

60 years of Insurance
Education & Training



Diamond Jubilee
[1955 - 2015]

Insurance Institute of India

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i-Think Monthly Magazine – September 2014

Editorial

Navratri has come and gone – the only festival celebrated with gusto in every part of India. It commemorates the victory of the mother Goddess [Durga] over the wicked demon 'Mahishasura' Who is Durga? she is known by different names - Kali in Kalighat [Kolkotta]; Kamakhya in Gauhati; Sharada in Sringeri {Karnataka}; Kamakshi and Meenakshi [of Kanchi and Madurai, both in Tamil Nadu]; Bhavani in Tuljapur [Maharashtra] and Vaishnavi [in Jammu]. But who is she really?

We worship her as mother. In that form she is motherhood. Just reflect- who decides and controls our heartbeats or nerve twitches or the breaths we take? Are we in charge of these ?

She is also known as Mahamaya. Look at all our lives and the thoughts and emotions that pass through us.. - how much (emotional and mental) baggage we carry each day. Think of the sense of helplessness, the frustrations and desperations we go through. How much of it is real, how much is a figment of the mind.

It has been said that the mind is like a drunken monkey (drunk with desire), bitten by a scorpion (envy) and possessed by a demon (ego).

“Aho...Maya”

How should we worship the devi? The shashtra tell us of two ways.

The first is to ask “who am I” and plunge into a journey of self discovery.

The Upanishads illustrate this way clearly when they declare “neti neti” (not this not this)- Am I my body?.. Am I my mind?...Am I my intellect? – The path of knowledge.

The other way is to surrender to her (to existence) and find yourself disappearing and merging within her. - The path of bhakti.

In either instance the journey begins and ends with going into the roaring silence of the self – Finding what Jesus called the “peace that passes all understanding”.

Come let's reflect a little awhile, celebrate our Navratris in this sacred space.

Happy Dussera !

Editorial team
i-Think

Importance of Month – September

September is the ninth month of the year in the Julian and Gregorian Calendars and one of four months with a length of 30 days. September was the seventh month of the original Roman calendar. This is where it got its name which means seventh. Later, when January and February were added to the calendar it became the ninth month.

September in the Northern Hemisphere is the seasonal equivalent of March in the Southern Hemisphere.

September in Other Languages

- Chinese (Mandarin) - jiuyue
- Danish - September
- French - Septembre
- Italian - Settembre
- Latin - September
- Spanish - Septiembre

Historical Names:

- Roman: September
- Saxon: Halegmonath (Month of festivals)
- Germanic: Herbst-mond (Autumn month)

Symbols of September

- Birthstone: Sapphire
- Flower: Aster
- Zodiac signs: Virgo and Libra

Important days / Historical event took place in this month

Sr No	Event	Date
1	Guru Ram Das becomes fourth Guru of Sikhs	1 September 1574
2	Akbar annexes Bengal	
3	Guru Arjan Dev becomes fifth Guru of Sikhs.	1 September 1581
4	Akbar annexes Kashmir	
5	Ishwar Chandra Vidyasagar is born (to 1891)	September 1820
6	Second war with Pakistan over Kashmir.	6-23 September 1965
7	US lift sanctions which it imposed against India and Pakistan after they staged nuclear tests in 1998. The move is seen as a reward for their support for the US-led anti-terror campaign.	September 2001
8	India, along with Brazil, Germany and Japan, launches an application for a permanent seat on the UN Security Council.	September 2004
9	World Literacy Day	8th September
10	Teachers Day (Birthday of Sarvepalli Radhakrishnan)	5th September
11	World Fraternity and Apology Day	14th September
12	Hindi Divas (Day)	14th September
13	Engineer's Day - This day is celebrated in the honour of Sir M.Visvesvaraya (1861-1962), who was a notable Indian engineer, scholar, statesman and the Diwan of Mysore during 1912 to 1919	15th September
14	World Ozone Day	16th September
15	Railway Police Force (RPF) Foundation Day, India	20th September
16	Alzheimer's Day	21st September



17	<i>World Deaf Day</i>	<i>24th September</i>
18	<i>World Tourism Day</i>	<i>27th September</i>
19	<i>World Heart Day</i>	<i>29th September 2012</i>
20	<i>American workers celebrates this day on the first Monday in September</i>	
21	<i>Patriot Day is a day of remembrance in the United States set aside in honor of the victims of the September 11th terrorist attacks. It is often referred to by the date of the attacks as 9/11 or September 11th.</i>	
22	<i>Constitution Day celebrates the day that the United States Constitution was adopted by the Constitutional Convention in 1787. It can be considered the birthday of the United States government.</i>	
23	<i>Rosh Hashanah is a Jewish religious holiday. It celebrates the Jewish New Year as well as the creation of the world.</i>	

Compiled by Mrs. Sneha Pednekar
i-Think Member

CSR

Corporate governance serving vested interests rather than reducing the risk of business failure

Has the attention devoted to corporate governance codes and regulations in recent years reduced commercial, investment and insurance risk and benefited the public? The theme paper for the 2014 London Global Convention "Boards to Lead" questions whether governance requirements have become overly complex and reflect vested interests rather than the needs of businesses and their stakeholders.

The convention is organised annually by India's Institute of Directors and will discuss governance, reporting and sustainability. The theme paper for this year's event questions whether a change of direction is required. As citizens, investors or insurers do we sleep more comfortably at night or do we await the next corporate scandal or failure with a mixture of cynicism and resignation?

Internationally, has governance led to lower levels of favoritism, fraud and corruption? Has it reduced the number of business failures? Has it lowered risk levels and reduced premiums? What breakthroughs have occurred?

Might traditional director, board and business development have had more impact on board effectiveness and corporate performance? Alternatively, have the pioneers of corporate governance highlighted the importance of directors and boards and raised their contribution? Is a revolution under-way, the full effects of which are yet to be apparent?

Is governance improving or just changing? Are boards more relevant and vital? Are they better informed and more effective? Is there more or less diversity of practice? Could the effort devoted to governance be better employed giving those who invest via institutions a voice and encouraging better engagement with shareholders?

Where are current proposals and consultations leading? Will a web of codes, regulations, laws and policies impose further costs on business, inhibit responsible risk taking, reduce diversity and stifle innovation? Will board members become so concerned with compliance and playing it safe that they inhibit progress? Will the default position be a no vote against the unfamiliar or different?

Regulations, guidelines and codes can lead to costs and unintended consequences. Sometimes vested interests in additional requirements are easier to identify than the 'customers' who might benefit from

them. Producing ever more lengthy, detailed and complex accounts may generate extra revenues for accountants but how much of what is produced is actually read? Are shareholders taking more informed decisions or ticking boxes to receive the shorter versions on offer?

If requirements are not to lead to longer and more complex reports and accounts what can be done to reduce the 'clutter'? Are the weighty tomes produced by some companies understandable to most shareholders receiving them? Do they meet the needs of insurers? What happened to relevance, economy, simplicity, proportionality, adaptability, flexibility and diversity?

Do developing countries, SMEs and public and voluntary organisations have requirements that are not addressed by current approaches? Is corporate governance reflecting the concerns, needs and priorities of ambitious business builders? How many successful entrepreneurs, pioneers and innovators ascribe their achievements to governance or reporting arrangements?

Are the main beneficiaries of governance and reporting requirements people who are remunerated to develop, assure, advise and comment upon them rather than shareholders and other stakeholders? Are the interests of the latter best served by greater complexity and the growing cost of compliance?

If shareholders, insurers, boards and other business interests do not respond to consultations on changes and proposals they should not be surprised if what emerges reflects interests other than their own. Despite current laws, regulations and codes there is scope for board leadership and innovation to achieve greater impact and contribute more to successful and sustainable business development. For example, front-line teams can be provided with the performance support that will enable them to excel while at the same time reducing risk and evidencing compliance.

The 2014 London Global Convention represents an opportunity for business leaders, policy makers and opinion formers to review achievements and consider what the next steps should be. Details of the convention are available from <http://www.iodonline.com/london-global-convention-2014.html>.

The theme paper "Boards to Lead: Effective Corporate Governance and Sustainability" by Prof. Coulson-Thomas can be downloaded from <http://www.iodonline.com/images/lgc2014/theme.pdf>.

Prof. Colin Coulson-Thomas
Member of the business school team at
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Article – III

Is Change necessary?

Progress is impossible without change and those who cannot change their minds cannot change anything – George Bernard Shaw

Is change necessary in our life? Why should we change? Why changes happen in our life? Is change good or bad?

Right from when a child is born many changes occur in his or her body, mind and the surroundings. There is a change in the body structure, thought process as and when the child grows.

Are these changes necessary for a child? What would happen if these changes did not take place? Can we imagine what will happen if the child doesn't grow physically or mentally?

That means change is necessary. Isn't it?

Majority of us do not like changes in our life. We are not ready to accept changes. We always think change

is bad. One reason behind running from change is that we are not confident enough to accept the change. We live with the mindset that the existing lifestyle or situation is best for me. And this mindset is cultivated because we have never seen the best of the things in our life, rather we are not ready to accept the best things at the cost of change. We are happy in the situation we are living presently. We are not ready to grow, to progress because we are not comfortable with change. We want to progress without having any change (which is not possible). We get pleasure doing the things which we were doing for last 5 to 10 years. We are happy with what we are thinking; though our present thoughts take us nowhere; we are not ready to change.

What will happen if we accept the change? Are we going to die? Is our life going to be miserable? What is the worst that will happen if we change?

I think nothing worst will happen. Believe in yourself, that only good things will happen because you have accepted change in your life.

