Volume V, No. 2

Journal

JANUARY 2007

Ensuring Smiles All the Way...

बीमा विनियामक और विकास प्राधिकरण

Volume V, No. 2
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Design concept & Production:
Imageads Services Private Limited

Printed by P. Narendra and
published by C.S.Rao on behalf of
Insurance Regulatory and Development Authority.

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Printed at Pragati Offset Pvt. Ltd.
17, Red Hills, Hyderabad 500 004
and published from
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From the Publisher

Redressal of the customers' grievances has come to occupy a very important place in corporate management, especially in light of greater awareness about their rights by customers, as also the emergence of various forums that espouse their cause. In the domain of insurance contracts, the incidence of customer grievances is certainly on the higher side; especially in a nascent market like India. Several reasons have been attributed to this situation; but the one that stands above all others is that insurance contract is not properly understood by one of the parties viz. the insured. Considering this, insurers should take all steps to ensure that the contracts are made as simple and straight forward as possible. Particularly in the non-life domain where there are limitations as to the admissibility of a claim and where several exclusions are applicable; insurers should be very explicit in highlighting what is admissible and what is excluded. Above all, contracts should be interpreted in their true spirit and where there is benefit of doubt it should be exercised in favour of the insured.

At the same time, the customers should also fulfill their role responsibly while providing information to the insurer and not leave everything to the decision of the intermediary. The role of the distributor in providing vital information based on which the risk is accepted; is merely to facilitate the process. In the event of legal interference, verdicts may go against the policyholders for failing to provide correct information. Further, a free-look period has been introduced to ensure that mis-selling does not take place. Policyholders are advised to peruse the clauses and satisfy themselves of the coverage and exclusions of the contract. While it cannot be said that an absolute grievance-free scenario is possible, things can certainly be better. 'Grievance redressal in insurance' is the focus of this issue of the Journal.

In a straight-forward insurance contract, the insurer pays the claim to the insured, provided the event falls within the ambit of the risk covered. As against this, it is possible that the payment is made to a third party who is not directly a party to the insurance contract. Liability insurance is designed to offer specific protection against such third party claims. The focus of the next issue of the Journal would be on 'Liability Insurance'.

C.S. Rao

ISSUE FOCUS

Inside

A Two Way Process . . .

There is absolutely no exaggeration in mentioning that the amount of customer grievances in the insurance domain has gone up steeply. Particularly in some of the lines in non-life insurance like health and motor, the number of grievances has been steadily going up. It is time that insurers took stock of the situation and wherever there is need for plugging the loopholes; attend to that without any further loss of time. Instead of looking for reasons to explain the emergence of customer related problems, it would be more desirable to ensure that there is a fall in their number.

One of the most controversial issues in the area of customer grievances is that the terms of the contract have not been fully explained to the policyholder. It has to be appreciated that insurance contracts are synallagmatic in nature, i.e. they impose reciprocal obligations on both parties. Considering this, it is very important that both the parties to the contract fully understand their role clearly before the contract is finalized. To accomplish this, insurers should be very explicit in making the terms of the contract clear. In non-life insurance, where there could be specific exclusions as also limits with regard to the quantum of coverage; insurers should specifically highlight these. In some of the global insurance markets, such limits and exclusions are reportedly explained to the policyholders upfront; thereby obviating the problem of a possible misunderstanding.

The policyholders should understand, on their part, that there are operative clauses in the contract; and as such, it is essential to fully comprehend the terms of the contract. In life insurance contracts, for example, there is a vital declaration that draws the proponent's attention to the contents of the proposal form that would be the basis of the contract. How many applicants actually read the declaration before signing on the dotted line is one's guess! The argument that the distributor filled in the details of the proposal would not hold any water, in light of the declaration. Further, a free look period has been introduced in the liberalized regime that should have taken care of the ambiguities associated with coverage. It is sad to observe that not many policyholders make use of this handy tool; and grievances continue with regard to actual coverage and amount thereof.

Grievance redressal in insurance is the focus of this issue of the Journal. There are articles that explain several specific and practical problems that are confronted in both life and non-life domains. Besides, we have the redressal forum's perspective as well as the customer's cause. To begin with, we have Mr. R. Vaidyanathan explaining the problems that occur on either side in non-life insurance contracts; and how they can be curtailed. Commenting upon the grievance redressal in life insurance arena, Mr. Sanjeev Mago asserts that grievance redressal itself is a reactive way of providing service; and he goes on to explain some of the practices of his company in dealing with this delicate issue.

The role of the insurance ombudsman in attending to customers' grievances is explained by none other than the ombudsman himself, Mr. P.A. Chowdary, who has some ideas up his sleeve to improve the institution's performance. Mr. G.V. Rao talks about the role of technology and competition, among other things, in improving customer service; in his usual forthright style. It has often been said that several insurance professionals end up in this vocation because they did not have anything better to do. But gone are the days, emphasizes Ms. Ritu Nanda, in her very motivating article that talks about the achievements and the satisfaction that the profession can render; in her article in the follow-through section. Besides, we have the quarterly business figures of life and non-life insurers for you, apart from the regular monthly statistics.

Liability is basically a pecuniary obligation that one owes others. But apart from the pecuniary obligation, there are huge responsibilities that one has to fulfill and failure to do so could put one in a tight spot. Liability insurance affords protection against such eventualities. The focus of the next issue of the Journal would be on 'Liability Insurance'.

WE WISH ALL OUR READERS A HAPPY AND PROSPEROUS NEW YEAR.

.U. Jawaharlal

Report Card:LIFE

Premiums Rise 165.44% over November, 2005

Individual premium:

The life insurance industry underwrote Individual Single Premium of Rs.1548412.12 lakh for the period ended November, 2006 of which the private insurers garnered Rs.145466.49 lakh and LIC garnered Rs.1402945.63 lakh. The corresponding figures for the previous year were Rs.527602.04 lakh for the industry, with private insurers underwriting Rs.81771.13 lakh and LIC Rs.445830.91 lakh. The Individual Non-Single Premium underwritten during April-November, 2006 was Rs.2224877.30 lakh of which the private insurers underwrote Rs.637941.83 lakh and LIC Rs.1586935.47 lakh. The corresponding figures for the previous year were Rs.875670.32 lakh, Rs.307157.68 lakh and Rs.568512.64 lakh respectively.

Group premium:

The industry underwrote Group Single Premium of Rs.570403.97 lakh of which the private insurers underwrote Rs.38338.24 lakh and LIC Rs.532065.73 lakh; the lives covered being 9345434, 529023 and 8816411 respectively. The corresponding figures for the previous year were Rs.244131.53 lakh with private insurers underwriting Rs.31370.81 lakh and LIC Rs.212760.72 lakh; and the lives covered being 9188182, 549822 and 8638360 respectively. The Group Non-Single Premium underwritten during April-November, 2006 was Rs.63643.71 lakh which was underwritten entirely by the private insurers, covering 2670543 lives. The corresponding figures for the previous year were Rs.12959.33 lakh, covering 1435035 lives.

Segment-wise segregation:

A further segregation of the premium underwritten during the period indicates that Life, Annuity, Pension and Health contributed Rs.2889682.96 lakh (65.61%), Rs.84105.98 lakh (1.91%), Rs.1429502.96 lakh (32.46%) and Rs.1246.95 lakh (0.03%) respectively. In respect of LIC, the break up of life, annuity and pension categories was Rs.2112053.33 lakh (59.97%), Rs.78867.04 lakh (2.24%) and Rs.1331026.46 lakh (37.79%) respectively. In case of the private insurers, Rs.777629.63 lakh (88.11%), Rs.5238.94 lakh (0.59%), Rs.98476.50 lakh (11.16%) and Rs.1246.95 lakh (0.14%) respectively was underwritten in the four segments.

Unit linked and conventional premium:

Analysis of the statistics in terms of linked and non-linked premium indicates that 51.29% of the business was underwritten in the non-linked category, and 48.71% in the linked category, i.e., Rs.2259204.78 lakh and Rs.2145334.07 lakh respectively. In case of LIC, the linked and non-linked premium was 39.22% and 60.78% respectively, as against which for the private insurers taken together this stood at 86.58% and 13.42% respectively. During the corresponding period of the previous year, linked and non-linked premium indicates that 55.60% of the business was underwritten in the non-linked category, and 44.40% in the linked category, i.e., Rs.922078.76 lakh and Rs.736411.38 lakh respectively. In case of LIC, the linked and non-linked premium was 32.63% and 67.37% respectively, as against which for the private insurers taken together, this stood at 77.66% and 22.34% respectively.

First Year Premium Underwritten by Life Insurers for the Period Ended August, 2006

Sl No.	Insurer	Premium u/w (Rs. In Lakhs)			No. of Policies / Schemes			No. of lives covered under Group		
		Nov, 06	Up to Nov, 06	Up to Nov, 05	Nov, 06	Up to Nov, 06	Up to Nov, 05	Nov, 06	Up to Nov, 06	Up to Nov, 05
1	**Bajaj Allianz**									
	Individual Single Premium	12,237.01	69,979.19	56,675.26	28,269	56,079	45,479			
	Individual Non-Single Premium	18,151.25	110,974.33	43,555.33	117,669	689,916	253,853			
	Group Single Premium	30.83	354.47	97.98	0	1	1	158	1,367	280
	Group Non-Single Premium	242.32	1,435.64	1,252.92	34	146	106	55,616	521,549	120,992
2	**ING Vysya**									
	Individual Single Premium	182.05	1,937.62	67.73	147	1,385	390			
	Individual Non-Single Premium	2,941.84	21,398.71	9,407.14	17,074	113,651	57,837			
	Group Single Premium	0.00	231.47	689.67	0	0	0	0	517	1,824
	Group Non-Single Premium	82.53	505.90	310.43	11	39	46	2,806	11,206	16,940
3	**Reliance Life**									
	Individual Single Premium	526.98	6,809.84	6,522.90	923	10,679	9,774			
	Individual Non-Single Premium	4,677.20	25,113.57	1,882.68	28,420	169,760	24,555			
	Group Single Premium	15.67	937.20	94.08	0	15	0	0	13,486	0
	Group Non-Single Premium	175.46	571.52	409.46	32	111	79	25,505	128,786	102,535
4	**SBI Life**									
	Individual Single Premium	4,793.69	23,456.63	3,262.02	7,194	34,848	5,275			
	Individual Non-Single Premium	7,548.52	46,654.62	7,426.15	31,212	211,075	104,055			
	Group Single Premium	1,798.26	12,617.02	12,303.87	0	2	2	11,221	77,868	131,714
	Group Non-Single Premium	4,791.33	17,627.17	2,236.49	3	261	1,156	48,613	720,180	428,620
5	**Tata AIG**									
	Individual Single Premium	427.32	950.85	350.70	613	985	0			
	Individual Non-Single Premium	5,980.34	32,512.49	23,482.92	45,012	251,606	184,529			
	Group Single Premium	351.22	3,277.42	1,418.35	1	5	2	10,367	167,262	97,661
	Group Non-Single Premium	101.63	2,768.04	4,380.12	2	60	194	16,653	159,628	344,004

