



• Quote for the Week •

"A leader is one who knows the way, goes the way, and shows the way"

John C. Maxwell

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Insurance Industry

India to have regional insurers soon - Business Standard - 20th May 2015

India might soon have regional insurance companies operating only in select locations and regions. In its proposed amendments to the Registration of Indian Insurance Companies Regulations, the Insurance Regulatory and Development Authority of India (Irdai) has asked new applicants to specify the city, region or concentration (rural/urban) that they will concentrate on. "Prospective applicants need not open branches all across the country. They can have operations only in few cities or rural, urban centres," said Irdai officials. Rather than opening branches in multiple regions, these insurers would concentrate on a few places with their products and services, they added.

In its draft norms, issued on May 11, Irdai has asked insurers applying for a new licence to mention where they wish to carry on insurance business. Here, options of regions including north, south, east, west and central have been given. Similarly, insurers should also give the details of which metropolitan city they wish to operate in, including Mumbai, Delhi, Kolkata or Chennai. Their rural, urban concentration can be pre-determined at the time of application for a licence with the regulator.

Insurance sector officials said while new applicants might not look into having operations only in a few metro cities, having a rural or urban presence can help them build a niche. Till now, all insurers have all-India presence, although business is generated only from a few cities. "Of the 50-plus insurers, each insurance company is strong only in a few locations and regions. Public-sector insurers have largely been dominating in the rural areas. It will be beneficial for policyholders if there are new insurers only looking into specific regions," said the CEO of a private life insurer.

However, some insiders said the capital requirement of Rs 100 crore could be a deterrent to very small players entering as regional insurers. In its draft, the regulator has specified that irrespective of where they operate, all new entrants should maintain a minimum capital of Rs 100 crore. Earlier, when it was proposed that the capital requirement be brought down to Rs 50 crore, there were a few firms wanting to enter the sector as regional health insurers. Regulatory officials had also decided to give a go-ahead to these firms, but the capital requirement was not brought down. To have a niche category of insurers that differentiate themselves from others, the applicants have also been asked to specify which distribution channel they would use, including online, direct, tied-agents and brokers, among others. Irdai will accept comments to the draft norms till June 8.

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Insurers told to give speedy premium payment receipts - Financial Chronicle - 19th May 2015

Amid some instances of delays in receipts of insurance payments, the Insurance Regulatory and Development Authority of India (Irda) has asked the companies to have in place a system of delivering immediate premium acknowledgment to policyholders.

"Every insurer shall mandate such authorised insurance agents or registered insurance intermediaries to issue acknowledgements immediately on collection of premiums and the insurer shall put in place procedures with due control mechanisms... for issue of the acknowledgments at the point of collection," Irda said in its guidelines.

Source

The insurers have also been advised to incorporate the necessary disclosures, caveats or disclaimers in the acknowledgments for various scenarios and time sensitive products like Ulips. "Insurers shall also put in place procedures for remittance of premiums collected within 24 hours," Irda said.

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RTI law must apply to pvt healthcare, insurance firms - The Pioneer – 19th May 2015

Recently, the Central Government has taken two historic decisions for the welfare of workers in particular and economic development of the country in general by opening both EPFO and ESI schemes to privately managed pension scheme and health insurance schemes. With less cost, workers will now have option to choose from market their pension and healthcare requirements.

Now time has come to open RTI Act to private institutions providing pension and periodical/lumpsum insurance benefits. With limited facilities of Government/ public sector involving healthcare and pensionary benefits, it is a fact that almost 70 to 80 per cent of such coverage is managed and controlled by privately managed insurance companies and private medical institutions. In this background, it is a paradox that such private institutions are out of the ambit of "RTI Act." Time has come to revisit and reorient our focus on why private insurance companies and private healthcare institutions should not come under "RTI Act".

