and actions about preserving the identity and integrity of the material evidence; exclusion and storage;*
- *Securing potential "types of evidence" before the professional expertise*
- *Documentation procedures (photography, sketching, report writing etc.);*
- *Presentation of evidence in court.*

Most of the issues related to Marine Insurance Claims fraud e.g. in case of Ship Damage, Accidents and Sinkings etc. are identified by forensic services with the use of Forensic Science analysis from the reporting which is summarized below:

a) Data Analysis Techniques :also used for detection of frauds. It requires complex and time-consuming investigations that deal with different domains of knowledge like financial, economics, business practices and law. Fraud often consists of many instances or incidents involving repeated transgressions using the same method. Fraud instances can be similar in content and appearance but usually are not identical. The first industries to use data analysis techniques to prevent fraud were the telephony companies, the insurance companies and the banks (Decker 1998). One early example of successful implementation of data analysis techniques in the banking industry is the FICO Falcon fraud assessment system, which is based on a neural network shell. These techniques can also be used in investigating the Insurance Fraud. The method exists in the areas of Knowledge Discovery in Databases (KDD), Data Mining, Machine Learning and Statistics. They offer applicable and successful solutions in different areas of fraud crimes. Some of the Forensic Accountants specialized in forensic analytics which is the procurement and analysis of electronic data to reconstruct, detect, or otherwise support a claim of financial fraud related to Marine Insurance also. The main steps in forensic analytics are (a) data collection, (b) data preparation, (c) data analysis, and (d) reporting.

b) Marine Report – A site-specific, plain English, detailed narrative style analysis of weather and marine conditions prepared by a team of marine meteorologists, claims analysts and ship routers. Includes color graphs of weather parameters, a map showing the location of loss, and a conclusion and determination as to the specific weather conditions at the time of the loss. It functions as a detailed answer to all your questions. Maritime professionals typically utilize a Formal Marine Report for all weather-related cases and claims they handle so they can properly document the relevant weather conditions in the case file. Many maritime clients have discovered that having accurate weather information early-on in their case allows them to make better decisions, settle quicker and save money and time.

c) Detailed Hurricane / Typhoon Report – This is an expanded version of the Formal Report that details the weather conditions during a tropical storm, hurricane or typhoon. This report is a site-specific, narrative style analysis of the tropic event and its effect on the loss location. Included is a synoptic history of the storm as well as a detailed, hour-by-hour analysis of other relevant weather conditions. This report has become a standard with maritime clients for all large loss or litigated claims and cases involving tropical storm activity.

d) Post Voyage Analysis – This is a very highly specialized and detailed report used to reconstruct and

document a ship's voyage anytime after it is completed. It can include a comprehensive voyage summary, vessel performance speed analysis, vessel bunker analysis and voyage wind and sea analysis. This product is prepared by an expert marine team comprised of marine meteorologists, claims analysts and ship routers using a proprietary FleetTrak, Voyage Technology. The report takes into account many important vessel factors including: ship type, dead weight tonnage (DWT), ship stability (GM), current and speed calculations, accurate weather and sea conditions, and real-time ocean currents. This Post Voyage Analysis also includes a consultation with a marine meteorologist and professional ship router. These reports are produced in accordance with English Maritime Law and adhere to the latest arbitration awards. These reports can also be fully customized to your individual needs and can be easily modified to include any charter party terms. As an option we can also factor into this report a "good-weather" analysis which adheres to the charter party terms.

e) Weather Consulting & Projects – Marine meteorologists are always available for hire hourly on a time and materials basis. The forensic services are available to assist with all types of marine weather-related cases and provide you with customized support anytime when working through difficult weather-related cases whether it is pre-trial support, courtroom graphics or long-term studies.

So what do the Meteorologists do exactly to trace out the frauds related to Marine Insurance claims? Forensic Meteorology is the science of using historic weather records, atmospheric data, eyewitness accounts, and reenactment simulations to determine the weather conditions at a specific time and location.