	Group Non-Single Premium	101.63	2,768.04	4,380.12	2	60	194	16,653	159,628	344,004
6	**HDFC Standard**									
	Individual Single Premium	1,214.23	7,795.14	6,594.73	3,299	65,856	60,792			
	Individual Non-Single Premium	8,511.72	59,400.40	36,906.79	26,051	163,551	131,917			
	Group Single Premium	4,268.77	9,414.48	3,458.54	4	65	64	3,941	128,680	55,976
	Group Non-Single Premium	993.26	4,335.44	2,137.25	9	18	18	36,974	38,652	14,117
7	**ICICI Prudential**									
	Individual Single Premium	4,129.25	20,378.93	4,169.15	5,299	30,337	20,878			
	Individual Non-Single Premium	29,444.02	190,735.30	101,274.53	157,489	921,173	380,632			
	Group Single Premium	1,499.12	10,140.22	12,544.43	16	114	173	36,189	105,386	249,112
	Group Non-Single Premium	3,110.36	25,013.05		23	215		36,899	211,718	
8	**Birla Sunlife**									
	Individual Single Premium	281.44	1,984.20	1,181.59	8,701	28,788	37,281			
	Individual Non-Single Premium	5,181.24	35,906.76	27,774.48	26,838	140,044	89,005			
	Group Single Premium	34.89	603.62	556.66	0	0	0	179	3,498	4,039
	Group Non-Single Premium	308.06	5,757.77	997.01	19	108	26	673	42,944	5,665
9	**Aviva**									
	Individual Single Premium	318.25	1,859.01	521.26	381	1,805	2,080			
	Individual Non-Single Premium	5,163.99	36,444.84	17,846.57	25,251	159,930	73,259			
	Group Single Premium	28.51	207.37	83.75	0	1	0	152	1,109	543
	Group Non-Single Premium	149.24	1,790.92	159.90	4	46	9	27,931	211,475	123,037
10	**Kotak Mahindra Old Mutual**									
	Individual Single Premium	137.50	2,201.42	1,351.07	220	2,408	1,960			
	Individual Non-Single Premium	4,875.40	22,069.86	9,773.60	12,995	67,228	43,232			
	Group Single Premium	163.22	554.96	122.86	2	7	2	10,120	29,850	8,047
	Group Non-Single Premium	301.67	2,377.29	471.23	21	101	52	32,084	156,224	50,102
11	**Max New York**									
	Individual Single Premium	1,307.08	3,340.29	102.63	1,165	2,379	151			
	Individual Non-Single Premium	5,358.73	40,351.59	21,729.44	34,782	308,530	246,303			
	Group Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
	Group Non-Single Premium	78.25	256.60	82.55	12	41	49	3,101	47,438	27,258
12	**Met Life**									
	Individual Single Premium	59.16	374.98	349.78	171	833	813			
	Individual Non-Single Premium	2,052.75	12,342.08	5,772.54	8,857	52,595	52,317			
	Group Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
	Group Non-Single Premium	88.55	1,110.61	521.98	11	163	126	17,604	317,612	201,765
13	**Sahara Life**									
	Individual Single Premium	137.66	864.52	622.29	378	2,247	1,575			
	Individual Non-Single Premium	85.38	321.51	325.49	1,841	8,466	13,666			
	Group Single Premium	0.00	0.00	0.62	0	0	8	0	0	626
	Group Non-Single Premium	0.00	93.76	0.00	0	2	0	0	103,131	0
14	**Shriram Life**									
	Individual Single Premium	1,471.07	3,533.88		2,956	7,551				
	Individual Non-Single Premium	1,084.06	3,581.11		6,973	38,141				
	Group Single Premium	0.00	0.00		0	0		0	0	
	Group Non-Single Premium	0.00	0.00		0	0		0	0	
15	**Bharti Axa Life**									
	Individual Single Premium	0.00	0.00		0	0				
	Individual Non-Single Premium	22.21	134.66		222	664				
	Group Single Premium	0.00	0.00		0	0		0	0	
	Group Non-Single Premium	0.00	0.00		0	0		0	0	
	Private Total									
	Individual Single Premium	**27,222.69**	**145,466.49**	**81,771.13**	**59,716**	**246,180**	**186,448**			
	Individual Non-Single Premium	**101,078.64**	**637,941.83**	**307,157.68**	**540,686**	**3,296,330**	**1,655,160**			
	Group Single Premium	**8,190.49**	**38,338.24**	**31,370.81**	**23**	**210**	**252**	**72,327**	**529,023**	**549,822**
	Group Non-Single Premium	**10,422.65**	**63,643.71**	**12,959.33**	**181**	**1,311**	**1,861**	**304,459**	**2,670,543**	**1,435,035**
16	**LIC**									
	Individual Single Premium	184,578.31	1,402,945.63	445,830.91	602,793	3,665,654	1,215,113			
	Individual Non-Single Premium	351,894.92	1,586,935.47	568,512.64	1,958,093	10,786,174	11,808,548			
	Group Single Premium	94,864.89	532,065.73	212,760.72	1,840	11,444	9,451	1,594,915	8,816,411	8,638,360
	Group Non-Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
	Grand Total									
	Individual Single Premium	**211,801.00**	**1,548,412.12**	**527,602.04**	**662,509**	**3,911,834**	**1,401,561**			
	Individual Non-Single Premium	**452,973.56**	**2,224,877.30**	**875,670.32**	**2,498,779**	**14,082,504**	**13,463,708**			
	Group Single Premium	**103,055.38**	**570,403.97**	**244,131.53**	**1,863**	**11,654**	**9,703**	**1,667,242**	**9,345,434**	**9,188,182**
	Group Non-Single Premium	**10,422.65**	**63,643.71**	**12,959.33**	**181**	**1,311**	**1,861**	**304,459**	**2,670,543**	**1,435,035**

Note: Cumulative premium upto the month is net of cancellations which may occur during the free look period.

FIRST YEAR PREMIUM OF LIFE INSURERS FOR THE HALF YEAR ENDED SEPTEMBER, 2006 (PROVISIONAL & UNAUDITED)

INDIVIDUAL SINGLE PREMIUM (INCLUDING RURAL & SOCIAL)

(Rs in lakh)

Sl No.	PARTICULARS	PREMIUM		POLICIES		SUM ASSURED	
		Sep' 2005	Sep' 2006	Sep' 2005	Sep' 2006	Sep' 2005	Sep' 2006
	Non linked*						
1	**Life**						
	with profit	11,359.36	10,264.39	15,147	12,602	16,543.19	15,737.72
	without profit	24,345.98	51,987.35	94,355	136,397	139,158.05	179,488.35
2	**General Annuity**						
	with profit	4.00	0.00	4	0	6.22	0.00
	without profit	68.78	200.81	87	91	0.00	11.87
3	**Pension**						
	with profit	2,203.44	7,072.37	2,766	3,739	77.99	161.94
	without profit	5,450.29	138.01	1,918	50	78.85	107.54
4	**Health**						
	with profit	0.00	0.00	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0.00	0.00
A.	**Sub total**	**43,431.84**	**69,662.93**	**114,277**	**152,879**	**155,864.30**	**195,507.42**
	Linked*						
1	Life						
	with profit	4.60	0.05	3	0	3.99	0.00
	without profit	49,789.22	163,317.49	60,281	163,933	57,822.52	179,770.37
2	General Annuity						
	with profit	0.00	0.00	0	0	0.00	0.00
	without profit	13.34	-22.28	0	0	0.00	0.00
3	Pension						
	with profit	0.00	0.25	0	0	0.00	0.00
	without profit	272,516.77	939,359.30	828,669	2,445,859	370.56	170.81
4	Health						
	with profit	0.00	0.00	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0.00	0.00
B.	**Sub total**	**322,323.94**	**1,102,654.80**	**888,953**	**2,609,792**	**58,197.08**	**179,941.18**
C.	**Total (A+B)**	**365,755.78**	**1,172,317.73**	**1,003,230**	**2,762,671**	**214,061.37**	**375,448.60**
	Riders:						
	Non linked						
1	Health#	1.08	1.21	11	17	25.00	25.41
2	Accident##	9.14	2.55	807	544	683.79	393.39
3	Term	1.47	0.35	65	9	38.86	6.40
4	Others	0.00	0.05	0	0	0.00	0.00
D.	**Sub total**	**11.69**	**4.16**	**883**	**570**	**747.65**	**425.20**
	Linked						
1	Health#	0.58	1.26	11	50	13.60	55.19
2	Accident##	0.74	3.86	30	1,739	63.67	1,208.44
3	Term	0.00	0.19	0	4	0.00	8.25
4	Others	0.00	0.00	0	0	0.00	0.00
E.	**Sub total**	**1.33**	**5.32**	**41**	**1,793**	**77.27**	**1,271.88**
F.	**Total (D+E)**	**13.01**	**9.48**	**924**	**2,363**	**824.92**	**1,697.08**
G.	****Grand Total (C+F)**	**365,768.79**	**1,172,327.21**	**1,003,230**	**2,762,671**	**214,886.29**	**377,145.68**

* Excluding rider figures.
** for policies Grand Total is C.
# All riders related to critical illness benefit, hospitalisation benefit and medical treatment.
Disability related riders.
The premium is actual amount received and not annualised premium.