Doing new or different things in our life gives us confidence and pleasure. On the other hand continuing the same thing over the years kills our creativity & grows our ego which takes us nowhere.

*It is very well said that **'Your life does not get better by chance. It gets better by change.'***

Even if we get a chance in our life; without change we cannot take the advantage of the chance.

Think of a child who has not grown physically and mentally. Is he able to do anything on his own? Can he think? Can the child create anything? Can he live a fulfilled life? Can he dream anything?

*The answer is **No**. Because his senses have not grown, mind and body has not developed which restricts the child from growing, thinking and performing.*

Aren't we like that retarded child; whose growth and thoughts are restricted because of our own unwillingness to accept the change. Think?

So my dear friends, think of change, accept the change and make changes in your life and enjoy your life the way you want. Live your life not others.

*Remember the words of Mahatma Gandhi **'You must be the change you wish to see in the world'**.*

Manisha Sutar
i-Think Member

Sigma Report

Digital distribution in insurance: a quiet revolution

An evolving distribution landscape

Distribution is the activity of delivering the product and service or having interaction with customers. Distribution activity is the key aspect of insurers' business models. The Insurance distribution process involves various activities.

Activities in insurance distribution process -

- 1. Preliminary information search -*
 - Marketing*
 - Basic search / information gathering*
 - Product design*
- 2. Other pre-sales activity -*
 - Assessment of risk/underwriting*
 - Advice*

- *Personalized quote*
- *Negotiation*
- 3. *Completing the purchase / sale*
 - *Contract signing*
 - *Policy issuance*
 - *Premium payment*
- 4. *Post sales activity*
 - *Policy administration*
 - *Claims management*
 - *Risk management*

Specialist firms / intermediaries such as insurance agents and brokers have put these activities together. Customers are unaware of suitable insurance products and insurance provider as well as insurers also aren't aware of customer's needs while deciding the cost of the insurance product. These intermediaries help to overcome the problem of both customer and insurance provider. Intermediaries continue to play a dominant role in distribution in most insurance sectors.

New types of intermediaries such as Bancassurance is becoming more prominent and challenging to the traditional agent-broker model. At the same time, increase in modern distribution channels such as TV, telephone, Internet, Call Centers and direct mail motivates customers to purchase a policy directly from the insurers without relying on the services of agents and brokers. In many countries, premium collection through online sale and telemarketing has also increased. New technology is increasingly fragmenting the purchasing process. With the help of new technology both the customer and insurance provider comes to know about each other's need of information of product and customer.

Insurance on the web

The internet is changing the stages of insurance distribution.

- ***Preliminary information search***

Internet is commonly used for online information search before the purchase decision. Gathering information is the first step in the pre-purchase process. Aggregator or price comparison websites (PCWs) are a medium for the use of the internet to research insurance. These sites enable customers to access comparative quotes from multiple insurers based on a standardized criteria. UK has a most developed aggregator sector, but web aggregators are also becoming standard tools in a number of developed markets.

- ***Other pre-sales activity***

Internet is becoming a trusted source of advice for consumers for gathering product and price information. Product information is also now available on insurers' website, company experts, blogs etc. Insurance aggregators are also becoming a destination for advice as they are providing comparison quotes. Social media is also providing advice from friends, online groups. Insurers are using social media for branding, product advertisement, consumer awareness etc.

- ***Completing the purchase / sale***

People are not ready to buy insurance products online even though using the internet as a source of information and advice. According to an E & Y global survey people preferred personal assistance and interaction while buying insurance specially life products, pensions etc. Motor and domestic property insurance products are increasingly being sold online. Online reinsurance solutions for simple risk classes are also being developed. Sales of relatively simple life products are migrating to internet. Online reverse auction platforms are starting up. The Younger generation is moving towards online insurance purchase. Online offerings are relatively more advanced in developing Asia. Developing social media distribution is a priority for insurers. Traditional intermediaries are also using digital technologies for distribution activities.



- **Post sales activity**

Internet can be used for some post sale activities such as accessing printable insurance identification cards, policy forms, claim procedure etc by customer. The development of online insurance distribution will not proceed in a linear fashion. The low penetration of online purchase / sales completions provides an opportunity for incumbent insurers. Digital channels will increasingly be used throughout the distribution process.

Mobile Devices

Mobile devices allow the customer and insurer to interact almost anytime and anywhere. Telematics technology is mobilizing the data collection process and has enabled innovations in usage-based insurance, particularly in auto, where premium rates are linked to driving behavior. Telematics can foster risk-reducing behavioral change. Telematics could move beyond auto to life and health and property lines. Distribution via smart devices requires understanding user needs. Smart mobiles access is greater in the developed world but it is increasing in emerging markets. Mobile devices allow both passive and active data submission by consumers. Mobile devices need tailored design features. Mobile applications must be easy in functionality and simple to use. Mobile as a distribution channel is not suitable for all products and it also requires internet connections. In basic mobile devices internet access is not possible. Mobile networks reduce the costs of customer/insurer contact and enable storage of identification and behavioral data. Sometimes regulations affect the mobile distribution of financial services.

Potential role of big data in insurance distribution

Big data refers to the application of analytic techniques, often on large complex data sets. It helps insurers to assess their customers' needs, target products and services to individuals and businesses, and support underwriting decisions. Big data facilitates customer oriented approach to distribution. Big data enable insurers to shift towards fully dynamic insurance pricing. Big data is useful to improve intermediaries' business practice as well as insurance companies to build successful sales forces. The prospective returns from Big Data investments are significant although they are highly uncertain.

Strategic implications for insurers: threats, opportunities and challenges

Traditional intermediaries will continue to play an important role in insurance distribution. They can now use new technologies to meet the needs of the consumers. Digital technology helps to reduce the start-up costs in insurance which increases the opportunities for new entrants. The internet and social media are empowering customers to share risk and negotiate discounts with insurers.

The new technologies also carry the risk of system failures, data loss and cyber-attacks, which further results in financial loss, business interruption and reputational damage, but Big Data may also offer tools to respond to these threats. More product information availability has increased switching propensity, but price advantage must outweigh the inconvenience of the change.

Shifts in technology are challenging incumbent insurers to undertake more radical innovation. Successful innovation requires a culture that fosters experimentation and accepts a high failure rate during the design process. New technology is making insurance available to low-income individuals and families. The digital revolution offers insurers the opportunity to target middle-market consumers who prefer less face to face contact. Global insurers need to ensure that distribution channels are suited to local markets. Digital technology slowly changing process of insurance distribution.

Source:

Sigma - Swiss Re No2/2014_Digital distribution in insurance: a quiet revolution

**Compiled by Mrs. Sneha Pednekar
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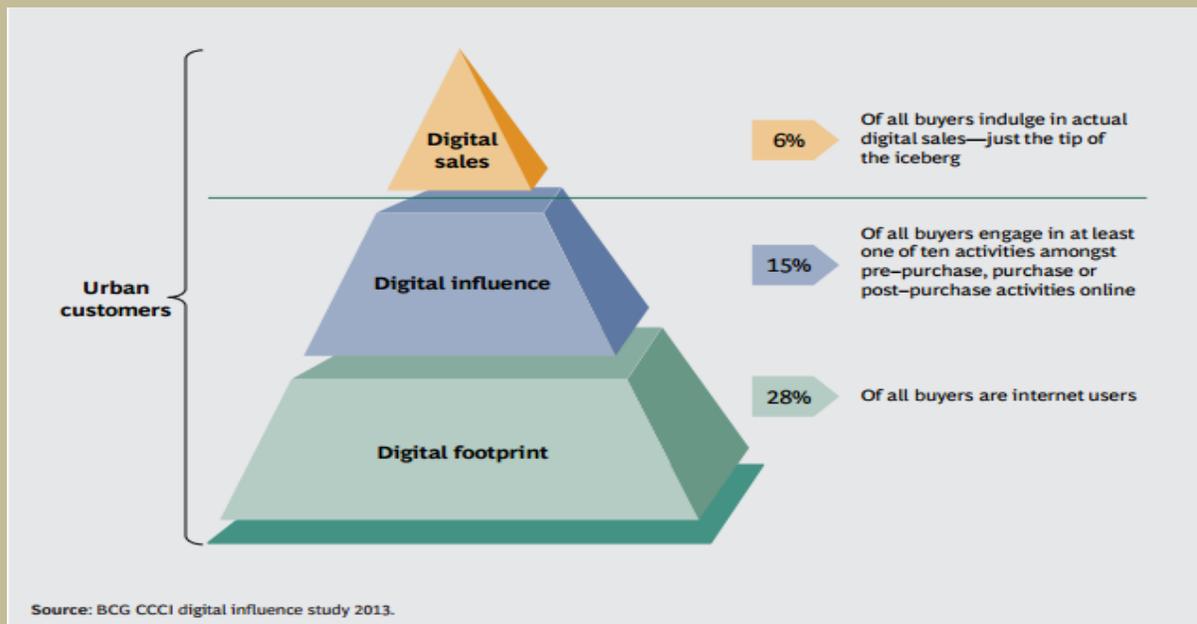
Technology and Insurance

Online is Becoming the Preferred Method of Insurance Purchasing for Common People

In India the common perception is that 'Insurance is sold, not purchased' and it is purchased through the network of millions of agents. Agents visit the customers and advice them for the appropriate insurance covers they need. Human touch is believed to be the only way to sell insurance so far. As we have stepped on to the mobile & Internet era, the approach to procure a suitable policy has also undergoing through a major shift particularly in the urban areas. Nowadays people are keen to do their research first in internet before taking any decision, be it to buy their TV, Fridge, mobile or holiday destinations. Insurance is no difference. They take the help of internet to study different policies, their features and premium of various insurance companies before making their purchasing decision. The stat below shows growth of electronic transaction and the digital influence in India.