It is a fact that privately managed institutions have benefited from using the resources and patronage of Government one way or the other. Land, capital or public authorities/ utilities like police, road and transport etc help private bodies to establish their business and occupy large share in the market. With increasing complaints of huge cost of medical care, non-treating/ non-coverage particularly for economically vulnerable section of the society, why not public scrutiny be opened to their venture as far as their services or products are concerned?

It is also a fact that all institutions in private sector duly supported NGOs are shouting for increased transparency in Government/public sector offices or institutions but when asked to share information involving services provided by them, they take the plea at the first opportunity to deny such information under the pretext that RTI Act is not applicable to them. Why such discrepancy between private and public sector?

RTI Act has definitely played a positive role in bringing empowerment in our country and it is high time private healthcare providers both in social security and insurance sectors came under the purview of the law. This will not only will benefit production but productivity in the long run, thereby making the "Make in India" a great success.

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Source

SOCIAL SECURITY - New insurance schemes get off to impressive start - The Times of India (Bangalore) – 19th May 2015

If PM Narendra Modi's independence Day speech unveiled Jan-Dhan that was to bring banking facilities to the unbanked, finance minister Arun Jaitley's second Budget speech was about providing social security to millions of Indians.

Like Jan-Dhan, Modi's ministers fanned out across the need out across the country to ensure effective rollout of the social security road map. The PM flew to Kolkata and announced ambitious schemes to provide life insurance, pension and accident cover at nominal rates.

And, the scheme has been a success, at least that's what things look like in the initial days. By June 11, within two days of launch, 6.3 crore people opted for it. In less than a week, the number was touching 7 crore, over 5 crore going for accident cover and more than 1 crore for life insurance.

The offer is compelling: A Rs 2 lakh life cover at less than Re 1 a day and accident insurance for the same amount at Re 1 a month and fixed monthly pension of Rs 1,000-Rs 5,000 a month. It isn't that only the less affluent are opting for the schemes, even the middle class is buying these covers.

In the Budget, Jaitley offered incentives for the middle class to save for old age in the form of a tax deductions of up to Rs 50,000 a year for funds parked in the National Pension Scheme that's not taken off for years. As financial advisors tell you, unlike other products, pensions must be sold, not bought. Probably, that's why the Atal Pension Yojana, also launched on May 9, has been a tad slow off the blocks.

Source

Maharashtra tops in non-life premium, Delhi No 1 in insurance density - The Economic Times – 18th May 2015

Maharashtra tops the list in generating non-life premium, while New Delhi has emerged as number one in general insurance density or per capita insurance premium, and insurance penetration or per centage of population covered, in the country during 2013-14. According to data from General Insurance Council (GIC), the top five general insurance markets in terms of gross premium are Maharashtra, Tamil Nadu, Gujarat, Karnataka and New Delhi.

Maharashtra, with around 1,100 offices, set up by the general insurers had mobilised a total premium of Rs 17,774 crore in 2013-14. The state's per capita premium is pegged at Rs 1,600 while insurance penetration is at 1.13 per cent during the year. New Delhi, with a relative smaller population of 1.68 crore and 315 offices, had mobilised premium of around Rs 5,000 crore and has got the highest insurance penetration of 1.34 per cent and density of Rs 3,228 in 2013-14, it said.

Tamil Nadu, the second-largest general insurance market with around 1,200 offices has the largest number of general insurance offices in the country. The state had generated Rs 7,538 crore of premium and has insurance penetration of 0.90 per cent and density of Rs 1,050 in 2013-14, it added. "Traditionally, Maharashtra has been the highest premium producing state, mainly because of Mumbai being the financial capital of the country.

"However, from the GIC data, it seems that many other states, including New Delhi, have started producing premium due to its economic growth, high literacy and more car owning young people going for motor and health insurance," GIC Secretary General R Chandrasekaran said.