A Meteorologist is an expert who uses scientific principles to explain, understand, observe or forecast the earth's atmospheric phenomena or how the atmosphere affects the earth and life on the planet.

Types of Meteorologists

Meteorologists work in a range of fields each with a specialized area of study. Essentially, a meteorologist is a specialized scientist who focuses on some aspect of the atmosphere. The following list shows just some of the types of meteorologists.

- Broadcast Meteorologists: These folks are the people who interpret and report the weather for television.*
- Research Meteorologists: Many of these scientists work for the National Weather Service or other government agency. NASA, the Environmental Protection Agency, and the military. Most have a particular issue they are studying.*
- Teachers and Professors: Many people use their knowledge of the atmosphere and meteorology to become educators. Sharing your knowledge at a high school or college level can help to create future generations of meteorologists.*
- Forensic Meteorologists: This type of meteorologist will often investigate claims for insurance companies on past weather or research weather for a court of law.*
- Consulting Meteorologists: Large companies now hire meteorologists for consultation work. Companies such as Liz Claiborne, M&M Candies, and Target all hire meteorologists to improve their buying and selling power.*
- Climate Meteorologists: This type of meteorologist looks at long-term weather patterns and data to help predict future climate trends and past climate data.*
- Archive Meteorologists: Many weather scientists will also be in charge of researching, verifying, and reporting on storms of the past.*
- The list could go on and on...*

The reports/information from Meteorologists will help us to conclude about the fraud happening in Insurance claims.

Marine Cargo Investigation includes: Identification of cargo via laboratory analysis

- *Determining the extent of damage sustained during a voyage*
- *Spontaneous combustion.*
- *Contamination*
- *Sea water damage*
- *Spoilage including microbiological contamination or degradation.*

In Marine Insurance Fraud cases Underwater Investigation analysis are also done by Forensic Services. The various parts of investigations are:

1)Scientific Underwater Investigation: it applies scientific methods to collecting data underwater. The experts draw reliable investigative inferences from traditional data collection techniques and uses enhanced dive skills and technology for prolonged investigations.

2)Forensic Science in Investigation: it emphasizes the use of scientific methods in forensic science examinations and the evaluation of its reliability. Experts collect the samples and process materials from simulated crime scenes with an emphasis on the use of protocols, calculation of error rates, making decisions when conducting examinations and writing reports of their findings.

3)Underwater Crime Scene Methodology: it applies underwater measurement protocols, advanced dive skills and sophisticated instruments for gathering and examining evidence in underwater environments like those encountered in actual investigations.

4)Underwater Crime Scene Investigation: is done after gaining all the information & reports of the Underwater Crime Scene. The experts demonstrate their intellectual creativity and practical skills to manage criminal, environmental and accident investigations.

These methods are used for the examination, testing and analysis of chemical and biological traces found at crime scenes or on/in the bodies of crime suspects in order to determine the facts and present them as evidence in court.

Poonam Raut
i-Think Member

Article - III

Self-Discipline

"Self-discipline begins with the mastery of your thoughts. If you don't control what you think, you can't control what you do. Simply, self-discipline enables you to think first and act afterward." - Napoleon Hill

Self-discipline is one of the most important and useful skills everyone should possess. This skill is essential in every area of life, and though most people acknowledge its importance, very few do something to strengthen it.

In order to achieve anything in life, we need to have self-discipline in our life. I think you all will agree with this.

The first question arises what is self-discipline?

Self-discipline is an ability to make you do the things that should be done. Self discipline is what gives all of us endurance, perseverance, patience, restraint, and self-control.



It is a skill that contributes to common sense and self-control, and helps us to avoid unreasonable excess of anything that could lead to negative consequences.

All the successful people are self disciplined. Isn't it?

They have practiced some daily habits which have made them self disciplined.