FIRST YEAR PREMIUM OF LIFE INSURERS FOR THE HALF YEAR ENDED SEPTEMBER, 2006 (PROVISIONAL & UNAUDITED)

INDIVIDUAL NON-SINGLE PREMIUM (INCLUDING RURAL & SOCIAL)

(Rs in lakh)

Sl No.	PARTICULARS	PREMIUM		POLICIES		SUM ASSURED	
		Sep' 2005	Sep' 2006	Sep' 2005	Sep' 2006	Sep' 2005	Sep' 2006
	Non linked*						
1	**Life**						
	with profit	409,155.31	836,857.14	7,768,159	7,306,524	6,516,468.22	6,546,865.89
	without profit	34,578.28	92,397.99	1,523,247	392,135	2,620,783.04	852,507.66
2	**General Annuity**						
	with profit	58.57	9.81	562	108	1,095.35	158.55
	without profit	0.00	0.00	0	0	0.00	0.00
3	**Pension**						
	with profit	3,246.00	2,263.04	26,345	10,175	15,561.74	9,833.93
	without profit	387.81	424.68	1,460	1,824	0.00	0.00
4	**Health**						
	with profit	0.00	0.00	0	0	0.00	0.00
	without profit	234.16	694.68	10,475	53,189	30,962.04	238,412.27
A.	**Sub total**	**447,660.13**	**932,647.34**	**9,330,248**	**7,763,955**	**9,184,870.38**	**7,647,778.30**
	Linked*						
1	Life						
	with profit	67.29	9.58	243	46	422.78	89.01
	without profit	154,470.44	399,532.53	492,235	1,545,647	1,450,789.26	3,726,087.41
2	General Annuity						
	with profit	0.00	0.00	0	0	0.00	0.00
	without profit	2,900.56	0.00	20,158	0	7,054.99	0.00
3	Pension						
	with profit	15.32	3.77	40	4	0.00	0.00
	without profit	12,809.92	57,241.05	48,578	198,789	2,003.98	25,405.92
4	Health						
	with profit	0.00	0.00	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0.00	0.00
B.	**Sub total**	**170,263.54**	**456,786.93**	**561,254**	**1,744,486**	**1,460,271.01**	**3,751,582.34**
C.	**Total (A+B)**	**617,923.67**	**1,389,434.27**	**9,891,502**	**9,508,441**	**10,645,141.39**	**11,399,360.64**
	Riders:						
	Non linked						
1	Health#	145.41	173.25	14,749	9,397	18,574.05	12,437.75
2	Accident##	509.39	317.26	187,873	189,857	301,322.76	316,261.68
3	Term	51.69	22.96	15,351	3,701	12,770.82	4,026.49
4	Others	230.50	892.77	5,433	2,560	17,729.24	145,012.89
D.	**Sub total**	**936.98**	**1,406.24**	**223,406**	**205,515**	**350,396.88**	**477,738.81**
	Linked						
1	Health#	127.95	225.40	4,837	5,901	32,096.61	20,284.44
2	Accident##	120.54	254.97	29,720	49,585	52,049.82	330,074.81
3	Term	27.84	37.19	3,127	4,010	6,438.95	8,147.53
4	Others	35.28	56.88	7,376	9,931	801.87	5,098.90
E.	**Sub total**	**311.61**	**574.43**	**45,060**	**69,427**	**91,387.25**	**363,605.69**
F.	**Total (D+E)**	**1,248.60**	**1,980.67**	**268,466**	**274,942**	**441,784.13**	**841,344.50**
G.	****Grand Total (C+F)**	**619,172.26**	**1,391,414.94**	**9,891,502**	**9,508,441**	**11,086,925.52**	**12,240,705.14**

* Excluding rider figures.
** for policies Grand Total is C.
# All riders related to critical illness benefit, hospitalisation benefit and medical treatment.
Disability related riders.
The premium is actual amount received and not annualised premium.

FIRST YEAR PREMIUM OF LIFE INSURERS FOR THE HALF YEAR ENDED SEPTEMBER, 2006 (PROVISIONAL & UNAUDITED)

GROUP SINGLE PREMIUM (INCLUDING RURAL & SOCIAL)

(Rs in lakh)

Sl No.	PARTICULARS	PREMIUM		NO. OF SCHEMES		LIVES COVERED		SUM ASSURED	
		Sep' 2005	Sep' 2006	Sep' 2005	Sep' 2006	Sep' 2005	Sep' 2006	Sep' 2005	Sep' 2006
	Non linked*								
1	**Life**								
a)	Group Gratuity Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	35,268.79	66,157.70	650	796	196,011	321,571	65,309.54	209,754.51
b)	Group Savings Linked Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	712.91	1,803.36	958	340	346,870	69,049	329,054.32	114,490.50
c)	EDLI								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	289.39	192.86	486	476	300,212	361,205	113,967.79	114,580.82
d)	Others								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	20,429.88	192,002.66	4,917	6,573	2,287,724	5,889,610	1,098,909.48	5,172,499.24
2	**General Annuity**								
	with profit	14,581.95	35,216.59	4	4	1,846	1,323	0.00	0.00
	without profit	20,877.16	27,173.05	7	32	4,082	3,237	0.00	0.00
3	**Pension**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	37,352.41	34,349.84	38	84	21,909	71,447	0.00	0.00
4	**Health**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
A.	**Sub total**	**129,512.49**	**356,896.06**	**7,060**	**8,305**	**3,158,654**	**6,717,442**	**1,607,241.13**	**5,611,325.07**
	Linked*								
1	**Life**								
a)	Group Gratuity Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	1,857.47	3,250.02	4	12	1,867	72,649	18.67	644.33
b)	Group Savings Linked Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
c)	EDLI								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
d)	Others								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	351.55	535.84	1	2	352	5,078	3.52	50.78
2	**General Annuity**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
3	**Pension**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	49.82	554.76	0	9	0	4,756	0.00	0.00
4	**Health**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
B.	**Sub total**	**2,258.84**	**4,340.62**	**5**	**23**	**2,219**	**82,483**	**22.19**	**695.11**
C.	**Total (A+B)**	**131,771.32**	**361,236.68**	**7,065**	**8,328**	**3,160,873**	**6,799,925**	**1,607,263.32**	**5,612,020.18**
	Riders:								
	Non linked								
1	Health#	19.98	18.32	15	10	8,140	3,239	11,611.05	234,591.66
2	Accident##	66.13	20.56	17	21	9,733	9,860	120,713.15	773,607.25
3	Term	0.00	0.00	0	0	0	0	0.00	0.00
4	Others	0.00	0.00	0	0	0	0	0.00	0.00
D.	**Sub total**	**86.11**	**38.88**	**32**	**31**	**17,873**	**13,099**	**132,324.20**	**1,008,198.91**
	Linked								
1	Health#	0.00	0.00	0	0	0	0	0.00	0.00
2	Accident##	0.00	0.00	0	0	0	0	0.00	0.00
3	Term	0.00	0.00	0	0	0	0	0.00	0.00
4	Others	0.00	0.00	0	0	0	0	0.00	0.00
E.	**Sub total**	**0.00**	**0.00**	**0**	**0**	**0**	**0**	**0.00**	**0.00**
F.	**Total (D+E)**	**86.11**	**38.88**	**32**	**31**	**17,873**	**13,099**	**132,324.20**	**1,008,198.91**
G.	****Grand Total (C+F)**	**131,857.43**	**361,275.56**	**7,065**	**8,328**	**3,160,873**	**6,799,925**	**1,739,587.52**	**6,620,219.09**

* Excluding rider figures. ** for no.of schemes & lives covered Grand Total is C. # All riders related to critical illness benefit, hospitalisation benefit and medical treatment. ## Disability related riders. The premium is actual amount received and not annualised premium.

FIRST YEAR PREMIUM OF LIFE INSURERS FOR THE HALF YEAR ENDED SEPTEMBER, 2006 (PROVISIONAL & UNAUDITED)

GROUP NON- SINGLE PREMIUM (INCLUDING RURAL & SOCIAL)

(Rs in lakh)

Sl No.	PARTICULARS	PREMIUM		NO. OF SCHEMES		LIVES COVERED		SUM ASSURED	
		Sep' 2005	Sep' 2006	Sep' 2005	Sep' 2006	Sep' 2005	Sep' 2006	Sep' 2005	Sep' 2006
	Non linked*								
1	**Life**								
a)	Group Gratuity Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	375.18	4,213.22	9	18	3,122	33,548	7,897.01	13,964.37
b)	Group Savings Linked Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	678.13	0	0	0	108,280	0.00	224,696.00
c)	EDLI								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	320.00	302.49	125	133	221,022	218,924	182,817.99	177,353.33
d)	Others								
	with profit	32.05	0.00	13	0	7,178	0	17,442.15	0.00
	without profit	2,853.99	8,074.01	1,186	589	752,967	1,429,654	1,173,617.14	2,797,813.12
2	**General Annuity**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
3	**Pension**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	48.59	86.21	0	3	680	68	186.50	5.50
4	**Health**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
A.	**Sub total**	**3,629.81**	**13,354.05**	**1,333**	**743**	**984,969**	**1,790,474**	**1,381,960.79**	**3,213,832.32**
	Linked*								
1	**Life**								
a)	Group Gratuity Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	4,741.83	13,617.30	73	151	37,603	130,178	6,399.51	150,915.33
b)	Group Savings Linked Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
c)	EDLI								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
d)	Others								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	335.75	478.32	8	10	109	144	58.74	79.03
2	**General Annuity**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	171.89	2,080.28	3	3	29	1,679	171.89	2,080.28
3	**Pension**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	6,609.79	11,888.05	41	79	3,207	11,987	0.00	0.00
4	**Health**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
B.	**Sub total**	**11,859.27**	**28,063.94**	**125**	**243**	**40,948**	**143,988**	**6,630.15**	**153,074.63**
C.	**Total (A+B)**	**15,489.08**	**41,418.00**	**1,458**	**986**	**1,025,917**	**1,934,462**	**1,388,590.93**	**3,366,906.95**
	Riders:								
	Non linked								
1	Health#	10.95	5.62	4	4	986	1,168	9,687.62	4,558.62
2	Accident##	13.90	6.53	21	10	25,338	6,176	98,176.50	27,689.92
3	Term	0.04	0.14	1	1	26	73	13.00	217.00
4	Others	0.30	0.14	1	2	28	102	309.00	2,202.83
D.	**Sub total**	**25.19**	**12.43**	**27**	**17**	**26,378**	**7,519**	**108,186.13**	**34,668.37**
	Linked								
1	Health#	0.00	0.00	0	0	0	0	0.00	0.00
2	Accident##	0.00	16.06	0	15	0	11,812	0.00	85,514.83
3	Term	0.00	0.00	0	0	0	0	0.00	0.00
4	Others	0.00	0.00	0	0	0	0	0.00	0.00
E.	**Sub total**	**0.00**	**16.06**	**0**	**15**	**0**	**11,812**	**0.00**	**85,514.83**
F.	**Total (D+E)**	**25.19**	**28.48**	**27**	**32**	**26,378**	**19,331**	**108,186.13**	**120,183.20**
G.	****Grand Total (C+F)**	**15,514.27**	**41,446.48**	**1,458**	**986**	**1,025,917**	**1,934,462**	**1,496,777.06**	**3,487,090.15**

* Excluding rider figures. ** for no.of schemes & lives covered Grand Total is C. # All riders related to critical illness benefit, hospitalisation benefit and medical treatment. ## Disability related riders. The premium is actual amount received and not annualised premium.