Retail electronic transactions	FY04	FY12	Annualised growth rate (percent)
Volume (millions)	167	1,160	27.42%
Amount (INR billions)	521	22,075	59.71%

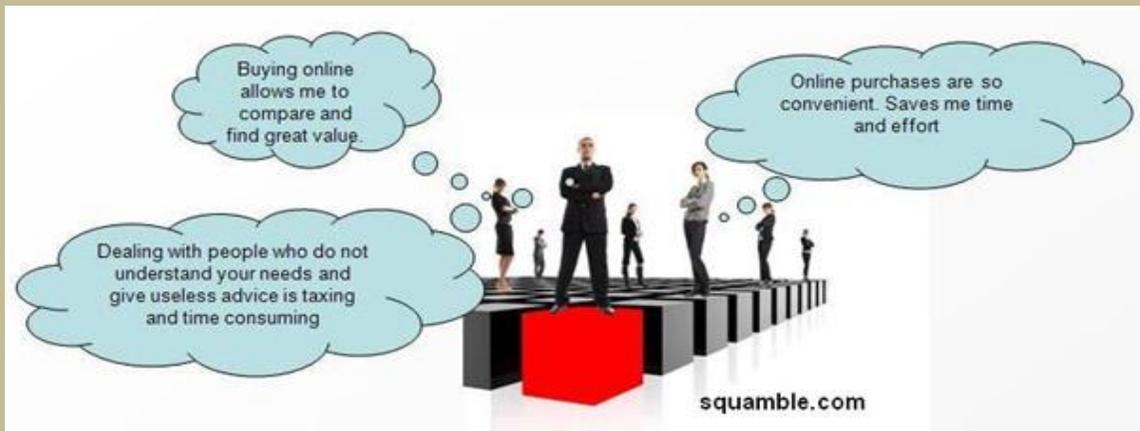
Source: Reserve Bank of India Bulletin 2011-12



Why People Like Online

Take the example of Suman, he is a professor and stays in a comparatively small town with his parents and family. Suman wants to buy his family health insurance with critical illness cover. There are offices of two insurance company and he has a relative who is an insurance agent. But still he was not happy with the answers he was getting and the premium they were quoting. So he got online, searched in the net and realised how easy it is to find query clarification through online chat, get quotations from multiple insurers in a few mouse clicks, compare features, check out the inclusion and exclusion and find the lowest priced policy which would satisfy his requirement. In 15 minutes after doing all the research he could buy the policy online at in a fraction of the cost he was getting and he was over the moon for finding such a bargain!

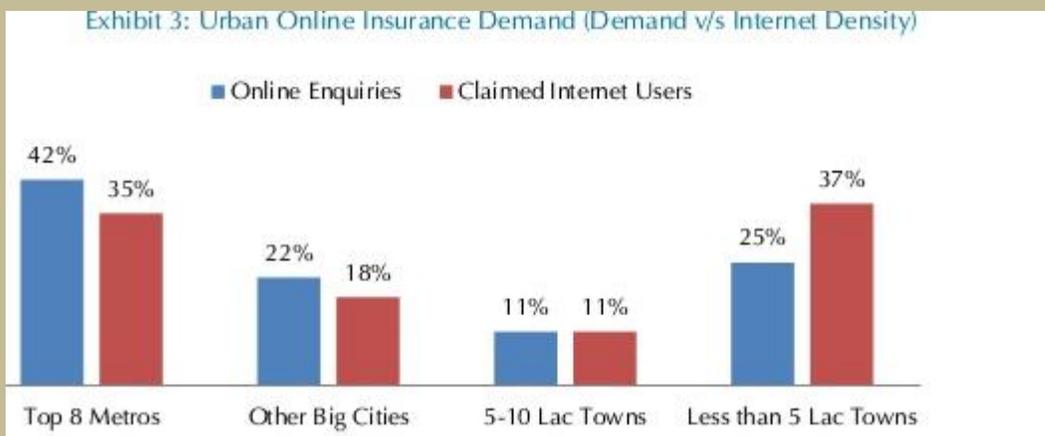




Suman is no different; there are thousands of Sumans doing the same, even on the go, with their mobile phones. What makes online insurance more attractive is that the decision is purely based on facts and figures instead of the unnecessary plea of a sales agent or the relationship with that person. Also, to find out the same amount detail about every available policy in India by calling the agent or getting email from them would take at least a week and would be a nightmare to a common person to compare and comprehend the information to make a informed decision.

Glowing Evidence of Online Insurance

India is having the third largest internet user base in the globe. It had 150 million internet users and 650 million mobile users at the end of last year. On an average, around 13 million online searches in a month are associated with insurance and pension in India.



The report titled “Digital@Insurance-20X By2020” published by Google India and Boston Consultancy Group (BCG) predicts that online insurance industry in India is likely to grow to at least 20 times of its present worth, which means that the industry has the potential to cross Rs 20,000 crore by 2020. Presently, as per reports, the Indian online insurance market is fixed at Rs 700 crore, out of which the transactions related to non-life insurance related plans amounts to Rs 250 crore and Health plans makes up Rs 150 crore. Online insurance transactions are going to grow 20 times its current value in the next 6 years.

Some mind blowing facts about digital India –

- ✓ 900 million mobiles (Globally Rank 2)
- ✓ 200 million Internet Users (Globally Rank 3)
- ✓ 100 million Social Media Users (Global Rank 2)

Insurers are well-versed with the buying pattern of online consumers and they are trying to develop

innovative, eye-catching and interactive website, that cater to their target customers. Insurance intermediaries are also doing a remarkable job by providing an online insurance market place where people can come, compare the features of all the policies available from all the insurers in India and purchase the policy they like at their own space and own time. There are almost 28 general insurers and 24 Life Insurers in India. Going to each of these sites to find out the relevant information itself could be a daunting task. These intermediaries have already done all the hard work so people with almost no knowledge about insurance can take an informed decision as shown below –

Benefits	Plan A	Plan G	Most Popular Plan F	Plan N
	Most basic plan, only minimum benefits. Get Quotes	Exactly like Plan F, except you pay the Part B deductible. Get Quotes	Most comprehensive plan available. Get Quotes	Reduced cost except you pay co-pays and a deductible. Get Quotes
Basic Benefits	✓	✓	✓	✓ * Co-Pays
Part A Deductible	✗	✓	✓	✓
Skilled Nursing Facility Co-Insurance	✗	✓	✓	✓
Part B Deductible	✗	✗	✓	✗
Part B Excess	✗	✓	✓	✗
Foreign Travel Benefit	✗	✓	✓	✓

IRDA has started stressing on the importance of e-Insurance and authorised 5 companies to store policy data electronically. A policy holder can buy and keep all the policies under an electronic Insurance Account (eIA) with any one Insurance Repository of his/her choice. The Insurance Repository System not only provides policyholders a facility to keep insurance policies in electronic form but also enables them to undertake changes, modifications and revisions in the insurance policies with speed and accuracy.

Online insurance could result in potential savings of 15-20 per cent of total costs for life insurance and 20-30 per cent in the case of non-life, thereby showing the path towards profitability for the industry for the first time.

With the all round effort from insurance companies, IRDA and the insurance intermediaries to push retail insurance online it is already becoming the main insurance purchasing platform for people in the urban areas and other places soon follow suit.

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Analytics – A game changer for insurers

Given the rapid changes and growth potential in insurance industry, insurance companies need better insights to tap into the opportunity. Insurance companies rely heavily on past data for assessing risks, pricing and implementing marketing strategies. These companies use IT applications that process data and present useful reports. In other words, they use Business Intelligence (BI) platforms for making informed decisions. BI provides a way of aggregating data to find information primarily through queries and reporting. However, BI tools are not very flexible and are suitable mostly for static data sets. The road to profitability lies in better decision making by using the data available within the organization.

Analytics is a business tool used by organisations for making decisions based on meaningful patterns in the data. Though both BI and analytics aim at providing deep insights into business information, analytics uses quantitative methods and predictive modelling. BI, on the other hand, uses only aggregation and summarization. Analytics focuses on solution oriented approach by converting information into knowledge.

What can analytics offer to insurance industry?

With intense competition, demanding customers and regulatory concerns, insurance market is dynamic as well as complex. As there exists little difference between products offered by various insurance companies, modernization is the key to have an edge. Insurance being a data rich industry, companies can leverage data to build deeper insights into customers, optimize pricing strategies and increase operational efficiency. Analytics adds value to the business by helping companies to look at data in different dimensions, revealing causes and correlations between various factors.

Areas of focus and the advantages

Analytics can add value to an insurance company on various fronts:

Consumer research for better targeting

We live in a digital age, where internet is almost inseparable from our lives. Social media is now an integral part of lives of millions of Indians. The humungous amounts of data in the form of digital records can reveal customers' behavioural traits, spending patterns and preferences. Predicting the needs of customers can help companies identify potential customers, improve the chances of crossselling and up-selling. Benefits to the company include broadening of reach, lesser acquisition costs, and optimization of marketing resources.

Product innovation

Equipped with consumer insights, the companies can offer products that address customers' needs. The company gains more market presence; while the customer's financial interests are protected. In addition to providing mutual benefit, product innovation is instrumental in improving business performance.

Risk assessment

Companies look for risk reward balance. Analytics helps understand the risks better. Understanding risk better can also help in accurate pricing based on the profile of the group or individuals. Combinations of demographics and factors like income, occupation, geographies can be assessed for risk profiling and claim prediction.