Let's see some habits which can help us to be self discipline:

- 01. Avoid procrastination*
- 02. Finish what you start*
- 03. Take full control of your life*
- 04. Think before you act and speak*
- 05. Taking care of your health*

The results of self discipline are remarkable. It can transform sag into buff, poor into rich, fat into slim, misery into happiness. We all have some or the other talent in us, but through exercising self discipline we can transform our self from averagely talented person to a genius.

Some below exercises we can practice in our daily life to develop self discipline.

- 01. Offer your seat to an old man or woman, or a pregnant lady while travelling in a bus or train.*
- 02. Don't postpone your pending work. Do it immediately.*
- 03. Avoid spending too much of time on watching TV or on mobile. Instead, spend quality time with your family or do the things which are important for your life for e.g. Take a walk, go to gym, listen to music, read good books, play with your children (childhood never comes back) and meet your friends.*
- 04. Avoid having excessive tea/coffee daily. Drink tea/coffee without sugar. Try to reduce the quantity of tea/coffee slowly & steadily.*
- 05. Try to avoid gossip or read gossip in the newspaper for one week. This might not be easy, but it's a good training.*
- 06. Climb the staircase instead of elevator, if it's not a high storey.*

These small exercises will definitely help to give you more control over your life, help you change and improve habits, and are essential for personal and spiritual growth and for achieving success.

Manisha Sutar
i-Think Member

Article – III

Routine in Life

Our Life is surrounded by a great deal of routine work right from getting up in the morning to going to bed at night, we follow our routine. At a certain stage of life we feel insecure about our self that we are just following a circle. After some time days slip into weeks, weeks becomes months and months becomes year. Then we realize that time has slipped from our hands. We start calculating our achievements till date.

During this period, we sincerely follow day to day routine. Opportunities come and go but we keep thinking about problems not about solution.

Instead of doing routine work, can we change the pattern of work. For example:-

- Write down list of pending work*
- Delete work not to be done*

- Remaining work can be done as per the priority
- Try doing a new task every 30 days
- Start work with positive reference
- Try new ideas
- Take responsibility & show up as an entrepreneur
- Grab opportunities to learn new things.

Having a positive reference will pull you into a new way of seeing things and introduce you to a new set of possibilities. Doors which you have never seen will now begin to open.

We can try this to skip from our routine life and live a fulfilled life.

Kavita Pawar
i-Think Member

Book Review

“How Google Changed the World ” by Virginia Scott

I was sitting helplessly, scratching my head and thinking about, how I can begin with my Son’s Project work on Animals. As usual the school had given dead line to submit the work within 2 days. (I guess....this work is for Kids or their parents ????) .

Suddenly, my husband interrupted me, asking why I am looking with so anxious? I explained everything (usually he doesn’t bother for such PROJECT Work). He just smiled and said to me , “Dear...why you are wasting your time, just searched on “Google” ...it is so simple you know” and he looked at me giving me the use-your-common- sense look....

Ignoring him, I quickly turned on the computer and started searching details for the project. Before I could realize ...I finished it within half hour...its really so simple. At that point, I one thing strike in my mind ...what suppose I am going to do if Google was not there to help me? And from there I decide to searched on it...and guess....on Googel itself I came to know about the book called How Google Changed the World ” by Virginia Scott...

This book I collected from our I.I.I. library and started reading on and on. I just want to share my experience of reading this book with you...lets begin...

Google- the search engine is developed by Mr. Larry Page and Sergey Brin in the year 1999 and since then success story called Google is still on. Both of them were billionaires by 2004 at the age of 31 (just graduate student from Stanford University). In 2008 Google replaced Yahoo! As the most popular Website in US. What’s more, Google has been named the number one company to work for by Forbes for two years running.