Welcome

During December, 2006; two new members - Member (Life) and Member (Actuary) joined IRDA. Here is a brief profile of the two Members.

Mr. G. Prabhakara

Mr. G. Prabhakara joined as Member (Life) on 15th December, 2006. Born in 1951 in Gundlupet, Mysore District, Mr. Prabhakara post graduated in Mathematics from Mysore University. He started his career as a Lecturer in Mathematics in Mysore and Bangalore. He joined LIC in 1977 and belongs to the 10th batch of directly recruited officers.

Mr. Prabhakara has held several important positions in LIC during his career. Some of these are:

Asst. Secretary (Mktg), South Central Zone, Hyderabad.

Deputy General Manager, LIC Mutual Fund, Mumbai.

Senior Divisional Manager, Raichur.

Senior Divisional Manager, Udupi.

Regional Manager (Marketing), South Central Zone, Hyderabad.

Chief Vigilance Officer (on deputation), United India Insurance Co. Ltd., Chennai.

Zonal Manager, North Cental Zone, Kanpur.

Mr. Prabhakara is an alumnus of Indian School of Business, Hyderabad. He has attended International Management Conference at Amsterdam and has also visited London to study insurance practices in UK.

Immediately prior to his posting as Whole-time Member (Life); Mr. Prabhakara was Zonal Manager, South Zone, Chennai. Under his leadership, in terms of Pension & Group Schemes; the Zone, as a whole, not only achieved budget on all counts, but all the P & GS Units of the Zone also surpassed budget on all counts, thus crating a new record in the history of LIC. Under conventional business also, South Zone was the only zone in the country which surpassed the budget on all counts during the year 2005-2006, thereby emerging as the NUMBER ONE ZONE in the country.

For hobbies and interests, Mr. Prabhakara is an ardent music-lover and an avid reader.

Dr. R. Kannan

Dr. R. Kannan joined as Member (Actuary) on 18th December, 2006. Earlier, he was Principal Advisor in the Reserve Bank of India and also the Head of the Department of Economic Analysis and Policy. During the period April 2001 - March 2006, he worked as the Appointed Actuary of the SBI Life Insurance Company. During 1994-98, he served as Advisor in the office of India's Executive Director of the International Monetary Fund, Washington; and during 1992-94, he was Advisor to Governor, Bank of Mauritius, Mauritius.

Dr. Kannan is a double post-graduate - M.Sc. in Econometrics from Madurai University and M.A. in Economics from the same university. He did his Ph.D. from Bombay University; and during 1987-88, he worked as a post-doctoral fellow in the University of Pennsylvania, USA under the Nobel Laureate Prof. Lawrence Klein.

Dr. Kannan has written about 40 Research Papers and served in 10 working groups related to various aspects of money, finance, insurance and pension. More recently, he was the Chairman of the Experts Committee constituted by the Government of India to draw the road map for moving towards Exempt-Exempt-Tax method of taxation of saving instruments in India.

He is a member of the "Solvency Committee" of the International Actuarial Association and also a member of "Financial Risks Committee" of the International Actuarial Association. He is the Chairman of the working group constituted by the Actuarial Society of India to draw the road map for moving towards Risk Based Capital for insurance industry in India.

Dr. Kannan's personal interests include keenly listening to Classical (Carnatic) music.

IRDA Journal extends a warm welcome to the two Members; and wishes them success in all their endeavours.

Understanding the Dynamics of Liability Insurance

'Liability itself is very dynamic in nature; and designing and underwriting the risk involved calls for very special skills' writes U. Jawaharlal.

Can anybody forget the dreaded Monday, the 3rd December of 1984? It was around 1 a.m. on that day that a poisonous vapour, the toxic methyl isocyanate, leaked into the atmosphere from a Union Carbide pesticide plant in Bhopal. It led to the death of tens of thousands of innocent victims over a period of time; several more afflicted with severe ailments like total blindness, impaired immunity systems and several chronic disorders. The incident is still remembered under several names - The Bhopal Gas Tragedy, The Bhopal Disaster; or is even dubbed to be the equivalent of the bombing of Hiroshima and Nagasaki.

Several theories have been propagated as to the cause of the tragedy - ranging from incorrect designing of the safety systems, negligence on the part of the parent organization Union Carbide Corporation and its subsidiary Union Carbide of India Ltd. etc.; to even sabotage. Whatever be the cause, the fact remains that it is one of the greatest man-made disasters affecting humanity. But for the fact that it took place in one of the developing nations, it would have resulted in more severe and far-reaching consequences in the world of corporate management.

In the aftermath of the above tragedy came the enactment of the Public Liability Insurance Act, 1991 for the purpose of providing immediate relief to persons affected by accidents occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. Every person who is affected on account of the handling of hazardous substances by the owner or partners of a firm or a company, as the case may be; is liable to be compensated for the losses he or she sustains. The public liability that results on account of running such an activity has to be owned up by the individual or the firm or the corporate body.

While the above Act takes care of the public liability, there are various other liabilities that can devolve upon the individuals or corporate entities involved in several activities. Business owners and employers have responsibility towards their employees, customers and the public. They are legally liable and could be sued if an employee or a member of the public is injured as a result of the owner's/employer's negligence or breach of duty. If a manufacturer or a supplier is involved in delivering a faulty product, he would be liable and legally responsible if the product is not found fit for purpose. Even the owner of premises could be liable to a member of the public if he suffers an injury following an accident on the premises. A professional, who is selling his knowledge or skills and is responsible for rendering efficient service; is liable for compensation sought by a client for the professional's negligence or mistakes, even if inadvertent. The responsibilities, duties and powers that are associated with Directors and Officers of corporate bodies are boundless; and they can be held responsible for various issues pertaining to the corporate functions. In more recent times, due to several large debacles, corporate governance has assumed a huge importance.

In all the above areas, the liabilities that arise on account of being associated directly or indirectly with various societal groups can seriously cripple the business activities. In fact, liability itself is a very dynamic thing and even before one realizes one's involvement, a new liability can crop up. Liability insurance in almost all these areas provides coverage to the insured against such eventualities. The focus of the next issue of the Journal would be on 'Liability Insurance'; and we would be looking forward to articles on various aspects of this ever-dynamic form of insurance.

Pecuniary Responsibility

In our next issue....

CANCELLATION OF BROKER LICENCE

IRDA/DB240/03 — 11th December, 2006

Whereas M/s.Sapthagiri Insurance Services Pvt. Ltd. (hereinafter referred to as the 'Broker') having its Registered Office at D.No. 1-3-2, C/19, Penugonda Road, Hindupur - 515 201 have been granted license by the Authority to act as a Direct Insurance Broker, vide License No. 270 on 22nd day of July, 2004 pursuant to the provisions of the IRDA (Insurance Brokers) Regulations, 2002 (herein after referred to as the 'Regulations').

Whereas vide their letter dated 03.01.2006, the Broker expressed its desire to surrender the license and requested the authority to permit them to surrender the license granted.

Whereas the Broker has also undertaken to service the existing clients whose policies are in force for a period of six months as required under Regulation 40 of the said Regulations.

Whereas the broker vide its letter dated 08.11.2006 submitted the original license No.270 for cancellation.

Now, therefore, pursuant to the request made by the broker for voluntary surrender of the direct broking license, the authority hereby cancels the Direct Insurance Broker License No. 270 granted to M/s. Sapthagiri Insurance Services Ltd.

Accordingly, the Broker ceases to carry on the business of Insurance Broker.

This is issued with the previous approval of the Competent Authority.

(Suresh Mathur)
Joint Director

CIRCULAR

IRDA Circular No. 033/ IRDA/ Brok-Comm/ DEC-06 — 04th December, 2006

Re: Limits on payment of commission or brokerage on general insurance business

By virtue of the power vested in the Authority under Section 14 of the Insurance Regulatory and Development Authority Act, 1999 and in terms of the provisions of Sections 40(1), 40A(3) and Section 42E of the Insurance Act, 1938, the Authority hereby directs that the percentage of premium that can be paid by way of commission or brokerage on a general insurance policy shall not exceed the percentages of premiums set out below. No brokerage can be paid in respect of an insurance where agency commission is payable and likewise, no agency commission can be paid in respect of an insurance where brokerage is payable.

Class of business	Maximum percentage of premium payable as agency commission or brokerage (% of final premium excluding service tax)	
	Agency Comm.	Brokerage
1. Fire, Engineering insurances		
i. Individuals	10%	12.5%
ii. Corporate clients (including PSUs) whose paid up capital is:		
a) Upto Rs.15 crores	10%	12.5%
b) Between Rs.15 crs & 25 crs	6.25%	7.5%
c) Over Rs.25 crores	5%	6.25%
iii. Risks qualifying as large risks under para 19(v) of File & Use Guidelines	5%	6.25%
2. Motor insurance business (other than third party)*, WC/ EL and statutory PL Business	10%	10%
3. Marine Hull insurance	10%	12.5%
4. Marine Cargo business	15%	17.5%
5. All other business	15%	17.5%

* No commission shall be paid on motor third party insurance

For the purpose of evidence of paid up capital a copy of the latest Balance Sheet which is in public domain as per the requirements of the Companies Act, 1956 should be acceptable. In case of a balance sheet which is 2 years prior to the relevant year of placing insurance an auditor's certificate must be produced. In case of sole proprietorship and partnership firms a certificate from a Chartered Accountant to the client should be acceptable.

In respect of branches in India of a foreign company reference should be made to the paid up capital of the company in the country in which it is incorporated converting it into Indian Rupees at the current exchange rate on the date of insurance

No payment of any kind, including "administration or servicing charges" is permitted to be made to the agent or the broker in respect of the business in respect of which he is paid agency commission or brokerage.

This direction supersedes all existing directions on the subject and shall take effect in respect of insurances or renewals commencing on or after 1 January 2007.