Distribution

Proactive and efficient marketing is an imperative for growth. Because of the possibility of harnessing huge

volumes of information, companies can identify the areas of strength or weakness of business acquisition agencies. By exploring problem areas, companies can implement effective marketing strategies.

Client servicing

Analytics helps to gain a comprehensive view of the customer, right from identifying the propensity of becoming a client to identifying the probability of lapse. Predictive analytics can assess customers' perceptions and behavioural intentions, thereby enhancing the customer satisfaction. Process glitches leading to inadvertent delays in servicing can also be identified. Thus, productivity and client retention can be improved.

Fraud identification

Fraud is one of the operational risks companies face. Mere analysis of claim reports or accounting reports might not help in detecting the responsible factors. Advanced analytics drills down deep to analyse the trends. Analytics can also help in identifying probable fraudulent activities, thus throwing early warning signals.

Reasons for insurers' diffidence in analytics

Several reasons for insurance companies not using analytics to its fullest potential:

- *The high initial investment is seen by some companies as an unnecessary cost.*
- *Lack of right quality of data is a deterrent for implementing advanced analytics techniques. Except for the limited mandatory fields filled in proposal/claim form, companies do not know more about their customers.*
- *Some companies may feel they do not need technology to make decisions, as executives can make judgments based on knowledge and experience.*

Way to Go

Though analytics in insurance industry is naïve at the moment, it is the broad scope of applications which makes it a game changer. There have been revolutionary advances in technology and it is time to reinvent the approach of insurers to attain sustainable growth.

Bhargavi Ramadugu
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Article – III

Personal Gifts

Philosophers have said that we all possess exceptional talents and have the ability to create rich, rewarding lives if we only take the time to invest in ourselves and polish our personal talents. Recent research has confirmed that the average person uses only 1/100th of 1% of his or her mental abilities. A Russian scholar has said that each and every one of us has the ability to learn 40 languages, memorize an entire set of encyclopedias from A to Z and master dozens of university courses.

Most people, however, are so busy that they never take the time to explore their potential. What separates highly actualized people from others is that they make the time to do those things, others say they do not have the time to do, even though they might not have the time to do them either.

Take 2 minutes to create an inventory of your personal gifts. Write them down as fast as you can before your logical mind blocks the flow. Do not stop until you reach at least 12.

Examples include your drive, creativity, compassion, energy and enthusiasm, positive and persistent attitude, refined communication skills and courage. Connect with who you really are and see that you are a genius in your own right.

Before you can ever hope to change your life, you must change yourself. Success on the outside begins

within. You cannot do good unless you feel good. Self-mastery is therefore the DNA of life mastery and the best investment you will ever make. Good people strengthen themselves ceaselessly.

Step one for personal change is to know what you need to change, to identify your weaknesses.

Just like a mechanic cannot fix your car before seeing the problem, you will not be in a position to raise your life to its highest level until you clearly see what is holding you back.

Take 4 minutes to create a list of all the things you are committed to improving in your personal, professional and spiritual life.

Examples could be erasing the worry habit, unlocking your energy reserves, bringing material abundance into your life, living with greater balance and meaning and finding spiritual enlightenment.

Take time to polish your hidden qualities, identify and analyze your personal gifts to live life at the highest level...

Kavita Pawar
i-Think Member

Advise to Customers

A Customer's valuable advise - Dos and Do nots while buying a life insurance product.

In continuation of the article by Sri Vishaka R M on the importance of taking Life Insurance Policy in the August 2014 issue of i-Think, would like to share some of the important points, one has to keep in mind while buying a life insurance product :

Dos

01.Go for Riders like Accident Death Benefit, Critical Illness Benefit, Premium Waiver Benefit as applicable which will give better coverage on payment of some additional premium

02. Deal only with an Agent who has sufficient knowledge on the product and who can guide you correctly in choosing the right product

03. Ensure that the product you intend to buy is duly approved by IRDA. The Plan will have the UIN No allotted by IRDA on approval. Please check this.

04. Go for the Life Insurance Plan which will suit your requirement. Various type of plans are available - Endowment Plans, Money Back Plans, Term Life Plans, Whole life Plans, Pension Plans, Plans for Children etc. Each having its own features. These plans are having different names given by different life insurance companies. We need to know which Plan exactly will serve our purpose/ requirements and suits most..

05.Earlier is better from Premium cost point of view once you decide to buy a life insurance policy. For eg, planning to take a Pension plan at the age of 50 + will not be a wise decision.

06. Longer is the term of your policy better is the benefit for you and your family.

07.Do keep the family members informed about the policies taken by you. This is very important. Nothing confidential in it. After all, life insurance policies are taken for the benefit of the family only. Many of us fail to realise this. If they are not aware of the policy you have taken and if the unfortunate happens, they will not be able to claim and the purpose will not be served.

08.Do keep updating changes in the Nominee details and your contact details. In many cases, we keep nominees who are no more.

09.Do keep the Original Policy document very safely. And avail E insurance facility, recently

introduced, where you can keep your policy as e-document and chances of missing is ruled out. Such E insurance accounts are opened free of cost and conversion of existing paper policy document to e-document is very easy. Another advantage is managing your policies is very easy in e insurance account.

10. Do check the policy document immediately on receipt for correctness and avail the 15 days ' Free look period' if required.

11. Most of us are working in a transferable job and gets transferred from one place to another at regular intervals . And your policy is also transferable and can go with you wherever you go. So avail this transfer facility for better management. At your request, your Policy docket will be transferred to your nearest branch for better servicing.

12. Last but not the least, having taken the Policy, Pay your instalment Premium on time every time. For this, keep track of your premium due dates.

DO NOTs

01. Do not take any insurance policy just to accommodate someone known to you (or) at the insistence of others. While nothing wrong in helping your friends or relatives in selling the life insurance policy to you, the decision as to which product you will buy should be yours.

02. Do not buy Life policy which is neither beneficial to you nor relevant to you. It is a long term contract. You have to take an informed decision in choosing the right plan for you.

03. Do not commit any Premium amount which you will not be able to manage in the long run because discontinuance of the policy midway will be utter waste for you.

04. Do not allow the policy to lapse and do not go for surrender of policy unless it is inevitable and beneficial to you.

05. Do not postpone correction of mistakes in the policy document, once noticed, as we do not know when a claim will occur.

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Viewpoint

Involvement of Bankers as Insurance Brokers – Advantages, concerns and challenges

Till now, reforms in the life insurance industry were mainly centered around products. These reforms focused on making insurance policies more customer-friendly. But now the focus is on distribution with the finance ministry's directive, given in December 2013 to PSU bank chiefs allowing banks to act as insurance brokers. This directive is aimed at increasing insurance coverage in the country of 1.2 billion people where insurance penetration is among the lowest in the world.

The government also aims to prevent mis-selling of products by banks, acting as corporate agents. The major advantage of banks selling insurance policies through the broking route is that it will lead to more choice for customers, but for banks it will not be easy to implement.

Currently the banks are selling insurance policies via the corporate agency model.

IRDA is considering making it mandatory for all; the process would start with public sector banks.

Several banks, at their meeting with the Central bank and the insurance regulator, had expressed



reservations about a clause in the broker regulations of the IRDA.

Commercial banks put the following demands for implementing the insurance broker model directives:

- i. Permit broking staff to do banking transactions*
- ii. Relax norms in which bank will not earn more than 25% of business in a fiscal from insurance company it has promoted*
- iii. Ease the earning cap from broking.*

After getting the feedback from the commercial banks, the RBI's working group on bancassurance has suggested that no model should be unilaterally imposed on banks and that the choice of becoming a multiple corporate agent or a broker should be left to the respective banks and their boards.

The panel's interim report says that the IRDA should amend the regulations to give five years to a bank to reach the 25 per cent cap on the insurance business placed with the insurance company of the promoter group required by the IRDA. Put in other words, the RBI committee is saying that the IRDA should not issue blanket orders to banks which are regulated by the RBI.

The major concerns expressed by banks on taking the broking route for selling insurance policies are as follows:

i. Their contracts with joint venture partners, equity arrangement and non-compete clause with insurance companies. The other major concern is the IRDA provision that banks will have to cap business from their own group companies at 25 per cent for life insurance with a similar cap on non-life insurance business too. Giving up the current agency structure and model is likely to raise legal issues, besides leading to the loss of credibility of domestic partners in attracting further investments from their bancassurance partner.

ii. Banks, as insurance brokers, will also have a fiduciary responsibility to the customer for the policies sold by them, they will be responsible for the mis-selling if any - a risk they are protected from under the corporate agency model they follow currently.

iii. "On selling products of multiple insurers, we said that the customer will have more choice and will be able to choose the product best suited to his needs rather than the insurer's product with whom the bank has an exclusive tie up. The comparison is enabled by IT systems.

The Implementation challenges:

Following are the implementation challenges:

- iv. Banks will have to invest in training their staff for selling policies of multiple insurers*
- v. Setting IT systems in training the staff is expensive*
- vi. Banks, as insurance brokers, will also have a fiduciary responsibility to the customer for the policies sold by them. they are required to take a professional indemnity policy to cover their liabilities*
- vii. Their contracts with joint venture partners, equity arrangement and non-compete clause with insurance companies will be a constraint at present.*
- viii. There's no guarantee that banks will stop promoting some products where commission will be more.*
- ix. As brokers, banks will have the fiduciary responsibility of customers and, hence, would require greater expertise in life insurance products and service related issues*
- x. Separate recruitment of insurance staff within bank will raise cost of operation. Then to maintain the same profit margin, banks will start charging more fees on their services.*

The committee, headed by Reena Banerji, general manager, RBI, has members from the RBI, IRDA, Indian Banks Association and senior officials from commercial banks is expected to submit its report to the finance

ministry soon.