Journey of Google :

Google’s Founders : Larry Page and Sergey Brin

Larry Page – Lawrence Edward Page, was born March, 26, 1973 in Lansing, Michigan. His mother, Gloria , taught Computer Programming at Michigan State University. His Father, Carl was a professor of Computer Science and artificial Intelligence at Michigan State. Larry start his love affairs with computers when he was just six years old. He received his B.S. with horrors in engineering with a concentration on computer engineering from University of Michigan. On the way to Stanford University he met Sergey Brin as guide for his group tour. Later they became friends and research colleagues at Stanford who created a company that changed the world. Larry received his Masters degree in computer science from Stanford University.

In December, 2007, he married to Lucy Southworth , a doctoral student at Stanford. Today he is President for Products in Google.

Sergey Brin – Sergey Mihailovich Brin , was born in Moscow, Russia, in 1973 immigrated at the age of six with his family to US to escape the anti-semitism Russia. His father, Mr. Michael Brin, was a Professor of mathematics at the University of Maryland. Sergey’s mother , Eugenia is a graduate of the school of Mechanics and mathematics at Moscow State University. She is a scientist who works for NASA on projects related to climate and weather forecasting. With a graduate fellowship from the National Science Foundation, he started graduate school at Stanford, where he met Larry Page. In May, 2007 , he married to Anne Wojcicki, a graduate of Yale University. Today he is President of Technology at Google.

The Origin and History of Google :

1995-2006

- 1995 - Larry Page and Sergey Brin meet at Stanford. Larry, 22, a U Michigan grad, is considering the school; Sergey, 21, is assigned to show him around.*
- 1996 - Larry and Sergey begin collaborating on a search engine called Backrub. BackRub operates on Stanford servers for more than a year—eventually taking up too much bandwidth.*
- 1997 - Google.com is registered as a domain on September 15. The name—a play on the word "googol," a mathematical term for the number represented by the numeral 1 followed by 100 zeros—reflects Larry and Sergey's mission to organize a seemingly infinite amount of information on the web.*
- 1998 - Larry launches a monthly "Google Friends Newsletter" to inform fans about company news. (We've since shut down Google Friends Newsletter in favor of blogs, Google+ and other methods of sharing news.) Sun co-founder Andy Bechtolsheim writes a check for \$100,000 to an entity that doesn't exist yet—a company called Google Inc.*
- 1999 - Search queries on Google jumped from 10,000 queries to 5,00,000 queries per days. Staff increased and shifted to new office with increase in capital for over \$25 million.*
- 2000 - Google’s introduction of its billion-page index officially made it the largest search engine in the world.*
- 2001- Google acquired the archives of déjà.com, it was an archive of messages posted to Usenet discussion groups. Google Images launches, initially offering access to 250 million images*
- 2002- Google News launches with 4,000 news sources. With the launch of Froogle (which became Google Shopping in 2012), people can search for stuff to buy*
- 2003- Google added Blogger to create online journals, Google AdSense,, Google Grants , Google Code Jam and Google Books .*
- 2004- Orkut launched. Gmail was launched on April Fool’s day. Google Earth , Google Scholar and Google.org was launched.*
- 2005- Google Maps goes live, Google Mobile Web Search released. Launched Google Talk.*
- 2006- Acquisition of Youtube. Launch of Google Finance, Google Trends , Google Translate and app for education. The last quarter of 2006, Google reported revenues of \$3.21 billion and a net income of \$1.03billion. Search results are now available in more than 35 languages and audience of over 380 million people worldwide.*

This history of Google shows incredible growth and productivity covers some of the highlights of the partnerships, acquisitions, products and services that happened during this time.

Internet Search : The Historical Context

Without the existence of the Internet and the World Wide Web, Google might have been conceived of as an idea, but there would not have been collection of information for it to search, index and make available to the world. The World Wide Web had been in existence for only about five years. The Hypertext markup language (HTML) was used in connection with the internet.