"Maharashtra is the most industrialised state and corporate offices of a number of companies are located here and hence it is on top when it comes to premium collection," ICICI Lombard General Insurance Chief (Underwriting and Claims) Sanjay Datta said. "Because non-government assets and population were high in New Delhi and surrounding areas and hence it is on top when it comes to insurance penetration and density," he added.

Gujarat, the third-largest general insurance market, had 580 offices with a premium income of Rs 5,020 crore and had an insurance penetration of 0.76 per cent and density of Rs 775 in 2013-14. Karnataka, with a total premium of Rs 5,698 crore and 612 offices, is ranked at fourth position in 2013-14. It had an insurance penetration of Rs 932 and density of 0.96 per cent in the reporting period. However, the general insurers are now diversifying into other parts of the country to grow their business.

"Now, we are focusing on northern and eastern parts of the country. Large states like West Bengal and Uttar Pradesh are some of the other potential areas in the country for insurance coverage," New India Assurance (NIA) General Manager and Director Sanath Kumar said.

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Insurers keeping away from perpetual bonds - Business Standard – 15th May 2015

Insurers are staying away from tier-1 perpetual bonds issued by banks because of the lack of liquidity in the instrument and pricing issues in it. Insurance companies also say as the instruments are a mix of debt and equity, they are not comfortable investing in these.

A perpetual bond is a financial instrument with no maturity date. These bonds are not redeemable but pay a steady stream of interest forever. Here, the price of a perpetual bond is, therefore, the fixed interest payment, coupon amount, divided by a constant discount rate, which represents the speed at which money loses value over time (partly because of inflation).

The head of fixed income at a life insurance company said there have been some issuances of these Basel III-compliant bonds but they'd stayed away. "Because they are bank bonds, there have been some demands from provident funds. So, they are priced much lower than what we want it to be," he said. In the recent past, only a handful of life insurance companies are said to have invested in these. Sector experts said only top life insurers have the investable asset size and spread to take a risk on this instrument.

"In perpetual bonds, there is not much of liquidity in the market. In the past, we have invested in these. However, as an insurance market player, we prefer bonds with secondary market liquidity," said Nirakar Pradhan, chief investment officer, Future Generali India Life Insurance.

Insurers also await clarity on whether this instrument would count as a debt or an equity instrument from the sector regulator. The regulator has allowed companies to invest in these bonds. Sector executives and arrangers had earlier said that the task of hawking these instruments could be challenging in FY16, as investors have ample options. These bonds come with tough covenants (rules) for distributing the dividends, which investors often find unattractive. These bonds are referred to as additional tier-I capital under the Basel-III requirements of banks.

Source

Yields apart, the fact that this instrument would be quasi equity is also keeping large insurance investors away. The chief investment officer of a mid-size insurance company said they'd prefer to invest in pure debt, as in the case of Basel-III bonds an entity not making profits need not pay interest.

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IRDAI Regulation

Insurers to increase rural, social sector business as they grow older in industry: IRDAI - Business Standard - 19th May 2015

Insurance companies' rural and social sector obligations will depend on how long they have been in business, according to the Insurance Regulatory and Development Authority of India (Irdai)'s draft regulations, issued on Monday.

According to Irdai (Obligations of Insurers to Rural and Social Sectors) Regulations (draft), the rural sector obligations for life insurers would vary between seven and 25 per cent of the total policies. For general insurers, it is in the two to seven per cent range.

Rural sector means the areas classified as 'rural' in the latest census data. Social sector includes the unorganised sector, informal sector, economically vulnerable or backward classes and other categories of persons, both in rural and urban areas.

Irdai proposes every insurer must undertake social, rural sector obligations. In the first financial year, life insurers have to ensure at least seven per cent of the total policies are sold in the rural sector. This is nine per cent in the second financial year, which goes up to 20 per cent in the 10-15 financial years and 25 per cent from the 16th financial year onwards.