The final directives in the matter will be released after the final report is submitted to Ministry of Finance.

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Property

Are you are a LANDLORD?

These days the trends have changed regarding how individuals capitalize their savings. Putting money into a bank and letting it mature is one such traditional method followed by our families. With the modernization that has got into every individual's life they need to earn quicker returns on their investments and that too if it is safe, it serves as a cherry on the cake. Here's where the real estate asset comes into the picture; It's a genre of assets which always appreciates rather than getting depreciated in the worst case. It's only the physical structure that actually depreciates over time. The land underneath the structure always appreciates in value.

People generally buy either plot (followed by construction) or a ready to move in flats which they usually give on rent. In the mind set of earning a return in the form of rent; there are a few other problems that come along with it. There can be different scenarios from the property being damaged to the extent of certain types of liability arising that are unique to landlords, such as wrongful eviction and entry. So there is a need to introduce an insurance product that caters to this segment of the society and which already is being put into practice in foreign geographies like US, Australia, United Kingdom etc. (US being the Highest) Also there are few variants of the product that are currently being offered.

TOP TEN WRITERS OF HOMEOWNERS INSURANCE BY DIRECT PREMIUMS WRITTEN, 2013

Rank	Group/company	Direct premiums written	Market share	Head Quarters
1	State Farm Mutual Automobile Insurance	\$17,073,508	20.80%	Bloomington, Illinois, United States of America
2	Allstate Corp.	\$7,428,694	9.1%	Northbrook, IL, United States of America
3	Liberty Mutual	\$5,236,892	6.4%	Boston, MA, United States of America
4	Farmers Insurance Group of Companies	\$5,029,555	6.1%	LA, California, United States
5	USAA Insurance Group	\$4,328,005	5.3%	San Antonio, Texas United States of America
6	Travelers Companies Inc.	\$3,368,962	4.1%	Saint Paul, MN, United States of America
7	Nationwide Mutual Group	\$3,092,293	3.8%	Columbus, Ohio United States of



				America
8	American Family Mutual	\$2,272,519	2.8%	Madison, Wisconsin, USA
9	Chubb Corp.	\$1,972,793	2.4%	Warren, NJ, United States of America
10	Citizens Property Insurance Corp.	\$1,272,336	1.6%	Tallahassee, Florida, United States of America
Source: SNL Financial LC.				

AVERAGE PREMIUMS FOR HOMEOWNERS, UNITED STATES, 2003-2011

Year	Homeowners	Percent change
2003	\$668	12.60%
2004	\$729	9.1%
2005	\$764	4.8%
2006	\$804	5.2%
2007	\$822	2.2%
2008	\$830	1%
2009	\$880	6%
2010	\$909	3.3%
2011	\$978	7.6%

Source: NAIC

Talking about in the Indian context, there had been few government initiatives in the past for promoting this proposal. A study has revealed a paradox. In a country like India where there is a shortage of 18 million houses, 11 million houses are vacant. To bring about a strategic policy intervention to promote rental housing, the housing and poverty alleviation ministry had set up a taskforce on rental housing.

Even though there is a plethora of insurance options available for different reasons – health, disability, automobile, fire, home etc. whose sales figures are not that impressive in Indian context. And also we can't deny the fact, by looking at these figures there might be high probabilities that it evidences to be misfortune for the insurers as according to the Indian mindset this product might not be a success in terms of willingness of buying or renewing it. But it is rightly said 'If you want to succeed you should strike out on new paths, rather than travel the worn paths of accepted successes.' There is an enormous need of the variants of the product that can be tweaked according to the mind set and can be floated into the market which can be an opportunity for first movers post getting the approval of the IRDA the appointed regulator of the insurance industry in India.

**Geetesh Garg
Business Analyst
HCL Technologies Ltd.**

III Contribution

22 Reasons to Believe Hinduism is Based On Science

1. *Tree – People are advised to worship Neem and Banyan tree in the morning. Inhaling the air near these trees is good for health.*
2. *Yoga – If you are trying to look ways for stress management, there can't be anything other than Hindu Yoga asana Pranayama (inhaling and exhaling air slowly using one of the nostrils).*
3. *Pratishthan – Hindu temples are built scientifically. The place where an idol is placed in the temple is called 'Moolasthanam'. This 'Moolasthanam' is where the earth's magnetic waves are found to be maximum, thus benefitting the worshipper.*
4. *Tulsi – Every Hindu household has a tulsi plant. Tulsi or basil leaves when consumed, keeps our immune system strong to help prevent the H1N1 disease.*
5. *Mantra – The rhythm of Vedic mantras, an ancient Hindu practice, when pronounced and heard are believed to cure so many disorders of the body like blood pressure.*
6. *Tilak – Hindus keep the holy ash in their forehead after taking a bath, this removes excess water from your head.*
7. *Kumkum – Women keep kumkum bindi on their forehead that protects from being hypnotised.*
8. *Hast grass – Eating with hands might be looked down upon in the west but it connects the body, mind and soul, when it comes to food.*
9. *Petal – Hindu customs requires one to eat on a leaf plate. This is the most eco-friendly way as it does not require any chemical soap to clean it and it can be discarded without harming the environment . banana; palash leaves*
10. *Karnchedan – Piercing of baby's ears is actually part of acupuncture treatment. The point where the ear is pierced helps in curing Asthma.*
11. *Haldi – Sprinkling turmeric mixed water around the house before prayers and after. Its known that turmeric has antioxidant, antibacterial and anti-inflammatory qualities.*
12. *Gobar – The old practice of pasting cow dung on walls and outside their house prevents various diseases/viruses as this cow dung is anti-biotic and rich in minerals.*
13. *Gomutra – Hindus consider drinking cow urine to cure various illnesses. Apparently, it does balance bile, mucous and airs and a remover of heart diseases and effect of poison.*
14. *Shiksha – The age-old punishment of doing sit-ups while holding the ears actually makes the mind sharper and is helpful for those with Autism, Asperger's Syndrome, behavioral problems.*
15. *Diya – Lighting 'diyas' or oil or ghee lamps in temples and house fills the surroundings with positivity and recharges your senses.*
16. *Janoyi – 'Janoyi', or the string on a Brahmin's body, is also a part of Acupressure 'Janoyi' and keeps the wearer safe from several diseases.*
17. *Toran – Decorating the main door with 'Toran' – a string of mangoes leaves;neem leaves;ashoka leaves actually purifies the atmosphere.*
18. *Charansparsh – Touching your elder's feet keeps your backbone in good shape.*
19. *Chittaagni – Cremation or burning the dead is one of the cleanest form of disposing off the dead body.*



20. *Om – Chanting the mantra ‘Om’ leads to significant reduction in heart rate which leads to a deep form of relaxation with increased alertness.*
21. *Hanuman Chalisa – Hanuman Chalisa, according to NASA, has the exact calculation of the distance between Sun and the Earth.*
22. *Shankh – The ‘Shankh Dhvani’ created the sound waves by which many harmful germs, insects are destroyed. The mosquito breeding is also affected by Shankh blowing and decreases the spread of malaria.*

The science behind Hindu traditions:

Indian Customs Vs Scientific Reasons

Traditions in Hinduism were considered mainly as superstitions, but with the advent of science, it is becoming evident that these traditions are based on some scientific knowledge and moved from generations to generations as traditions. Though the common people did not know science in it, they were following it very faithfully over the years. This blog is an attempt to bring forward the science involved in these traditions and rituals...

1. *Throwing Coins into a River: The general reasoning given for this act is that it brings Good Luck. However, scientifically speaking, in the ancient times, most of the currency used was made of copper unlike the stainless steel coins of today. Copper is a vital metal very useful to the human body.*
Throwing coins in the river was one way our fore-fathers ensured we intake sufficient copper as part of the water as rivers were the only source of drinking water. Making it a custom ensured that all of us follow the practice.
2. *Joining Both Palms together to Greet: In Hindu culture, people greet each other by joining their palms – termed as “Namaskar.” The general reason behind this tradition is that greeting by joining both the palms means respect.*
However, scientifically speaking, joining both hands ensures joining the tips of all the fingers together; which are denoted to the pressure points of eyes, ears, and mind. Pressing them together is said to activate the pressure points which helps us remember that person for a long time. And, no germs since we don’t make any physical contact!
3. *Why do Indian Women wear Toe Ring: Wearing toe rings is not just the significance of married women but there is science behind it.*
Normally toe rings are worn of the second toe. A particular nerve from the second toe connects the uterus and passes to heart.
Wearing toe ring on this finger strengthens the uterus. It will keep it healthy by regulating the blood flow to it and menstrual cycle will be regularized. As Silver is a good conductor, it also absorbs polar energies from the earth and passes it to the body.
4. *Applying Tilak on the Forehead: On the forehead, between the two eyebrows, is a spot that is considered as a major nerve point in human body since ancient times. The Tilak is believed to prevent the loss of “energy”, the red ‘kumkum’ between the eyebrows is said to retain energy in the human body and control the various levels of concentration.*
While applying kumkum the points on the mid-brow region and Adnya-chakra are automatically pressed. This also facilitates the blood supply to the face muscles.

**Compiled by Mrs. Tanuja Jagavkar
Assistant Secretary,
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PMJDY + Micro insurance

Pradhan Mantri Jan Dhan Yojana

Introduction

The move for PMJDY (Pradhan Mantri Jan Dhan Yojana) 2014 has paved the way for the penetration of Micro insurance products at the doors of remote village population in India. A historic record of opening approx. 1.8 crores of Bank Account along with a personal accident cover in a day reveals the economic and social influx of this highly ambitious plan by our PM Mr Narendra Modi . This is indeed a first step towards financial inclusion.