In 1993, a researcher at the Massachusetts Institute of Technology named Matthew Gray developed the first Web-based search engine. Also, Six Stanford undergraduate students launched Excite in 1993. Excite was the first company to give users the ability to create personalized web pages with news, regional weather reports and business information through MyExcite. After this, other new search engines were launched such as Lycos (1994), Alta Vista (1994) and WebCrawler (1995).

David Filo and Jerry Yang invented Yahoo! in the year 1994.

In 1995, Professor Eric Brewer and Pal Gauthier, founded the INKTOMI Corporation and developed software that was used in HOTBOT search engine. However, it failed to develop successful business and was acquired by Yahoo! in 2003.

Library index was developed by Carole Leita and Roy Tennant at the University of California in the year 1996 for internet index. In 1997 a unique search service called Ask Jeeves was launched which is now known as Ask.com. Microsoft introduced its search engine i.e. MSN Search.

Google Philanthropy :

Larry and Sergey started Google with the unique vision of making the best search engine in the world to make all the information in the world available to everyone. It's not surprising that their unique vision, the human and technology resources at Google, the company's wealth and their social philosophy would result in an innovative approach to philanthropy.

Google's Five Philanthropic Initiatives –

1. *Develop Renewable Energy Cheaper than Coal*
2. *Accelerate the Commercialization of Plug-in Vehicles (Recahrge IT)*
3. *Predict and Prevent*
4. *Inform and Empower to improve Public Services.*
5. *Fuel the Growth of Small and Medium-sized Enterprises.*

Google and Education :

Google aggressively reaches out to K-12 Educators on its Website to inform them of what it has to offer. i.e. Educators Discussion Group (Groups.google.com/group). Google sponsors the Google Teacher Academy and having 150 Google certified teachers nationwide. Some of Google's education tools attract learners of all ages and those who teach them- from kindergarten to adult learning. Google Book Search is one of those services. Google News is a valuable resource for any student doing research on current event. Google Notebook is listed on the page of tools for educators as new product. The Google Custom Search Engine is a powerful option for educators. Google Scholar (scholar.google.com) is a tool appropriate for high school students, college students and educators that enables search of scholarly sources.

Google Controversies :

Like any company, Google has been involved in controversies during its short life.



The China Controversy –

A Chinese language version of Google has been available in China since 1999, but local search engine Company (Baidu) was not allowing Google to enter in the china market. However other US companies like Yahoo and Microsoft who compete with Google were starting operations from within China. Google's research about the situation led managers to talk to experts about the use of the internet in China, human rights group, government officials and Google's Chinese employee in US office. Google decided to keep offering their service with overcoming the problems of censorship, poor service, redirection to Chinese companies and complete loss of access. Hence, only time will tell the extent to which Google's China policy.

Privacy Controversies - Email, Residency and Health.

In terms of use of Gmail , Google Maps and Health care services , the question of individual personal data security arises for which Google had tried several measures(security and privacy options) to overcome the loopholes.

Copyright Controversies -

The copyright controversies into which Google has been drawn include those related to the Google Print Program and Youtube. Both has been resolved now.

Google take changes to survive, to grow and to meet its mission and it has more that adequate resources to fund its legal battles.

The Future of Google :

Google's mission manifests in new ways as it interacts with its users to meet their evolving needs and as it responds defensively to shifts in its competitive environment. Google's area of development are :

- *Variations in Advertising Theme*
- *Commitment to Video*
- *Reach to Wireless Market i.e. on mobile for android platform.*
- *White Spaces Coalition to FCC(Federal Communications Commission , US) for the use of wireless internet devices.*
- *Acquisitions, Partnership and Alliances*
 - *With Youtube, Double Click, Partnership with AOL and Yahoo!, Formation of Open Social Foundation for community driven, open and free services. Alliances with FCC*

Future Risks –

1. *In terms of maintaining international business revenues which is very difficult task.*
2. *Developing its services and products in different languages with cultural differences.*
3. *Recruitment of brightest and best engineers in an industry.*
4. *Need to concentrate on non-computer devices which people uses for internet use.*