For general insurers, it is two per cent in the first financial year, three per cent in the second financial year, and seven per cent in the ninth financial year. For stand-alone health insurers, it is 50 per cent of the obligations prescribed for general insurers. In the social sectors, for all insurers (life, non-life, health), it starts with 0.5 per cent of total business procured in the preceding financial year to five per cent for the 10th year.

The total business for the purpose of these regulations is the total policies issued for individual insurance and the number of lives covered in case of group insurance. If an insurance company commences operations in the second half of the financial year and is in operations for less than six months as on March 31 of the relevant financial year, no rural and social sector obligations shall be applicable for the said period.

Source

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Individual holding in insurance firms capped at 10% - Financial Chronicle - 18th May 2015

With insurance companies looking at diluting stakes, the Insurance Regulatory and Development Authority of India (Irda) on Monday came out with regulations on transfer of shares for investors. As per the new norms, an Indian investor can hold up to 10 per cent of the paid-up equity share capital in an insurance company. In case there are more than one investor, they can collectively hold up to 25 per cent of the paid up equity share capital.

"Shareholding of insurance companies is likely to change in the coming times with the foreign direct investment lifted. While some would dilute their existing shareholding, some could issue fresh capital, there could be entry of anchor investors. In both cases, the regulations would ensure that the shareholding of an insurance company remains well diversified," said a senior official of a private life insurance company. The new norms also state that in case of transfer of shares exceeding five per cent of the paid-up capital of an insurance company or more than one per cent of the nominal value of shares, prior approval of Irda would be required.

Source

"No registration of transfer of shares or issue of equity capital of an insurance company which would result in change in the shareholding shall be made where after the transfer, the total paid-up holding of the transferee in the shares of the insurance company may exceed five per cent of its paid up capital or the nominal value of the shares intended to be transferred by any individual, firm, group, constituents of a group, or body corporate under the same management, jointly or severally exceeds one per cent of the paid up equity capital of the insurance company, unless the previous approval of the authority has been obtained for the said transfer," IRDAI said.

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Health Insurance

India: Business growing in health insurance for senior citizens – Asia Insurance Review

General insurers are seeing a pick-up in interest in health insurance for senior citizen, because of the rising cost of healthcare and the withdrawal of insurance coverage by many employers for the parents of their employees.

Health insurance premiums for the elderly saw growth of 10-20% in the financial year ended 31 March 2015, reported The Economic Times citing industry estimates. The size of this segment is around INR4 billion (US\$62.9 million). In 2014-15, the insurance industry as a whole generated INR204.43 billion in health insurance premiums with 15.6% growth over the previous year.

In addition, insurers say that the average ticket size of health insurance cover bought by those over 60, has been growing too, from INR200,000-300,000 a couple of years ago to INR400,000-500,000 at present.

Mr Suresh Sugathan, Head of Health Insurance at Bajaj Allianz General Insurance, explaining the increase in sales of senior citizens' health insurance policies, said: "There are multiple reasons for this, apart from shrinkage of corporate parental cover. The most common ones are increased awareness of high-value claims being lodged in this segment and children opting for health cover for their parents as a part of their financial security measures."

"Tax breaks on health insurance have also contributed to this trend," said a senior official of a private general insurance company.

Senior citizens' products typically come with co-payment ratios, where the insured has to pay say 10-25% of the claim amount. There is premium loading for covering certain conditions like hypertension and diabetes. Unlike regular health policies, where those over 65 are not extended coverage, these policies are designed specifically for senior citizens between 60 and 80 years of age.

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General Insurance

General insurance industry may cross Rs 1-trillion mark this fiscal - The Economic Times – 20th May 2015

With double-digit growth back, the general insurance industry has set a target of crossing Rs 1 trillion mark in annual premium income this fiscal, up from Rs 84,715 crore in 2014-15. The current fiscal got off to a good start with the industry netting Rs 9,400 crore in collective premium income in April this year, up by 12 per cent over Rs 8,422 crore in April 2014, according to the General Insurance Council data. The industry consists of four state-owned, 17 private, five standalone health insurers and two specialised insurers. The general insurance industry had plunged to single digit growth of 9.3 per cent at Rs 84,715 crore in 2014-15 from Rs 77,540 crore in 2013-14.