Pradhan Mantri Jan Dhan Yojana – Benefits, Eligibility & Purpose

The bank account opened under PMJDY will be a zero balance account and customers are not required to maintain any minimum balance.

A Rupay Kisan Debit Card will be issued which can be used to withdraw money from ATM's and free accident insurance up to Rs 2 Lakh will be provided for those who open their bank account within 100 days of scheme being launched.

An overdraft facility of Rs 5000 will be provided after six months of opening the account at the discretion of the bank only if your account has been active and seen a lot transactions. The over-draft limit which is like a short term loan can be increased up to Rs 15,000 if the repayment is prompt.

The global micro insurance industry has grown tremendously over the past few years. The estimated number of policies sold more than tripled between 2009 and 2012, increasing from 135 million to 500 million. A variety of initiatives and organizations have been created to expand insurance penetration in low-income populations; and while these efforts have shown some success, there is still much room for improvement. Furthermore, policymakers have raised the possibility of involving insurance regulators in the promotion of coverage for low-income populations, a role that could go beyond the traditional pricing, solvency, and market conduct functions.

A successful micro insurance regulatory scheme will promote market development and enhance social welfare.

The prospect of micro insurance is expected to be much wider and challenging, especially with huge network of financial infrastructure in the country. For instance, many commercial banks have partnered foreign insurance companies for providing life insurance policies. Thus, banking outlets (which number close to 70,000) and more than 1 lakh cooperative societies could provide the needed outreach to purvey micro-insurance facilities without much addition to transaction costs. Unfortunately, the desired outreach and efficacy of micro insurance sector in India has not been achieved.

Consumption in rural India is set to get a boost from the unlikeliest of sources — micro insurance. This is the latest buzzword for insurance companies that seek to provide income security in rural areas. About 74% of households in India are in rural areas. About 80% of these have an annual income of less than \$1,800 (Rs 81,000).

As income in the rural areas is mostly irregular and seasonal, income security is the top most priority for potential policyholders. With the phenomenal India growth story, it is expected that today's micro insurance policyholder will be tomorrow's high value client.

**Ravikant Vishal
Admn. Officer**

**The New India Assurance Co. Ltd
Kolkata Regional Office**



Insurance Claim

No Insurance Claims made for Domestic LPG Cylinder Accidents(Liquefied Petroleum Gas) Insurance

Very little thought was given in bringing awareness to the Consumers on how Domestic LPG cylinder accidents can be prevented. Also, no efforts were made by the oil companies and gas distributors when accidents happen, to knowing how the claim can be made through insurance coverage. No consumer seems to be aware of the insurance cover available for Domestic LPG Consumers and which they can avail in case of unfortunate mishaps. It will be surprising to know that not a single consumer has claimed insurance so far. It is because there is no awareness. Gas agencies do not bother to inform the consumers about this benefit.

Domestic LPG consumers are entitled to a risk cover upto Rs.40 lakhs in case of loss of life or property due to cylinder explosions. It is revealed by the insurance companies and gas agencies that though there were cases of LPG gas cylinder explosions in different parts of the country, not a single claim was reported in the last 20 years. Ignorance of the consumers is a blessing to the Insurance companies. Major Domestic LPG cylinder suppliers -Indian Oil Corporation and HPCL have displayed in their WEB site that all the registered Domestic LPG consumers are covered under an insurance policy. In case of accident, the consumers must immediately inform the gas distributor in writing. The same is then informed to the Oil companies and the Insurance companies.

Initiative not taken to create awareness

For this pathetic show, we may say there has been no initiative by the Government, insurance firms or Oil companies to create awareness. As per the norms, all the gas agencies have to display a notice prominently in their office informing about the insurance coverage available to the consumers. But rarely it is done.

Each gas consumer is covered with insurance partly by the insurance firm and the concerned gas distributor.

It is advised that in case of unfortunate event of cylinder explosions causing loss of life or damage to the property, one must inform first the concerned gas distributor and wait till the insurance company undertakes a survey of the accident spot. Till such time do not move anything from the spot, though it may cause some inconvenience to the consumers. Because insurance companies will normally send their approved Surveyors to inspect the accident spot and their report will form part of the claim settlement process.

Some safety precautions

- 1. Do not open the Gas switch before keeping the source of flame near the burner and light immediately. For flame to start immediately, ensure your lighter is in good condition.*
- 2. Clean the burner every day, knowing fully how to do it.*
- 3. Without forgetting, close the stove valve after cooking and keep the cylinder switched off at night and when going out.*
- 4. When you start using a new cylinder, make sure the Pin is properly inserted in the mouth of the cylinder.*
- 5. Open the windows every morning before using the gas for a few minutes.*
- 6. Have the rubber tube checked periodically, at least once in six months by your gas agency and change it if necessary.*

7. Make sure not to spill hot water/ oil over the rubber tube

For a claim settlement

- a) Check with your LPG distributor on the requisites for a valid insurance claim.*
- b) Use only original accessories which are ISI certified. Keep the relevant bills/cash memo.*
- c) Request your distributor to do the maintenance check every year and preserve the receipt.*

Conditions for coverage

It is argued by the distributors of Domestic LPG cylinders that affected consumers will be eligible to claim loss only if the original accessories such as stove, pipe, regulators have been used. Otherwise the claim will be rejected by the insurance companies. Perhaps this may be the apprehension of the consumers. But such accessories normally come with good quality check with ISI certification. But still to be on the safer side, the consumers must ensure they use the accessories certified by their gas distributor. This will not only ensure safety of the consumer, but will also enable them to lodge the claim without any apprehension when accident occur due to cylinder explosion.

Though no one wants any accidents, but still it is better to understand insurance coverage.

*Source: *some inputs in this write up are taken from the newspaper 'Deccan Chronicle'*

***some points in this write up are taken from Mr.S.V.Ramanan's Blog*

I acknowledge their contribution in bringing out this useful topic

T.S.V.Subramanian
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Cargo Theft

Technology and Cargo Theft

An increase in both the sophistication and frequency of cargo thefts in 2013-14 suggests that the trend of highly targeted efforts by organised criminals continues, systematically identifying HVTT (Higher Value Theft Targeted) cargoes.

The methodology and technology behind crimes are constantly evolving and becoming more sophisticated.

Systematic tracking of HVTT cargoes and container units enable criminals to identify the weakest link in the supply chain and strike with minimal risk. Gone are the days when thieves would walk around truck stops, under the cover of darkness, cutting curtains to see whether there was anything valuable on the trailer. However despite the broadening opportunities for crime, the traditional ways are very much still dormant.

Virtual & Sub-contractors

The way criminal organisations take advantage of web vulnerabilities is constantly changing. The criminals simply pose as legitimate carriers. Since appropriate due diligence is not performed, mainly due to time restrictions, the lack of legitimacy of the fraudulent carrier is not detected. Cargoes continue to disappear in this way; the criminals regenerate themselves. This practice is prevalent across continental Europe as well as in the United States.

Criminal organisations have legitimately purchased small haulage companies with a recognised brand name. Immediately after the sale, the company will continue to operate under a legitimate registration number, often for a number of months showing as having the old directors on the board and having valid memberships to the recognised freight exchange sites, this while all the time operating in a state of virtual insolvency. They lie dormant awaiting an attractive cargo and present themselves offering their

services at an opportune moment. These internet portals allow such criminals to 'fish' for their intended cargo over prolonged periods until the desired opportunity arises, often without question.

Subcontracting is always a complex issue, causing greatest vulnerability and not just when something pressing arises but also as logistics operations involve unfamiliar geographical areas and new contract opportunities stretch existing resource capability, Meeting customer expectations, particularly regarding time, can lead to short-cutting established procedures. However, the risk of commercial damage as a result of theft should not be ignored, easily outweighing failure to achieve an isolated time delivery. As ever, straight-forward communication with customers is likely to maintain relationships – and reputation – in the long term.

Contractor due diligence

The inherent risks of using internet facilities can be successfully mitigated in a number of ways. First and foremost is the need for a robust and operationally appropriate approved subcontractor policy. The effective and consistent implementation of such a policy, even in times of highly time sensitive movements, is fundamental in mitigating the risks associated with the use of such web sites. Successfully managed, such checks will empower operators to assess their risk exposure prior to the engagement of a subcontractor, allowing commercially informed decisions to be made regarding such appointments.

Typically, hosts of such websites will exclude liability for fraudulent activity of suppliers. However, these hosts do have a duty of care and will often set out recommendations and loss prevention advice on the website, in order for users to manage their risk exposure. It is important that such instructions are fully understood and applied wherever possible.

In terms of evaluating a potential supplier, be alert to warning signs, such as the use of free email accounts such as Hotmail, Gmail and Yahoo to correspond, or facilities such as Skype. Such accounts can be easily opened and closed, with limited information, leading to difficulties in tracing perpetrators post incident. When requesting documentation, especially insurance documents, be wary of electronic documents. It is very easy to create imitation documents; one must always seek to verify the legitimacy of documents with the issuing party, whether an insurer or other organisation – and use independently sourced contact information. If any corporate or insurance details cannot be verified, it may be wiser not to proceed, despite the operational consequences. The additional time and inconvenience in performing effective due diligence will all too often prove worthwhile.

Be aware: There will always be opportunist thieves, so a thorough physical risk assessments of any supply chain are still necessary. Further, whatever the need to sub-contract, deliberate and consistent due diligence is critical. Statistics show that theft is four times more likely whilst goods are in the custody and control of a contractor. However, the internet has multiplied the potential for organised crime to expose vulnerabilities in the supply chain. Crime trends demonstrate that it is lucrative; where the returns are good, greater investments are made. Awareness of such risks means that operators need to consider regularly effective mitigation strategies.