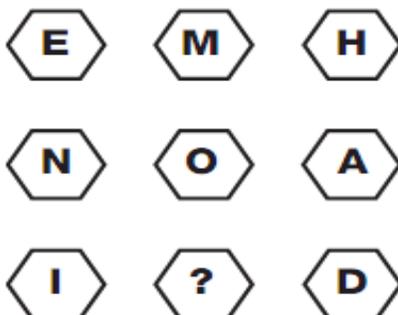
The journey of Google doesn't stop here...it will continue on and on. Only we have to check. For this everyone should check this book as it is really worthy.

**Archana Sawant
i-Think Member**

Puzzle

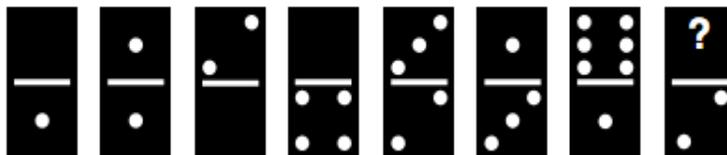
Puzzle No.1.

Which letter replaces the question mark?



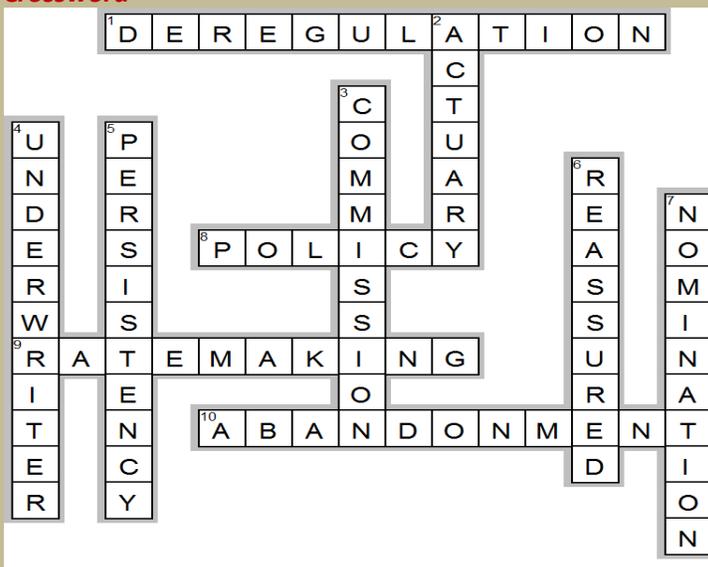
Puzzle No. 2.

How many number of dots replaces the question mark?



Answer will be displayed in next issue.

Answer of Last Month's Crossword



Mr. Rajesh Sawant
i-Think Member



Happenings at Institute

New Course

We are happy to launch '**Diploma in Life Insurance underwriting**' with effect from **November 2014 online examination**.

This diploma course is introduced to provide knowledge and understanding of Life Insurance Underwriting. Examinations for the same will be conducted through online mode from November 2014. Below given is the structure of examination.

P. No.	Title
IC 01	Principles of Insurance
IC 02	Practice of Life Insurance
IC 22	Life Assurance Underwriting
IC-AIU 01	Legal and Regulatory aspects for life underwriters
IC-AIU 02	Fundamental of Medical Underwriting

Registration (if not registered for Licentiate / Associate / Fellow / other specialized diploma courses) and Enrollment for the subjects has started from 01st September 2014. For more details, please refer to Examination Hand Book available on our website.

Appointment

Mrs. Archana Vaze joined College of Insurance as Assistant Professor (Non-Life) on 30.07.2014. She is an engineering graduate from Nagpur University and has done MBA from IIT, Chennai. She has over 13 years of corporate experience spread across IT and insurance sectors with companies like TCS, Cholamandalam MS General Insurance, Alliance Insurance Brokers and SBI General Insurance.



i-Think welcomes Prof. Vaze to her new role in College of Insurance.