(C. S. Rao)
Chairman

CIRCULAR

Ref: 034/IRDA/De-Tariff/Dec-06 4th December, 2006

Sub: Regulation of Rates, Terms and Conditions of General Insurance Business

To,

All General Insurers,

The Tariff Advisory Committee vide its circular ref. TAC/7/06 dated 4th December 2006 has decided that the rates, terms, conditions and regulations applicable to Fire, Engineering, Motor, Workmen's Compensation and other classes of business currently under tariffs shall be withdrawn effective from 1 January 2007.

By virtue of the power vested in the Authority under section 14(2)(i) of the IRDA Act, 1999, it is hereby notified that the Tariff general regulations (other than those relating to rating), terms, conditions, clauses, warranties, policy and endorsement wordings applicable to the above mentioned classes of business as well as Marine Hull insurance business shall continue to be followed until further orders. The rates of premium may be varied subject to compliance with the Guidelines on 'File and Use' of General Insurance Products notified on 28th September '06.

The rates of premium applicable to Motor Third Party insurance business shall be as set out in Annexure I. Insurers are advised to be mindful of the concerns expressed by vehicle owners about both the rates and availability of insurance. Considering the mandatory nature of Motor Third Party insurance, insurers are advised to ensure that Motor Third Party insurance is made available at all their underwriting branches and that requests for insurance are processed expeditiously and policies are issued promptly. The Authority will treat any complaint of non-availability of insurance or use of methods to put off the client seeking insurance, seriously.

In respect of all classes of business where the rates applicable are now controlled by tariff, insurers are not permitted to cancel the current insurance policies and issue fresh policies covering substantially the same properties or interests, in order to alter the rates of premium offered to the client. The insured is free to cancel its insurance at any time as per the relevant policy conditions in which case, premium at short-period rates as applicable shall be charged for the period on risk.

Insurers are advised to ensure that proper underwriting standards are maintained even after the tariffs are withdrawn.

(C. S. Rao)
Chairman

DIRECTION

035/IRDA/Motor-TP/Dec-06 4th December, 2006

Direction under Sec 34 of the Insurance Act

To,

All General Insurers,

Sub : Motor Third Party Insurance

Whereas several complaints have been received regarding non-availability of motor third party insurance especially for commercial vehicles;

And whereas insurers have been expressing difficulty to underwrite this business unless they are permitted to charge premium rates that they consider appropriate;

And whereas considering the mandatory nature of motor third party insurance business it is necessary for the Authority to monitor the rates, terms and conditions of cover for the time being;

And whereas it is in public interest to ensure that all insurers registered to carry on general insurance business including motor insurance business actively participate in providing such cover to vehicle owners at rates as notified by the Authority from time to time;

Now therefore, the Authority, after consultation with the Committee constituted under Section 110G of the Insurance Act, hereby directs that all general insurers registered to carry on general insurance business (including motor insurance business) or general reinsurance business shall collectively participate in a Pooling arrangement to share in all motor third party

insurance business underwritten by any of the registered general insurers in accordance with the following provisions:

1. Participation in pooling arrangement: Every insurer registered to carry on general insurance business (including motor insurance business) or general reinsurance business shall automatically participate in the pooling arrangement to the extent set out herein.

2. Underwriting insurers: Every underwriting office of every insurer that is authorized to underwrite motor insurance business for the insurer shall also be authorized to underwrite motor third party insurance business that will be shared among all insurers through the pooling arrangement.

3. Pooling mechanism: The pooling of business among all insurers will be achieved through a multi-lateral reinsurance arrangement between the underwriting insurer and all the other registered insurers carrying on general insurance business (including motor insurance business) and general insurance reinsurers.

4. Participation in motor third party insurance pooled business: The participation of General Insurance Corporation of India (GIC) in the Pooled business shall be such percentage of the motor business that is ceded to it by all insurers as statutory reinsurance cessions under Sec 101A of the Insurance Act. The business remaining after such cession to GIC shall be shared among all the registered general insurers writing motor insurance business in proportion to the gross direct general insurance premium in all classes of general insurance underwritten by them in that financial year.

5. Underwriting of business: Underwriting offices of insurers shall follow the underwriting instructions of the General Insurance Council in the matter of procedures for underwriting and documentation and accounting and settlement of balances. The business shall be underwritten at rates and terms and conditions of cover as notified by the Authority from time to time. No vehicle owner shall be denied third party insurance cover in respect of his vehicle which is holding a valid permit for use on public roads except on grounds of attempted fraud.

6. Claims processing and settlement: All claims in respect of third party death or injury or physical damage shall be processed for settlement in a speedy and efficient manner in accordance with the instructions of the General Insurance Council. For this purpose, the Council shall adopt a pro-active claims settlement policy adopting the most efficient claims processing practices possible.

7. Administration of the Pooling arrangement: The GIC shall act as the administrator of the pooling arrangement. It will act under the guidance of the General Insurance Council. For this purpose, the Council may establish such Committees of insurers as are necessary to operate the Pooling arrangement and process and settle claims in the most efficient manner.

8. Remuneration: There will be no agency commission or brokerage payable in respect of motor third party insurance business. The underwriting insurer will be paid a reinsurance commission of 10% on the premium ceded by it to all the other insurers and reinsurers. The GIC as administrator shall be paid a fee of 2.5% of the total premium on motor third party insurance business in respect of the business underwritten for the pooled account. Each insurer shall bear the cost of hardware required to operate the pooling arrangement within its offices. The GIC will bear the cost of hardware necessary to administer the pooling arrangement in its offices. The cost of the operating software for the pooling arrangement shall be shared by all the insurers and reinsurers in the manner decided by the General Insurance Council. Each insurer shall bear the cost of travel of its executives to attend to the work relating to the pooling arrangement. However, any travel specifically to service a claim shall be recoverable as claims related expenses.

9. Agreement: The insurers and GIC shall enter into a multi-lateral reinsurance arrangement to give effect to this pooling scheme.

10. Review: The Authority will review the operation of the pooling arrangement and the need for regulation of the premium rates and terms of cover and will issue such directions from time to time as may be considered necessary.

(C. S. Rao)
Chairman

A CRM Paradigm

- Grievances Redressal System

R. Vaidyanathan writes that there are problems on either side that lead to customer grievances. He further adds that while the errant staff have to be dealt with strictly, there should be measures to penalize the wrongful claimant as well; as is the practice in more advanced markets.

Introduction:

The recent one day seminar on Grievances Redressal of IIRM, Hyderabad should be seen as an eye-opener for more reasons than one. For one, the seminar brought together under one roof, the various parties to an insurance grievance; namely, the customers, their representatives, insurers, surveyors, IRDA and even judiciary. An open forum for free exchange of views on customer grievances was badly needed by all the parties and a good beginning was made. Secondly, the presentations made by a few veterans in the field called for a fresh look at the status and means of grievance mechanism.

The need for professional handling of the customer sensitivities was highlighted and it was suggested that insurers should utilize outside experts for reinforcing their own technical talents. The need for empathy in service was recalled and specific instances of gaps in services of insurance industry were cited. There is need for periodical auditing of the grievance redressal mechanism in the service sector. Only a few days ago, I had a complaint about my mobile service and spoke to their service executive. There was an immediate SMS on my mobile that I had just spoken to Ms. X and desired to know whether my grievance was properly handled or not. Follow-up machinery is needed to ensure that a desired minimum level of customer service is always maintained.

Common grounds for grievance:

Insurance is not a commodity. It is a promise to perform in future in return for a present monetary consideration. Such a promise is made in an environment when the customer is absolutely not sure whether the promise will be fulfilled if and when the need arises. But then, if and when the need comes, it is already late for him to evaluate the customer service standards in the insurer. Yet another unique feature of the industry is the peculiar rules of the game such as uberrimae fidei (utmost good faith), indemnity etc, which underwriters are more aware of than the customers.

Grievances arise where there is a certain level of expectation by a customer and the reality does not match up to it. This could be in terms of response time or quantum; or the lack of response itself.

From the insurers' point of view, an analysis of the present grievances would reveal the areas of large gaps in service levels compared with customer expectations. It is seen that most complaints relate to claims and very few to policy issuance - possibly because, most insurers have by now some system in place for quick issuance of policies. Also, grievances in policy issuance are quite simple to resolve. Say, if a customer has not received the insurance policy document, one more copy can be given to him on the spot - grievance redressed even before it arose. However, grievances still flow on non-issuance of renewal notices and also on the correctness of the contents of the policy. On the underwriting side, there have also been complaints about non-availability of policies (insurers refusing to accept insurances in case of commercial vehicles and health covers of the aged) but then with de-tariffing, formation of Motor TP pool and with right pricing flexibilities; these complaints are bound to fade away.

More often, grievances arise in case of claims. Grievances arise where there is a certain level of expectation by a customer and the reality does not match up to it. This could be in terms of response time or quantum; or the lack of response itself. First, the policy wordings are sometimes found to be dubious or unclear. The single largest reason for customer grievances is the interpretation of 'pre-existing diseases' in health covers. Nearly two decades after Health Insurance policies entered Indian markets, insurers still have problem with 'pre-existing diseases'! Similar problems do exist in the theory

of 'violent, forcible entry or exit' under Burglary/ Theft covers where insurers' definitions are at variance with those under Penal Code. The only plausible solution is a migration to plain English policy wordings which are easily interpreted by the customers and insurers ad idem.

The second area of dispute often is the delay in attending to customers' papers. IRDA has already published regulations for protection of policyholders. But then rules alone cannot help. There has to be a time frame for each type of service in claims and a time table of service is to be laid down for strict enforcement. Policies often specify time-limits within which, claims have to be intimated to the insurers. Similarly, policies should also impose and undertake service time-frames. Within 24 hours of reporting of a loss, a surveyor has to be appointed; within the next 24 hours, the surveyor should visit the premises of loss; within the next three days, the surveyor/ insurer has to list the requirements of documents; within the next seven working days, all responses should be provided by the insured; and so on and so forth. These apart, there should be stringent penal provisions on the insurer/intermediary if such time limits are not adhered to. The customer need not however be penalized for delays on his part, as he is penalized automatically by his own delay. Once a list of documents required is given to the claimants, any addition to the list later should not be allowed unless arising out of the response provided by the claimants. It would even be better if a list of claim documents required for various types of claims under the policy is mentioned in the policy itself.