FY15 growth was the lowest in past three years. "I do hope that the industry will close the annual premium income in the current fiscal by crossing Rs 1,00,000 crore mark," General Insurance Council secretary general R Chandrasekaran told PTI.

"April is the month when most businesses get renewed. Due to hike in third-party motor premium and increase in fire and property premia, corrections are taking place in premium prices now," he said, adding "the ongoing Pradhan Mantri Jan Dhan Yojana will also help increase premium collection."

The four state-owned general insurers mobilised around Rs 4,940 crore in April 2015, up 10.5 per cent from the year-ago period, while the 17 private sector players grew their premium by almost 12 per cent to Rs 4,073 crore in the same period. The five standalone health insurers saw their total premium increase by a whopping 50 per cent to Rs 255 crore in April 2015 against Rs 172 crore in the same month of previous year.

"With economic activity picking up with stalled projects getting back on stream as well as new projects coming up, I do hope that the current fiscal will be a bright year for the industry and we will be able to achieve Rs 1,00,000 crore during the current fiscal," Oriental Insurance Company chairman and managing director A K Saxena said. New India Assurance chairman and managing director G Srinivasan also sounded sanguine about growth saying, "I do see 14-15 per cent growth in the current fiscal. The growth drivers are likely to be the mandatory third party motor premium due to their revised rates by the Irda and expected higher premia in property and fire lines."

United India Insurance, which had closed 2014-15 with a total premium income of Rs 10,692 crore, is looking at achieving a growth of more than 12 per cent at Rs 11,800 crore during the current fiscal. "I also hope that the industry will be able to cross Rs 1,00,000 crore during the current fiscal which will be driven by health and motor insurance. "While health insurance premium was growing by 20 per cent, motor insurance was growing by 11-12 per cent during the current fiscal so far over last fiscal," United India Insurance CMD Milind Kharat said.

"At United India Insurance, we are looking at achieving the growth in total premium income by over 12 per cent during the current fiscal at Rs 11,800 crore against Rs 10,692 crore in 2014-15," Kharat added. After recording negative growth for almost whole of 2014-15, specialised insurers like Agriculture Insurance Company and Export Credit Guarantee Corporation have recorded positive growth of 8 per cent in April 2015, the GIC data showed.

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Crop insurance scheme for more districts soon - The Tribune - 15th May 2015

In a major relief to farmers, the crop insurance scheme for ginger, pea and tomato will be extended to more districts now.

Crop insurance for ginger, which was restricted only to Sirmaur district, would be extended to Solan, Shimla and Bilsapur districts, while insurance on pea crop would be extended to six districts including Chamba, Kullu, Lahaul and Spiti, Kinnaur, Mandi and Shimla.

Similarly, the insurance for tomato, available for farmers of Solan and Bilaspur, would be extended to Kangra, Mandi, Kullu, Shimla and Sirmaur districts also.

Director, Agriculture, JC Rana said the government had also decided to add more companies to run the scheme and besides existing companies such as Agriculture Insurance Company (AIC), ICICI Lombard and HDFC, four more companies including Reliance, Bajaj Alliance, Chola Manglam and TATA AIG have been enrolled.

The insurance claim would not be decided on the basis of yield and production, but given automatically based on weather parameters and on the basis of predictions of the Meteorological Department.

The scheme would be subsidised and 50 percent premium would be paid by farmers, while the rest 50 per cent would be shared in the ratio of 25:25 between the state and the Central governments. The rates of premium which were 12 per cent for all crops have also been cut marginally to 11 per cent for ginger and pea crop and 10.5 per cent for tomato.