College of Insurance

College of Insurance conducted Firming the Fundamentals training program for 302 newly recruited direct recruit AAOs of New India Assurance Co. Ltd. at Hotel Ramada, Mumbai. The training was held from 11.08.2014 to 28.08.2014.

The program was inaugurated by Mr. V Harisrinivas, General Manager (Finance and Accounts).

The program ended on 28.08.2014 and the trainees were addressed by Mr. Sanathkumar, General Manager, K.L.R. Babu, Deputy General Manager and Mr. Dinesh Waghela, Deputy General Manager from New India. Mr. P. Venugopal, Secretary General, Mr. Arinadam Mukherjee, Director of College Of Insurance, Prof Dr. George E. Thomas, Associate Professor, Mrs. Arachana Vaze, Assistant Professor & Mr. N. D. Kokare, Secretary of COI were also present.

Delegates on Dais



Shri Sanath Kumar, General Manager, New India Assurance Co. Ltd.



Shri. P. Venugopal, Secretary-General, Insurance Institute of India



Shri Arindam Mukherjee, Director, College of Insurance



Participants



Participants



Training Program

Upcoming Program for September - November 2014

Sr No	PROGRAMME	DATE FROM-TO	FEES WITH RESIDENCE	FEES WITH NON-RESIDENCE	DESIGN FOR
1	C.I.E. Workshop	1-3 Sep 2014	Rs.9600 + S.T.	Rs.8100 + S.T.	Certified Insurance Executives of Corporate Agents as per IRDA Guideline
2	General Insurance - Fire , Project Mega Lines (International)	1-6 Sep 2014	\$325	-	International Participants dealing in General Insurance Companies(Sponsorship only through GICRe)
3	General Insurance Appraisal	8-11 Sep 2014	For National Insurance Company Ltd Only		-
4	Excellence in Management	8-12 Sep 2014	For National Insurance Company Ltd Only		-
5	Workshop on Current Trends in Life Underwritng	11-12 Sep 2014	Rs.6400 + S.T.	Rs.5400 + S.T.	Life Underwriters
6	Business Centre Heads	15-18 Sep 2014	For National Insurance Company Ltd Only		-
7	Performance Builder	15-18 Sep 2014	For National Insurance Company Ltd Only		-
8	Marine Hull Insurance	15-18 Sep 2014	Rs.12800 + S.T.	Rs.10800 + S.T.	Middle Level Executives in General Insurance Companies
9	25hrs. Renewal Programme	22-25 Sep 2014	-	Rs.8200 + S.T.	Broking Companies as per IRDA Guideline
10	Performance Builder	22-25 Sep 2014	For National Insurance Company Ltd Only		-
11	Business Centre Heads	22-25 Sep 2014	For National Insurance Company Ltd Only		-
12	Rural and Micro Insurance	22-24 Sep 2014	Rs.9600 + S.T.	Rs.8100 + S.T.	Insurance Executives looking after Rural and Micro Insurance both in General Insurance & Life Insurance companies