Wrongful repudiation/ rejection of claims is one more area giving rise to grievances. These include grievances pertaining to partial offers for settlement. My experience in handling such cases lead me to the conclusion that in most cases, the conclusions drawn by the insurers are correct and in strict interpretation of the policy coverage but improperly communicated or not communicated at all, to the customers. Say, a claim for Rs.1 lakh is settled for Rs.55,000; there is need for the insurer to draw up a list of amounts claimed, amounts offered for settlement and the reasons for the difference. In case of rejection of the claim also, a clear message is to be sent conveying the reasons for rejection. In all the cases, the letter should also refer the grievance redressal mechanism and the next legal options available to the customer, such as Ombudsman, Consumer forum etc.

It is not uncommon to come across cases where underwriters have sought from the customer, volumes of paper and information, one after another, and in the end send a polite letter of repudiation, a stance they could have easily made clear at the beginning itself. Successive communication to customers seeking information and documents increases the expectation of the customers for early claim settlement. Underwriters could be better off first sending a letter to the customer admitting liability, so that the claimants are not kept on tenterhooks. Such a communication can be sent soon after the reporting when it is clear that the liability exists although its quantification could take time. A second useful step could be to first settle that part of the amount about which there is no dispute at all. Insurers should make such on-account payments in more number of cases, as this provides the much needed succour to the claimants.

Employees in all levels should be constantly educated that politeness does not cost money nor does rudeness solve the problem.

Over-anxious intermediaries at times are also source of trouble. Panel doctors asked to opine about the medical terms and ailments give recommendations for repudiation of claims as pre-existing disease and too often these recommendations become a convenient tool for insurers to ignore their own judgement in such cases. Surveyors take pride in declaring that a claim amount was brought down by half, not being sure whether such an assessment was fair to the customer or not.

Perhaps the more difficult complaints to deal with are those relating to rude behaviour or demands of bribery. Rude behaviour has an HR angle to it. No amount of stress on the part of the employees can justify any rude word to the customer. Perhaps the customer is also stressed out by the anxiety of non-payment of his claim. The difficulty in dealing with these grievances that too mainly in Public Sector is the lack of proof to deal sternly with the errant employees. We need an HR revolution here. Employees in all levels should be constantly educated that politeness does not cost money nor does rudeness solve the problem. It is a new problem by itself. This of course is an area of serious concern and time-consuming to resolve. Demands of bribery, on the other hand have to be dealt with an iron hand and insurers have their own internal mechanisms to deal with these cases.

Having seen the varieties of grievances, let us see the effectiveness of redressal mechanism itself. No grievance redressal mechanism will be effective unless it has teeth to bite. An effective system should be capable of independently studying the issues *ab initio*, reach own conclusions and

convey decisions for immediate implementation. A system whereby a superior office stoutly defends the decisions of its subordinate offices is only brotherhood in arms for a wrong cause. In respect of PSU underwriters, the tendency to reject claims as a strategy to avoid taking decision or fear of possible query from audit and investigative agencies have to be set aside and replaced by transparent and uniform decision making systems so that employees are instilled with confidence of not facing trouble for their fair decisions.

There is also a simple way to assess the customer service standards and improve upon the service levels as well as grievance handling machinery. The organization can study all the judgments delivered at various forums such as Ombudsman, Consumer Forum and various courts to evaluate the extent to which, the underwriter's views have been upheld by the neutral and impartial bodies. Such a study will reveal whether the underwriter's views are in accordance with accepted principles of natural justice. An incidental advantage of this would be for the insurers to be better prepared in defending their decisions before such courts and forums.

The Right to Information Act has added a new dimension to customer service for PSU underwriters. Insurers cannot afford to keep any information away from customers while deciding on their claims.

Good and efficient customer service can be rendered by any organization, public or private. It is the basic duty of every enterprise. A tendency to refuse payouts as claims to save for the organization will create distrust in the insurance system itself in the minds of the public.

Having said so much in favour of effective customer service and grievance redressal mechanism, we must see and hear the other side as well. Once in a while, we come across an unreasonable customer. He may be unreasonable either because he has not understood the limited coverage under the policy issued to him or because he has made an attempt to prefer an exaggerated or fraudulent claim. The former being a systemic deficiency needs to be addressed by way of heightened customer education processes, the latter which is not uncommon needs to be firmly dealt with. While insurers need not always be rogues, customers need not always be angels either. Underwriters come across frequent cases of customers availing health insurance covers when a major treatment is felt imminent.

Good and efficient customer service can be rendered by any organization, public or private. It is the basic duty of every enterprise.

Proposals do not disclose the existence of any medical condition.

A few countries have stringent laws to deal with insurance frauds. In India, there is no practice to deal with such cases other than a mere rejection of the claims. While special legislation on this could be a distant reality, the regulator can immediately initiate steps to create a platform for sharing of information among insurers about frauds faced and fought by individual insurers. Absence of stringent anti-insurance fraud laws creates problems for insurers and customers evenly. While the former is forced to waste its resources in dealing with unscrupulous customers, thereby denying efficient service to others; the customers suffer by the distrust of underwriters of all customers when only a few of them are really bad.

Grievances are opportunities. It would be better if an organization is able to function without any customer grievance at all. But then this is an unrealistic expectation for any industry and definitely so for a service industry. A better expectation would be to courteously and politely deal with such grievances, re-examine the subject, send clear communication of decisions with reasoning and informing about possibilities of further appeals. A broader mindset is expected of officers to decide on issues already decided by them or by their juniors, so that the grievance machinery is effective. The grievance redressal process should not only be transparent but also appear to be so.

With detariffing already a reality, underwriters have to search for USPs so that they can reach the customers with a clear message. In the current environment, when there is no differentiation between one insurer and another in terms of the products or in terms of the pricing, identification of USPs become difficult. If an insurer is able to offer a product at a price, any other insurer also can offer similar cover at a matching price. Efficient customer service and effective grievance handling could therefore make all the difference.

The author is Company Secretary of The Oriental Insurance Company Limited, New Delhi. The views expressed in the article are those of the author.

Handle with Care

- Customer Service in Life Insurance

"Redressal of customers' grievances is just a reactive way of insurers providing the minimum expected customer service. The need of the hour is a more proactive approach aimed at seeking what additional elements would delight the customer more and more" says Sanjeev Mago.

People purchase insurance to cover contingencies. Over the last few years, developments in the insurance sector have resulted in a paradigm shift in the way the business is conducted. In a free market scenario, the customer has a choice from whom to buy. He exercises this choice based on perceptions formed through his experiences.

But even with the overwhelming choice of products and providers, consumer grievances continue to rise. It has been observed that many of the complaints are a result of communication and administrative failures. Quite often, the point of sale is the root cause for most grievances as the consumer does not know or just doesn't understand what he is buying. Sometimes it is in the nature of the product, but more often than not, it is an unsatisfactory level of information from the insurer's side. When the insurer or his representative is talking to a prospective customer, disclosure about the product is a vital need. There is a generic complaint in this industry about the products as the consumer is neither told what he should know nor does he know what to ask. This may result in the consumer ending up with a product he does not really require. Another common complaint is that the agent promises the customers higher returns than possible and understates the charges especially in unit linked insurance products.

The insurer or his representative should ensure that all material information about the product being sold is given and the customer is able to decide which the best cover is for him. Further, if the proposal form or other documents are not filled in by the prospect, a certificate needs to be incorporated at the end of the proposal form from the prospect that the contents of the form and the documents have been fully explained to the customer and that he has fully understood the significance of the proposed contract. This precaution if genuinely taken, takes care of an oft-repeated complaint against the insurance company that the customer wasn't adequately informed. It is thus imperative that the insurance customers receive precise, clear and correct information of products and services from the insurer who also makes the customer aware of their responsibilities and duties in this regard.

The insurer or his representative should ensure that all material information about the product being sold is given and the customer is able to decide which the best cover is for him.

Customer servicing today has become the focal point of insurance companies. It is an area where the new companies are clearly ramping up by bringing in their best practices and operational efficiencies by appropriate use of technology. There is a greater sensitivity in dealing with the customers. However, a lot needs to be done. Insurers need to fast gear up to the situation and the real response and turn-around time in delivery of services needs to be reduced in specific areas like delivery of first policy receipt, policy documents, premium notice, maturity payments, death claims etc.

At the claim level specifically, the disposition of any insured hardens when questions seeking clarifications on the claims are put to them. Extracting sensitive information from the insured is always a difficult and delicate process. The insured views these processes with skepticism believing that the object of the insurer seeking the information is to turn things against the insured. There is no doubt that it has become far too common between insurers and insureds to believe that the

other side is abusing the claims investigation process. In fact, it has grown to such an extent that there is an air of mutual distrust when it comes to the finalisation of the claim. From the side of the insurers, there is too common a belief that insureds are conspiring and hiding critical information in an attempt to perpetuate an insurance fraud.

A professional claims manager should treat the insured with courtesy and respect. A sensible, professional explanation of the insurance policy contract and the obligations of each party to the contract can be conveyed in simple, easy to understand language. Claims handling is a service. Once the insured understands the claims professional is present to perform a service, co-operation automatically follows. A skilled interviewer can cause the most reluctant person to speak in confidence to him or her.

Insurance is a business of trust. Courtesy, knowledge and training form the bedrock of Max New York Life's system and it is our aim to be the most admired life insurance company. Our quality of advice is rated very high. Our agency distribution model is founded on extensive training and continuous supervision. The agent advisor undergoes 152 hours of training - 52 hours more than the mandated 100-hours training. We follow quality systems in assuring consumer experiences - from business of quality to quality of business, which aims at helping in delivering value to the customers. Our quality strategy is seen as an integral part of business strategy and processes and measures are aligned to customer's need and expectations. We took the lead at making sales illustrations available to customers which was later made a mandatory requirement by the Regulator. A sales illustration reduces the possibilities of miscommunication. Moreover, we approach our customers in a friendly manner. The magic words can be: "How can I help you today?"

There is an advantage in asking the "how" questions because it somehow illicits a positive interaction, as opposed to questions answerable by "yes" or "no." If the customer does not like our solution, we ask what they would consider a fair alternative. If we cannot meet their request, we say so, but never say they are wrong, and never get into an argument with a customer. It is vital to be considerate towards the customer's feelings and be courteous. All that the customer really wants is someone to hear and respect his or her point of view. We then follow up within a few days to ensure that the customer is completely satisfied. This strengthens the relationship and helps gaining additional business. It stems from the fact that a customer's loyalty is only as strong as the success of their last contact with you. For our High Networth Individual (HNI) customers, we go a step further by providing customised services such as providing for the medical facility at home.