Moreover, insurance cover would be provided to farmers and agricultural labourers in the event of injury or death, while operating the farm machinery or implements under the Mukhyamantri Kisan Evam Khetihar Mazdoor Jeevan Suraksha Yojana and a sum of Rs 1.50 lakh would be paid as compensation in case of death or permanent disability, while in case of partial disability farmers would be entitled to a compensation up to Rs 50,000 depending on the percentage of disability.

Source

Survey & Reports

General insurers' premium from motor vehicle insurance to touch Rs. 38,200 cr: Assocham - The Hindu Business Line – 20th May 2015

Gross direct premium earned by general insurance companies from motor vehicle insurance in the own damage category is likely to reach Rs. 38,200 crore mark by the end of 2016-17 from a level of about Rs. 17,000 crore as of 2012-13, according to a study by industry body Assocham. "With a share of over 56 per cent, individual agents are the most preferred choice for issuing of motor insurance policies in India followed by direct business which accounts for about 22 per cent share in this regard," said the study titled 'Motor Insurance: The way ahead.'

In terms of revenue, it is seen that individual agents fetched a gross direct premium worth over Rs. 9,200 crore (in 2012-13), while the brokers generated premium worth about Rs. 4,700 crore, noted the study prepared by the Economic Research Bureau of the Associated Chambers of Commerce and Industry of India.

Motor insurance

Motor insurance is the largest component of general insurance market, with a share of 47.05 per cent in 2012-13 (45.84 per cent in 2011-12) of the total premium underwritten within the country and it reported a growth rate of 22.24 per cent (33.38 per cent in 2011-12), it added. "The motor insurance segment in the country is poised to grow in tandem with the growth in automobile industry as newer and faster models are hitting Indian roads along with better and larger road surface as a result of infrastructure development," said D.S. Rawat, secretary general of Assocham.

"The cumulative effect of increase in road surface and the growth in automobile population should directly impact the growth of motor portfolio of the non-life insurance industry," said Rawat. "Rising income levels, increased demand for vehicles, growing auto finance market, increasing health awareness and other related factors can together give a major boost to this sector," he added.

Insurance coverage

Customers no longer want just an insurance policy but are increasingly asking for services-based insurance coverage. For instance, the consumer is looking out for options that provide zero depreciation motor insurance cover, enhanced personal accident and hospitalisation cover.

As such, the industry needs to take cognisance of the changing consumer preferences and adopt appropriate strategies as some of the service providers are actually providing certain additional assistance services such as fuel assistance on a highway, towing, spot repairs and others, suggested the study.

Realistic pricing

Another key challenge faced by insurers is that there is not much of data to help them in pricing a risk, pointed out the study. "The pricing as of today is based more on the year of manufacture of the vehicle, engine capacity, price and the zone in which the vehicle is bought and less on the age, occupation and credit score of the driver and usage of the vehicle." As we go forward, realistic pricing of the insurance product will be required, it added.

Highlighting the importance of claims processing, the study suggested that insurance companies need to work on claims settlement as it is during this process that insurers interact directly with consumers, offering an untapped opportunity to really differentiate them from their competitors.

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Source

IRDAI Circular

Source

To CEOs of all Non-Life Insurance companies including stand-alone Health Insurers Submission of data in BAP Health Insurance Module -reg.

Source

Guidelines on issuance of Premium acknowledgements to All Insurers

Source

Exposure Draft IRDAI (Obligations Of Insurers To Rural and Social Sectors) Regulations, 2015

Source

IRDAI (Transfer of Equity Shares of Insurance Companies) Regulations, 2015 Notification

Source

IRDAI (Fee for granting written acknowledgement of the receipt of Notice of Assignment or Transfer) Regulations, 2015 Notification

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Global News

Pakistan: Private life insurers see profits surge by 20% in 2014 – Asia Insurance Review

Private-sector life insurers have seen their combined profits grow by 20.2% last year to PKR2.4 billion (US\$23.6 million), compared to the previous year.