13	<i>Marketing Strategy for Branch Managers</i>	29-01 Oct 2014	<i>For National Insurance Company Ltd Only</i>		–
14	<i>Business Centre Heads</i>	7-10 Oct 2014	<i>For National Insurance Company Ltd Only</i>		–
15	<i>General Insurance Appraisal</i>	7-10 Oct 2014	<i>For National Insurance Company Ltd Only</i>		–
16	<i>Appreciation Course- Actuarial Science for Life Insurance</i>	8-10 Oct 2014	Rs.9600 + S.T.	Rs.8100 + S.T.	<i>Managers in offline Insurance Companies</i>
17	<i>Health Insurance (for employees of TPA)</i>	8-10 Oct 2014	Rs.9600 + S.T.	Rs.8100 + S.T.	<i>Employees of TPA</i>
18	<i>Optimisation of Distribution system</i>	13-15 Oct 2014	Rs.9600 + S.T.	Rs.8100 + S.T.	<i>Managers in Marketing department of Insurance Companies</i>
19	<i>General Insurance Appraisal</i>	13-16 Oct 2014	<i>For National Insurance Company Ltd Only</i>		–
20	<i>Excellence in Management</i>	13-17 Oct 2014	<i>For National Insurance Company Ltd Only</i>		–
21	<i>Business Centre Heads</i>	27-30 Oct 2014	<i>For National Insurance Company Ltd Only</i>		–
22	<i>Excellence in Management</i>	27-31 Oct 2014	<i>For National Insurance Company Ltd Only</i>		–
23	<i>Appreciation Course- Actuarial Science for Non-Life Insurance</i>	10-12 Nov 2014	Rs.9600 + S.T.	Rs.8100 + S.T.	<i>Managers of Non-life companies</i>
24	<i>General Insurance Appraisal</i>	10-13 Nov 2014	<i>For National Insurance Company Ltd Only</i>		–
25	<i>Excellence in Management</i>	10-14 Nov 2014	<i>For National Insurance Company Ltd Only</i>		–
26	<i>New Vistas in Online Insurance Marketing</i>	17-18 Nov 2014	Rs.8000 + S.T.	Rs.7000 + S.T.	<i>Managers in Marketing department & direct Marketing Executives</i>
27	<i>Business Centre Heads</i>	17-20 Nov 2014	<i>For National Insurance Company Ltd Only</i>		–
28	<i>General Insurance Appraisal</i>	17-20 Nov 2014	<i>For National Insurance Company Ltd Only</i>		–



29	Risk Management and PML - Significance	24-26 Nov 2014	Rs.9600 + S.T.	Rs.8100 + S.T.	Middle Level Executives in General Insurance Companies
30	Business Centre Heads	24-27 Nov 2014	For National Insurance Company Ltd Only		–
31	Excellence in Management	24-28 Nov 2014	For National Insurance Company Ltd Only		–
32	Finance for General Insurance Executives	27-29 Nov 2014	Rs.9600 + S.T.	Rs.8100 + S.T.	Middle Level Executives in General Insurance Companies

Associated Institute

Asansol Insurance Institute

Local Seminar on Awareness & Opportunity of Investment in Insurance & Other Sectors

Asansol Insurance Institute conducted a local seminar on 9th August, 2014 on the subject “Awareness & Opportunity of Investment in Insurance & Other Sectors” at LIC Conference Hall, Asansol Divisional Office. Prof. Asish Sana, Associate Professor, Department of Commerce, Calcutta University was the chief guest. The major discussion points at the seminar were :

- Awareness about risk factors involved in making an investment considering economic condition prevailing in the country.
- Investment opportunities and returns in insurance and other sectors.
- Interpretation and analysis of annual reports of companies and how to use them in making informed decisions regarding investment.

The seminar was attended by around 120 participants.

Prof. Asish Sana, the chief guest	Honoring the Chief Guest	Audience
		

Vishakhapatnam Insurance Institute

National Seminar on Union Budget – FDI hike in Insurance Sector

Visakhapatnam Insurance Institute conducted a national seminar on 11th August, 2014 on the subject “Union Budget – FDI hike in Insurance Sector” at Visakha Public Library, Visakhapatnam.

Prof. Venkatesh Atreya, Former Vice-Chancellor of Bharati Dasan University, Chennai delivered his speech as the chief guest at the seminar. The seminar was attended by around 100 members. The entire proceedings of the seminar were well covered in both print media and visual media.

<p>Chief Guest delivering his speech</p>	<p>Mr. A.V.R.K.Murthy addressing the Seminar</p>	<p>Clippings of the Seminar report in various news papers</p>
		