The complainants not only want quick resolution but also satisfactory results or a positive outcome and therefore we always give weightage to customer voice.

The motto of our Claims Management Process is to be 'Fairest, Fastest and Friendliest'. In claims processing, we have a fast turn-around time. We ensure that the Claim Management Process is smooth and to do that we travel an extra mile appointing agencies at our cost to collect documents of claimants. We try to be a part of our customer's grief by sending them a condolence card which helps build trust before the claim process starts.

Further, all systems are very 'process-oriented'. We were the first life insurance company to get the ISO Certification (including many other firsts like a toll-free number and a free-look period). With a robust Six Sigma Implementation structure and team in place consisting of Sponsors, Champions, Black Belts and Green Belts, our endeavour is to have the entire employee population Six Sigma empowered.

We have a dedicated team of professionals looking after both grievances/complaints from the quality angle. The complainants not only want quick resolution but also satisfactory results or a positive outcome and therefore we always give weightage to customer voice. There is also a well-integrated timeline tracking system called CCRP (Customer Care Resolution Programme) in place that responds to complaints and claims promptly, accurately and with utmost courtesy. For settling claims, we follow a merit-based approach as tackling it as a mechanical process would never achieve its aim.

We were the first life insurance company to launch phone servicing and won the prestigious 'Best Six Sigma Project' award for 'Project Servottam' (a compound for service + uttam or the best) recently at the 'Sakaal Six Sigma Excellence Awards-2006'. 'Project Servottam' is a key initiative of the 'Change for Growth Programme' initiated to align the current service architecture, processes and all aspects of servicing, to deliver the best in class services to our agent advisors and our customers. Apart from the Sakaal Six Sigma Award, we were the final nominees in the insurance category for the prestigious 'Avaya Global Customer Responsive Award'. We service seven types of service requests on the phone through our call center and as against a turn-around time of three days, for call received to confirmation to customer, the current turn around time is one day for 96% cases.

Our service quality and process quality are interlinked. The needs of the stakeholders are captured through various sources and this knowledge is converted to identify key issues and gap areas. We have established an internal feedback system that serves as the initial indicator. Our listening posts include:

- C-SAT Survey (Customer Satisfaction Survey)
- A-SAT (Agent Satisfaction Survey)
- Service scorecards
- Mystery shopping
- Post policy questionnaires

The data is collated quarterly. The gaps are identified as:

- Customer Expectation - Management Perception Gap
- Management Perception - Service Quality Standards Gap
- Service Quality Standards - Service Delivery Gap
- Service Delivery - External Communication Gap

There is a constant endeavour to improve the customer experience at different stages by translating the key issues into customer requirements. Improvements result through audits; process re-engineering; focused Six Sigma projects and audits; service ethics training; knowledge management; best practices sharing and replication. We also have in place Customer Value Council (CVC) established to protect and consider customer propositions and Risk Review Board (RRB) to constantly review the latest trends and revise our internal standards along with constant benchmarking of service parameters in insurance and other financial services. When it comes to technology, we are totally customer-centric in our approach. We are able to conceptualise and define quickly how IT can further our organisation's objective of using cutting edge technologies into a competitive advantage for our clients. With the help of the Internet, we have successfully launched our distribution portal, agent's portal and the customer portal. We effectively promote and use CRM as a tool to minimise the incidence of grievances.

Fairness, transparency and orderly conduct in financial markets dealing with insurance helps an organization build a reliable management information system and enforce high standards of financial soundness.

In our overall conduct as a life insurer, we endorse self-regulation as a policy. We promote, monitor and enforce high standards of integrity, financial soundness, fair dealing and competence. Fairness, transparency and orderly conduct in financial markets dealing with insurance helps an organization build a reliable management information system and enforce high standards of financial soundness. Immediate action should be taken where such standards are inadequate or ineffectively enforced. We are of the opinion that only customer satisfaction would lead to a healthy growth of not just our company but the industry as a whole. And our journey continues towards being the most admired life insurance company...

The author is Senior Vice President - Customer Operations, Service Delivery & Quality, Max New York Life Insurance Co. Ltd.

Insurance Ombudsman

- The Grievance Redressal Authority

P.A. Chowdary, the Ombudsman himself describes the role of the institution; and suggests measures to further improve its working.

The Government of India promulgated Redressal of Public Grievances Rules 1998 (under the Insurance Act 1938) to establish the Institution of Insurance Ombudsman in the country with a view to provide the insuring public a speedy and inexpensive grievance redressal mechanism.

The institution of Insurance Ombudsman started functioning since 1999. Ombudsmen are appointed from persons with experience in Industry, Civil, Administration and Judicial Services. Ombudsmen are provided with secretarial staff by the Insurance Council. Staff is drawn from public sector insurance companies through fixed term deputation.

At present there are twelve Ombudsman centres covering all parts of the country with specific territorial jurisdiction at the following places - (1) Ahmedabad, (2) Bhopal, (3) Bhubaneswar, (4) Chandigarh, (5) Chennai, (6) Delhi, (7) Guwahati, (8) Hyderabad, (9) Kochi, (10) Kolkata, (11) Lucknow and (12) Mumbai

Objective:

Insurance Ombudsman is the insurance grievance redressal authority with the objective of providing a forum for resolving disputes and complaints from the aggrieved insured public or their legal heirs against insurance companies operating in general insurance business and life insurance business, in public and private sector. The authority resolves the complaints relating to settlement of claims on the part of insurance companies in a cost effective, efficient and impartial manner.

The authority resolves the complaints relating to settlement of claims on the part of insurance companies in a cost effective, efficient and impartial manner.

Powers of Ombudsman:

The Insurance Ombudsman considers the following types of complaints:

a. Any partial or total repudiation of claims by an insurer

b. Any dispute in regard to premium paid or payable in terms of the policy

c. Any dispute on the legal construction of the policies in so far as such disputes relate to claims

d. Delay in settlement of claims

e. Non-issue of any insurance document to customers after receipt of premium

The following types of complaints are not fit or not maintainable or not entertainable by the Ombudsman.

- Complaints in respect of policies issued on firms/organizations/ companies. Even single proprietary firms are excluded from the ambit of RPG Rules 1998.
- Complaints regarding lapsed policies
- Routine administrative or policy service matters
- Complaints against staff of insurance companies
- Complaints on agents/development officers/marketing officials of insurance companies.

Conditions for admitting complaints:

Any aggrieved individual who has taken insurance policy on personal lines or his legal heirs under such policy can approach Ombudsman within whose jurisdiction the Branch or office of the insurer complained against is located. Insurance on 'personal lines' means a policy taken or given in an individual capacity, e.g. life insurance, personal

accident insurance, insurance of property of the individual such as motor vehicle, household articles, mediclaim insurance etc. In the case of complaints arising under group insurance schemes, place of residence of the complainant would decide the jurisdiction of Ombudsman irrespective of the place of issue of the policy.

For a complaint to be admissible, it is essential that:

- Before approaching the Ombudsman, the complainant should have made a representation to the insurer who had either rejected the complaint or the complainant had not received any reply within one month or the complainant is not satisfied with the reply given by the insurer.
- The complaint is made within one year after the insurer had rejected the complaint or sent his final reply on the complainant's representation
- The subject matter of complaint should not be pending or considered by any Court or Consumer Forum or Arbitrator
- Compensation/relief claimed should not exceed Rs.20 lakh.

Procedure for lodging complaint:

The procedure is simple as the complaint can be given on a plain paper. When the complaint falls within the terms of reference, the office of Ombudsman will issue prescribed forms to the complainant. No fees/charges are required to be paid. The complainant is not required to approach the Ombudsman through a lawyer as it is established to administer justice directly and expeditiously. The purpose of Ombudsman is to bring about an amicable resolution of the complaint in quick time and with minimal cost. After conducting personal hearing of the complainant and insurance companies, the Ombudsman decides the issue in the form of an award or ex-gratia.

After conducting the hearing, the Ombudsman passes an award within three months from the date of receipt of the complaint in the prescribed form. The award of the Ombudsman is binding on the insurer. If the award is not acceptable to the complainant, then the insurance company cannot obviously implement the award since the acceptance is a precondition for the company to implement the award. There is no provision for review of the orders passed by the Ombudsman. Mistakes apparent from record may be rectified by virtue of inherent powers. However, complainant can approach the consumer forum or civil court if not satisfied with the award of the Ombudsman, but not as an appeal.

The purpose of Ombudsman is to bring about an amicable resolution of the complaint in quick time and with minimal cost.

Complaint Settlement Procedure:

The Ombudsman may adopt any procedure which he deems fit for disposing off the complaint fairly and equitably. The Ombudsman may ask the parties for necessary papers in support of their claims and may collect factual information available with the insurance company. The Ombudsman may engage the services of professional experts to assist him in discharging his functions. The Ombudsman, as an independent and quasi-judicial body, may follow such procedure considered just and proper for promoting settlement of the complaint.

Recommendation:

The Ombudsman shall act as counsellor and mediator if requested to do so in writing by mutual agreement by the complainant and the insurance company. The Ombudsman shall make a recommendation which he thinks fair in the circumstances of the case within one month from the date of receipt of the complaint.

Award:

Where the complaint is not settled by agreement, the Ombudsman shall pass a speaking award with detailed reasoning which he thinks fair in the facts and circumstances of the claim. The award shall state the amount awarded to the complainant and the compensation awarded shall be limited to the loss suffered by the complainant as a direct consequence of the peril subject to a limit of Rs.20 lakh.

Dismissal of the Complaint:

If the action of the Insurance Company in rejecting the claim is found to be in order and as per law on the facts and circumstances of the case; the complaint shall be dismissed by the Ombudsman by passing a speaking order with detailed reasoning.

Ex-gratia:

If the Ombudsman deems fit, he may award Ex-gratia payment of a claim.

Miscellaneous Provisions:

Advisory Committee - Consisting of five eminent persons is notified by the Government to assist IRDA to review the performance from time to time. IRDA, after discussion with GBIC may recommend to Government appropriate proposals for effective improvement in functioning of Ombudsman by amending the Scheme.

Annual Reports are submitted by the Insurance Ombudsman containing (i) Review of the activities for the financial year, (ii) Quality of service rendered by the insurers (iii) Recommendations for improving them and (iv) Suggestions for long term improvement of insurance sector.