**Capt. Vijay Pal Singh
Tata-AIG General Insurance Co.**

Innovation

Innovation in policy copy to save earth

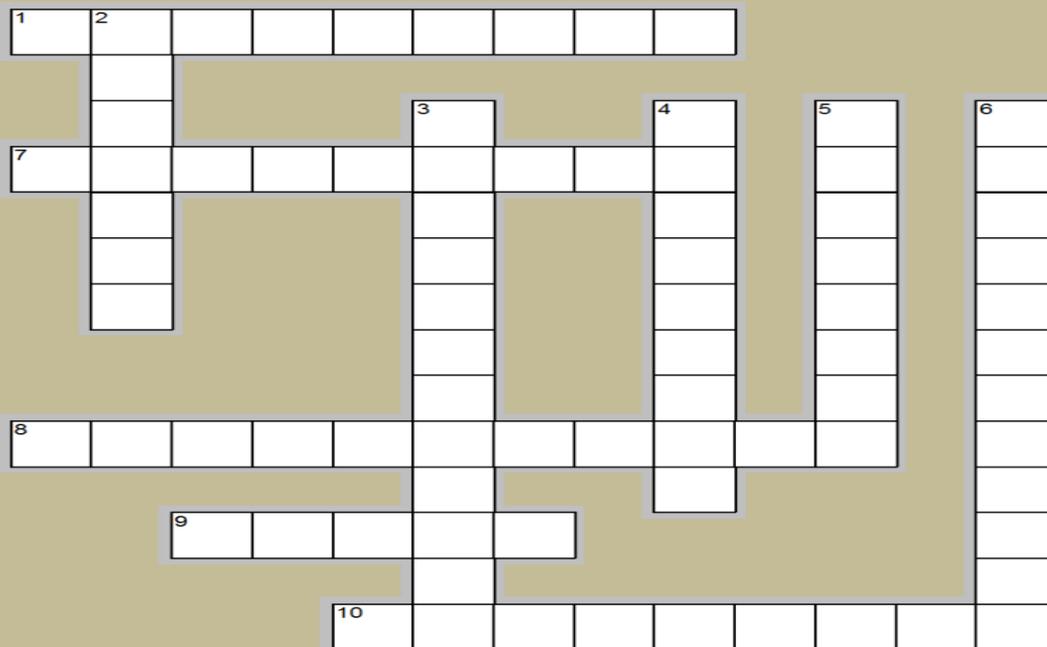
The Policy copy or the policy deed which is provided to the insured from an Insurance Office is often a combination of more than one printed paper where every detail of the insured life or insured property is mentioned. Today, in the busy world, nobody bothers to read the whole four to five pages of the policy deed. They only glance over some important points on the policy copy.

A Full details of the insured's life or property are generally mentioned by the proposer in the Proposal form before making the policy which may be made available in case of legal dispute. A simple card like structure may be issued for confirmation of the agreement regarding insurance. This will be very easy to carry and can be kept inside the purse also. Though for all policies this is not possible yet in order to look after the growing concern of saving trees, this may be an innovative tool for environment concern. This will also reduce management expenses.

Trees are very important for our survival. We can save trees from being cut by using less paper. An insurance card will be much worthier. In today's world we are carrying different cards in our purse (e.g. ATM card). Now Driving Licence, R.C. Book everything is issued as card. Then why should Insurance policy remain as a copy? Insurance companies must think of it. Instead of Motor policy copy it will be regarded as Motor policy card.

Rathindra Nath Banerjee

Puzzle



Across

1. A company's or person's debt; Responsibility.
7. Person who guarantees, if necessary, to pay someone else's debt.
8. Person who gains money or property from something; Benefactor.
9. A request for disbursement of the benefits promised in the contract.
10. Verbal or written contract between two or more parties to explain the way they intend to act in respect of each other.

Down

2. Person or company that holds an insurance policy; policyholder.
3. Process of assessing proposals / risks for insurance.
4. The Original sum invested or lent, as distinct from any profit or interest it may earn; Primary.
5. Anything pledged as collateral against a loan or the document that sets out the term of such collateral; Protection.
6. Endowment policy that can be encashed at any time after ten years in force.



Answer of Last Month's Crossword**Puzzle No.1.****Answer** : M**Explanation** : Working in rows, add together the numerical values of the left and right hand letters to give the numerical value of the central letter.**Puzzle No. 2.****Answer** : 3**Explanation** : Starting on the left and working to the right, take pairs of dominoes and calculate the sum of the dots they are displaying. This sum follows the sequence 3, 6, 9 and 12.**Mr. Rajesh Sawant**
i-Think Member**Trends & Survey****INSURANCE SECTOR:
ON BRINK OF TECH-RELATED CHANGE**

The insurance sector is on the brink of a major technology-driven change, according to a research report on insurance and technology by the Morgan Stanley and Boston Consulting Group (BCG). The report says technology-driven change creates exciting opportunities for insurers keen to embrace it, but poses significant risks for laggards. The research report, 'Insurance and Technology: Evolution and Revolution in a Digital World', estimates technology could reduce the combined ratio as much as 21 per cent. Compared to a baseline insurer with a combined ratio of 99 per cent, the combined ratio of a digitally born insurer will be 78-82 per cent, it says.

EYES & EARS

Cause of claims	Connected devices available	Prevention potential (%)
HOME	Connected meters	20-30
Water leakage	Active leakage detection devices	70
Fire	Smart smoke detector	70
Theft	Advanced alarm systems	10-80
MOTOR		
Poor driving	Safer driving	5
False claims	Fraud detection through telematics	10-20

HOW WELL PLACED ARE INSURERS TO DEAL WITH CHANGING TECH ENVIRONMENT?

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Established brands Expertise in pricing risks Detailed understanding of claim patterns Large existing consumer base Ownership of face-to-face distribution High degree of consumer trust 	<ul style="list-style-type: none"> Limited frequency of consumer interaction Legacy IT systems, operational complexity Lagging other industries in 'digital' consumer experience, especially in claims Channel conflict 	<ul style="list-style-type: none"> Development of new flexible products – meeting unmet consumer needs Increased cross-selling potential New emerging risk types – for example, cyber risk Change in operational efficiency Offer better services to clients 	<ul style="list-style-type: none"> Risk of adjacent entrants into insurance Disruptive models, for example peer-to-peer Industry is not a natural ecosystem host Smaller risk pools given internet of things/telematics Late adoption of technology will lead to loss in popularity

Source: BCG case experience, smart systems suppliers; BCG analysis, Morgan Stanley Research

Compiled by Sneha Pednekar
i-Think Member

Article - III

Lord Ganesha

“Vakratunda Mahakaya Suryakoti Samaprabha Nirvighnam Kurumedev Sarvakaryeshu Sarvada”

This shloka - when we speak or listen it ultimately creates positive vibrations in our daily life, which helps us to move through our life peacefully assuming that our God, our faith is with us. We call Lord Ganesha using many names as in the mantra above. Each name has a different meaning. We always speak and hear the Shlok “Shree Ganeshaya Namaha” whenever we initiate a good work.

Ganesh Chaturthi is the hindu festival the elephant-headed, remover of obstacles and the god of beginnings and wisdom. The festival, also known as Vinayaka Chaturthi, is observed in the Hindu calendar month of Bhaadrapada, starting on the shukla chaturthi (fourth day of the waxing moon period). The date usually falls between 19 August and 20 September. The festival lasts for 10 days, ending on Anant Chaturdashi (fourteenth day of the waxing moon period).

Traditional Ganesha Hindu stories tell of Lord Ganesha, son of goddess Parvati, who is the consort of Shiva. Parvati is supposed to have created Ganesha out of sandalwood paste that she used for her bath and breathed life into the figure. She then set him to stand guard at her door while she bathed. Lord Shiva, who had gone out, returned and as Ganesha didn't know him, didn't allow him to enter. Lord Shiva became enraged by this and asked his follower Ganas to teach the child some manners. Ganesha, who was very powerful, being born of Parvati, the embodiment of Shakti, defeated Shiva's followers and declared that nobody was allowed to enter while his mother was bathing. The sage of the heavens, Narada along with the Saptarishis sensed the growing turmoil and went to appease the boy with no results. Angered, the king of the Gods, Indra attacked the boy with his entire heavenly army but even they didn't stand a chance. By then, this issue had become a matter of pride for Parvati and Shiva. Angry Shiva severed the head of the child. Parvati, seeing this, became enraged. Seeing Parvati in anger Shiva promised that her son would be alive again. The devas searched for the head of a dead person facing North, but they found only the head of a dead elephant. They brought the head of the elephant and Shiva fixed it on the child's body and brought him back to life. Lord Shiva also declared that from this day the boy would be called Ganesha (Gana Isha : Lord of Ganas).

Ganesh is accepted as the god of learning and the patron deity of letters & scriptures. Ganesh's Tusk was used by him in writing of the epic, “The Mahabharata”. When Vyasa wanted to compose the Mahabharata' Brahma suggested that Ganesha be his scribe. Vyasa agreed & Ganesha brought his broken tusk as a writing quill. Vyasya dictated the entire epic in verse. Ganesha recorded every word for god & men alike.

The Vehicle of Ganesha is the Mouse. The inner significance of mouse is that the mouse has keen sense of smell. The mouse is a symbol of the attachment to worldly tendencies (Vaasanas). The mouse also symbolizes the darkness of night. As Ganesha's vehicle the mouse signifies an object that leads man from Darkness to Light.