Jubilee Life Insurance remained the most profitable entity among the six private life insurance companies in the market last year. Its net profit for the year exceeded PKR1.3 billion, which constituted more than 56% of the industry's collective earnings, reported The Express Tribune citing a review of the latest annual reports of insurance companies.

The second highest earnings were posted by EFU Life Assurance with an after-tax profit of PKR950.9 million. It was followed by IGI Life (PKR55.3 million), East West Life (PKR29 million), Adamjee Life (PKR15 million) and Asia Care Health Insurance (PKR13.8 million).

Jubilee Life became the most profitable industry player in recent years as its profit was substantially less than that of EFU Life until 2012. Jubilee Life's earnings grew at an annualised rate of 53.7% in the last three years while the increase in the profits of EFU Life was 18% per annum over the same period.

Industry analysts believe one reason for the exceptional growth of Jubilee Life is its focus on alternate distribution channels, such as bancassurance that uses bank branches to sell insurance products while minimising administrative expenses. The insurer is a subsidiary of Aga Khan Fund for Economic Development, the majority shareholder of Habib Bank, which is the largest commercial bank with the widest branch network in Pakistan. This has enabled Jubilee Life Insurance to sell its products through the bank's branches at a competitive cost across the country.

The total assets of private-sector life insurers amounted to PKR139.1 billion at the end of 2014, 35.8% higher than a year ago. Assets of private-sector life insurance companies have grown at an annualised rate of 36% in 2009-14, industry-wide data shows.

In terms of total assets, EFU Life remained the largest private life insurance company with assets amounting to PKR67.2 billion at the end of 2014. It means the company controlled 48.3% assets of the country's private-sector life insurance industry. Total assets of Jubilee Life amounted to PKR49.6 billion last year.

Source

Other than the six private-sector companies, government-owned State Life Insurance Corporation is also part of the life insurance industry. However, its post-2012 statistics are yet to be released.

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Nepal: Insurers receive more than 12,000 quake claims – Asia Insurance Review

Insurers in Nepal have received more than 12,000 claims in the three weeks since the 25 April magnitude-7.9 earthquake hit the country, according to the Insurance Board (IB).

"The number of claims doubled in the past one week compared to the previous two weeks, and the figure is expected to swell massively as the country was hit by another powerful tremor on 12 May," said Mr. Raju Raman Paudel, a director at the board.

However, few claims have been paid to date, reported the eKantipur news website. said the IB. There are 26 insurers in the country, of which nine are life insurance companies and the rest non-life. As per the regulator, each insurer has settled only eight to 10 claims so far. Most of the insurance amounts paid are related to

vehicles and accidents. Of the total claims, about 80% are related to property damage, insurers said. A few are related to life insurance.

Earlier, the IB had directed insurance companies to settle insurance claims on the basis of the preliminary reports submitted by surveyors, citing the need to provide immediate compensation to earthquake victims. The IB has mobilised monitoring teams to inspect the settlement of claims by the insurers.

The earthquake, which damaged more than 700,000 residential houses, claimed more than 8,500 lives and injured over 18,000 people. According to the insurers, most of the homes in housing colonies and apartment buildings are insured. Homeowners who have taken home loans from banks and financial institution have insured their properties.

Meanwhile, the Youth and Small Entrepreneurs Self Employment Fund (YSESEF) has said that the earthquakes have affected projects started by about 2,000 entrepreneurs.

There are 8,000 self-employed youths in 13 quake-hit districts in the government-run programme. Investments in these districts totalled NPR730 million (US\$7.2 million) through 128 cooperatives. “Of the amount, NPR110 million was in projects that were damaged by the recent quakes as per initial estimates,” said MrBinod Kumar Guragain, executive director of YSESEF. The quake hit the livestock businesses such as cow, buffalo and goat rearing, in particular. Those who had opened retail shops, also faced damages.

He said the recovery of the YSESEF loans would not be difficult as all the loans have been insured.

Source

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