According to the Linga Purana, Ganesha was created by Lord Shiva and Goddess Parvati at the request of the Devas for being a Vighnakartaa (obstacle-creator) in the path of Rakshasas, and a Vighnahartaa (obstacle-averter) to help the Devas achieve fruits of their hard work.

The festival involves installing clay images of Ganesha in public pandals (temporary shrines), which are worshipped for ten days with different variety of herbal leaves, plants and immersed at the end of the festival in a water (lake) along with the Idol i.e. we called it as “Ganpati Visarjan”.

It was a tradition that after adding herbal and medicated plants and leaves (patri) in lakes, the water in the lake becomes purified because in early days people used to drink lake water to protect peoples from



infections and viral diseases especially in this season.

Ganesh Chaturthi was being celebrated as a public event in Pune since the times of Shivaji (1630–1680), the founder of the Maratha Empire. The Peshwas, the administrators of the Empire from 1749 till its end in 1818, encouraged the celebrations in their administrative seat Pune as Ganesha was their family deity (Kuladevata). With the fall of the Peshwas, Ganesh Chaturthi lost state patronage and became a private family celebration again till its revival by Indian freedom fighter and social reformer Lokmanya Tilak. In 1893, Lokmanya Tilak transformed the annual domestic festival into a large, well-organized public event. Tilak recognized the wide appeal of the deity Ganesha as "the god for everybody", and popularized Ganesh Chaturthi as a national festival in order "to bridge the gap between Brahmins and Non-Brahmins and to build a new grassroots unity between them", and generate nationalistic fervor among people against the British colonial rule. Tilak was the first to install large public images of Ganesh in pavilions, and also established the practice of their immersion in the sea or other waters on the eleventh day.

Most of peoples are arranging poetry recitals, performances of plays, musical concerts, and folk dances etc. In such gathering all caste & community peoples involve & celebrate with joy.

The last day of "Ganesh Chaturthi" is "Anant Chaturthi", i.e. immersion of Ganesh Statues. In Mumbai, more than 150,000 statues are immersed each year. The largest Ganesh statues, on display to the public, are usually immersed on the 11th day. However many people who keep a Ganesh in their homes choose to perform the immersion after one & half, three, Five or seven Days. The immersion [visarjan] is a grand affair with celebration & slogans like "Ganpati Bappa Moorya, Pudhchya Varshi Lavkar Ya" i.e. 'awaiting your grand arrival for next year'.

Poonam Raut
i-Think Member

Happenings at Institute

College of Insurance

List of Programs conducted in the month of September, 2014:

01. C.I.E. workshop for Agents was conducted from 1st to 3rd September, 2014. Total 22 participants from the industry attended the workshop.
02. College of Insurance conducted an International General Insurance program on "Fire, Project & Mega Lines", from 1st to 6th September, 2014. Total 24 overseas members participated from various countries.



INSURANCE INSTITUTE OF INDIA

College of Insurance, Mumbai

International Program on General Insurance

Date: 01/09/2014 to 06/09/2014



03. Special Session on "General Insurance Appraisal" was conducted from 8th to 11th September, 2014. Total 25 participants attended the session.
04. Majlis program on 'Non-Governmental Organisation' was conducted on 15th September, 2014. Total 105 participants attended the program.
05. Special Session on "Business Centre Heads" was conducted from 15th to 18th September, 2014. Total 26 participants attended the session.
06. Special Session on "Performance Builder" was conducted from 15th to 18th September, 2014. Total 27 participants attended the session.
07. Special Session on "Business Centre Heads" was conducted from 22nd to 25th September, 2014. Total 31 participants attended the session.
08. Special Session on "Performance Builder" was conducted from 22nd to 25th September, 2014. Total 23 participants attended the session.
09. Marine Hull Insurance- Workshop on Marine Hull Insurance was conducted from 15th to 18th September, 2014. Total 15 participants from the industry attended the workshop.



10. *Rural and Micro Insurance- A program on Rural and Micro Insurance was conducted from 22nd to 24th September, 2014. Total 10 participants from the industry attended the program.*

11. *25 hrs. Brokers Renewal training was conducted from 22nd to 25th September, 2014. Total 45 participants attended the training.*

12. *Special Session on “Marketing Strategy for Branch Managers” was conducted from 29th September to 1st October, 2014. Total 22 participants attended the session.*

Training Program

Upcoming Program for October - December 2014

Sr No	PROGRAMME	DATE FROM-TO	FEES WITH RESIDENCE	FEES WITH NON-RESIDENCE	DESIGN FOR
01	Business Centre Heads	7-10 Oct 2014	For National Insurance Company Ltd Only		
02	General Insurance Appraisal	7-10 Oct 2014	For National Insurance Company Ltd Only		
03	Optimisation of Distribution system	13-15 Oct 2014	Rs.9600 + S.T.	Rs.8100 + S.T.	Managers in Marketing department of Insurance Companies
04	General Insurance Appraisal	13-16 Oct 2014	For National Insurance Company Ltd Only		-
05	25 hrs. Brokers' Renewal Program	13-17 Oct 2014		Rs.9214	
06	Excellence in Management	13-17 Oct 2014	For National Insurance Company Ltd Only		-
07	Business Centre Heads	27-30 Oct 2014	For National Insurance Company Ltd Only		-
08	Excellence in Management	27-31 Oct 2014	For National Insurance Company Ltd Only		-
09	50/25 hrs. Pre-Licensing training for Brokers	3-13 Nov 2014		Rs. 16800 + S.T.	
10	Appreciation Course- Actuarial Science for Non-Life Insurance	10-12 Nov 2014	Rs.9600 + S.T.	Rs.8100 + S.T.	Managers of Non-life companies
11	General Insurance Appraisal	10-13 Nov 2014	For National Insurance Company Ltd Only		-

12	<i>Excellence in Management</i>	10-14 Nov 2014	<i>For National Insurance Company Ltd Only</i>		–
13	<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>
14	<i>Business Centre Heads</i>	17-20 Nov 2014	<i>For National Insurance Company Ltd Only</i>		–
15	<i>General Insurance Appraisal</i>	17-20 Nov 2014	<i>For National Insurance Company Ltd Only</i>		–
16	<i>Risk Management and PML - Significance</i>	24-26 Nov 2014	Rs.9600 + S.T.	Rs.8100 + S.T.	<i>Middle Level Executives in General Insurance Companies</i>
17	<i>Business Centre Heads</i>	24-27 Nov 2014	<i>For National Insurance Company Ltd Only</i>		–
18	<i>Excellence in Management</i>	24-28 Nov 2014	<i>For National Insurance Company Ltd Only</i>		–
19	<i>Finance for General Insurance Executives</i>	27-29 Nov 2014	Rs.9600 + S.T.	Rs.8100 + S.T.	<i>Middle Level Executives in General Insurance Companies</i>
20	<i>Management of Property Insurance-Fire (Underwriting)</i>	1-3 Dec 2014	Rs.9600 + S.T.	Rs.8100 + S.T.	<i>Middle Level Executives in General Insurance Companies</i>
21	<i>Agency Management</i>	1-3 Dec 2014	Rs.12000 + S.T.	Rs.10500 + S.T.	<i>Middle Level Executives in General Insurance Companies</i>
22	<i>Special Session on Business Centres Head</i>	1-4 Dec 2014	-	-	<i>National Insurance Co. Ltd.</i>
23	<i>Special Session on Excellence in Management</i>	1-5 Dec 2014	-	-	<i>National Insurance Co. Ltd.</i>
24	<i>Pension Business Systems</i>	4-5 Dec 2014	Rs.8000 + S.T.	Rs.7000 + S.T.	<i>Executives working in Pension Product</i>
25	<i>Aviation Insurance</i>	8-10 Dec 2014	Rs.9600 + S.T.	Rs.8100 + S.T.	<i>Executives working in Aviation department of General Insurance Companies</i>
26	<i>Special Session on General Insurance Appraisal</i>	8-11 Dec 2014	-	-	<i>National Insurance Co. Ltd.</i>
27	<i>Special Session on Business Centres Head</i>	8-11 Dec 2014	-	-	<i>National Insurance Co. Ltd.</i>
28	<i>Management of Property Insurance - Engineering (Underwriting)</i>	15-17 Dec 2014	Rs.9600 + S.T.	Rs.8100 + S.T.	<i>Middle Level Executives in General Insurance Companies</i>



29	<i>Leadership program for Women Executives</i>	<i>15-17 Dec 2014</i>	-	-	<i>National Insurance Co. Ltd.</i>
30	<i>Special Session on General Insurance Appraisal</i>	<i>15-18 Dec 2014</i>	-	-	<i>National Insurance Co. Ltd.</i>
31	<i>Leadership program for Women Executives</i>	<i>22-24 Dec 2014</i>	-	-	<i>National Insurance Co. Ltd.</i>
32	<i>Special Session on Marketing Strategy for Branch Managers</i>	<i>22-24 Dec 2014</i>	-	-	<i>National Insurance Co. Ltd.</i>

Associated Institute

Kolhapur Insurance Institute

Local Seminar on “New Life Insurance Policy” was conducted on 12th August 2014 at Rambai Samani Hall, Udyamnagar, Kolhapur. Shri Raj Kishore Naik, Sr Divisional Manager LIC of India Kolhapur D.O was the Chief Speaker. Total 100 participants attended the Seminar.

Discussion was held on various issues. Major issues were:

01. Different products of Life insurance policies
02. Whether these products were customer friendly?
03. Whether in long term these products will help LIC to keep their market share on high side?
04. What will be the reaction of Private insurance co. in this connection?