G.B.I.C. - may suggest to Insurance Ombudsman recommendations which will enhance the objectives of the Scheme.

Field Experience:

Some of the pleasant experiences of the institution of Ombudsman are as follows:

- Achieved the objective of providing the insured public a speedy and inexpensive grievance redressal mechanism by resolving the complaints relating to settlement of claims in a cost effective, efficient and impartial manner.
- Serving as a check on the internal grievance redressal mechanism of the insurance companies.
- Representations taken seriously as their decisions can be contested by complainants to Insurance Ombudsman and are subject to scrutiny.
- Some complaints settled by the insurance companies on receipt of notice from the Insurance Ombudsman before the hearing.
- Small policyholders who cannot afford costly litigations in courts are benefited, as there are no fees/no intermediaries.

At the joint conference of Ombudsmen & Members of GBIC on 03.01.2006 the Chairman, GBIC observed as follows:

- In a short span of 5 years, the institution has done an excellent job and is being taken note by ordinary insuring public.
- In a liberalized insurance market, the consumer has become the focal point of all activities and the establishment of the institution of Insurance Ombudsman has been a right step in the changed circumstances.
- Till September 2005; out of 34000 complaints received, justice was dispensed through 10500 awards and recommendations for a total relief of Rs.40 cr. It has also displayed its efficiency by reducing the initial cost of Rs.13000/- per disposed of complaint to Rs.5500/- as at 31.3.2005.

In a liberalized insurance market, the consumer has become the focal point of all activities and the establishment of the institution of Insurance Ombudsman has been a right step in the changed circumstances.

Chairman, Insurance Ombudsman Advisory Committee pointed out:

- That the results produced by the institution of Insurance Ombudsman are far superior as compared to consumer forums at State and Central level put together. The disposal rate of 83% is fairly a good track record and should be appreciated.
- The finality of awards/ recommendations made by Insurance Ombudsmen is the USP of the Scheme and hence it is superior to the judgements made by Civil Courts/Consumer Forums where there are appellate provisions.

Suggestions for reducing grievances:

The claim settlement performance of the industry is commendable as lakhs of claims are settled every year without any dispute or problem. The number of complaints to Ombudsman is not increasing in proportion to the increase in the number of policies issued and claims settled. However, there is scope for improvement and minimizing the grievances in the following areas:

1. Inordinate delay in processing claims and in communicating the decisions.
2. Inadequate appreciation of the facts and circumstances leading to claims and grievances.
3. Inadequate checks and balances in reviving the lapsed policies merely

on the basis of good health certification. It is observed that revival of policies up to a period of five years without medical examination facilitates collusion, misrepresentation and fraud by the agents and policyholders. Deterrent action is required to be taken against errant agents and development officers.

4. The customers should be educated on the risks they are exposed to and about the policies available.
5. In the cases where mis-sale or misrepresentation by the agent is established instead of letting officials go lightly, deterrent action is required to be taken and the policyholder need not be penalized. At least the claim should be settled with suitable ex-gratia at the representation stage.
6. Where third parties like TPAs, surveyors and professionals are involved, indulging in blame game and passing the buck is not desirable for the inordinate delay in processing the claim and rejecting the same on frivolous grounds.
7. Officials should be encouraged to take bold decisions in bona fide cases.
8. Simplification of forms and procedures is desirable and as far as possible the forms should be got filled up by the insured and the medical information may be required to be supported by medical records.
9. Policies should be drafted in simple understandable language. Industry should strive for common format of documentation and language for similar policies. Important provisions like exclusion clauses, time limits for preferring claims etc. should be prominently displayed and not in small print.
10. Rejection on technical grounds like delay in preferring the claims should be avoided where reasonable cause for the delay could be shown and the delay deserves to be condoned on the facts and circumstances of the case. If the claim is otherwise admissible, the delay should be condoned by the reviewing authorities of the internal grievance redressal mechanism instead of driving the policyholders to external authorities.

Rejection on technical grounds like delay in preferring the claims should be avoided where reasonable cause for the delay could be shown and the delay deserves to be condoned on the facts and circumstances of the case.

11. Rejection on the basis of assumptions, surmises or suspicion should be avoided. Any conclusions relating to pre-existing diseases etc. should be supported by proper evidence and records.

Conclusion:

Insurance companies should create awareness by displaying salient features of the scheme for common knowledge of the public enabling the small policyholders to avail the benefits of this inexpensive and expedient remedy. Insurers should communicate information regarding Ombudsman along with the policy document and while repudiating the claims [IRDA (Protection of Policyholders' Interest) Regulations, 2002]. The distinction between internal grievance redressal machinery and the scheme of Ombudsman should be properly clarified in the policy document.

The following observations of the Supreme Court in the case of Asha Goel (AIR 2001 SC 49) against mechanical rejection of claims of policyholders should be kept in view by all the authorities dealing with the redressal of grievances. "The public in general and crores of policyholders in particular look forward to prompt and efficient service from the Corporation. Therefore, the authorities in charge of management of the affairs of the Corporation should bear in mind that its credibility and reputation depend on its prompt and efficient service. Therefore, the approach of the Corporation in the matter of repudiation of a policy admittedly issued by it should be one of extreme care and caution. It should not be dealt in a mechanical and routine manner."

The author is Insurance Ombudsman, Hyderabad.

A NOTE ON INTERNAL GRIEVANCE REDRESSAL MECHANISM IN INSURANCE SECTOR

(Contributed by Insurance Ombudsman's Office, Hyderabad)

No organization dealing with customers can think of ignoring its customers, their sentiments, feelings and responses. This is more applicable to service sector industries as there will be a variety of grievances. Sometimes a grievance may start even before sale of a product or service.

Organizations must, therefore, equip themselves to sort out grievances in an effective manner within fixed timeframes. An effective grievance redressal mechanism will certainly enhance the image of the organization and will contribute to the business of the organization. Many of the modern organizations have recognized the importance of having structured internal grievance redressal machinery and are seeing this as a marketing tool. In the present day scenario, no organization can afford to view a grievance as a nuisance. A grievance from a customer gives an opportunity to the industry to correct its activities, to improve its R&D activities and to promote its business. After all, the purpose of existence of any business organization is to improve its profitability.

Insurance industry cannot be far from this thinking and the public sector giants like LIC and GIC have set up their own internal mechanisms to sort out grievances to the best possible satisfaction of their customers.

The foremost thing required in this direction is to recognize a grievance in its nascent phase and nip it in the bud. This will render satisfaction to the customer that he was heard properly and even if his point of view was not upheld, he would try to appreciate the decision of the insurer. The public sector LIC has adopted the CRM culture in its operations to give a boost to its internal grievance redressal machinery. Other insurance companies also are doing this exercise in different ways; albeit, with a different nomenclature.

Hearing of complaints by designated person:

The public sector players, under instructions from the Government, have nominated officers at certain levels to be grievance redressal officers and directed them to be present in their offices on certain days of a week to hear grievances personally. This is a very good attempt made by the Government and this will certainly improve things if the objective is understood by the persons concerned. Fifty percent of a person's grievance will be over if a patient hearing is given. There is a need for adoption of this practice by the private sector insurance companies also as most often their services are centralized to meet costing needs. The prevailing practice in the private sector is to give a toll free help line number to the customers and this will not work with rural customers. Even urban customers also find it difficult to reach the official concerned as they have to undergo the ordeal of trying the sequential process of dialing numbers till they get required assistance or help. A personalized attention to grievances will help the private sector insurance industry also.

Anticipation of grievance:

Identifying the sources of grievances is the foremost preemptive step required. As the adage goes "Prevention is better than cure", it is always better to identify the areas where problems are likely to arise and initiate steps to eliminate such weak areas. A SWOT analysis is required to be done on a continuous basis.

Communications:

Response to complaints is a very important aspect that cannot be ignored. All written communications must be responded to timely; and to the point in detail. All principles of effective communication must be observed and response time should be minimum.

While communicating verbally, lot of restraint must be exhibited from the organization's side and emotions should not be allowed to dominate the scene.

Understanding the complaint:

It is very essential for the organization to understand the problem of the customer before prescribing a solution.

Citizens' Charter:

Prescribing a citizens' charter for all public offices is an initiative taken by the Government in addressing some of the problems where complaints are prone to occur. This will enable the employees of the organization to know about the organizational commitments and about their responsibility. This can be tried by the private sector insurance industry also according to their needs.

Statutory Obligations:

The insurance industry in the country is under the control and supervision of the regulator IRDA. The regulatory authority has prescribed various norms to the insurers to ensure a level playing field and it is obligatory for them to follow these.

The purpose of existence of an insurance company is to settle claims and the role of the insurer is primarily to act as fund manager or administrator. No insurer should forget about this fundamental objective and relegate the objective to give importance to profitability.

Most often, complaints in insurance industry arise out of rejection of claims in full or partially; or due to delay in settlement. The regulator has set some time limits for settlement of claims or otherwise. When a claim is rejected, most often it is based on the decision of an individual. Individual decisions are most likely to be conservative, for fear of action from the management. If this fear factor is to be eliminated, there should be a system of collective decision making, particularly when a rejection decision is made. A group decision would always be better than an individual decision and people will feel free to express their opinion.

Review Mechanism:

To err is human. Recognizing this reality, all civilized societies provide for judicious review mechanisms. All judgments delivered by courts are subject to review by specified bodies. Keeping this basic principle in mind, the public sector LIC has set up review committees at their zonal level and central level to review their decisions, particularly in respect of rejected claims. To give a better transparency to the system, they have included retired judges in such review committees and have specified monetary limits for such review committees for a judicious exercise of discretionary powers. This is a step in the right direction and organizations which do not have this kind of mechanism can experiment with it. Organizations should try to see all signs of complaints as opportunities for their business growth and credible internal grievance redressal machinery will certainly give an impetus in that direction.

Government Intervention:

It is the responsibility of the state to protect the interests of the customers if the industry fails to meet their obligations. Setting up of the Offices of Ombudsman is a step in this direction. Judicial process is a costly and time consuming mechanism for redressal of disputes. The action under Consumer Protection Act, 1986 also has become a time consuming process in resolving disputes. To give a speedy solution to the problems of consumers; the RPG Rules, 1998 were framed and the offices of Insurance Ombudsman have been established. The insurance companies should realize that they should minimize the incidence of a grievance going outside their company for a review and effective internal redressal machinery would help them in all their business interests.

A Powerful Agent of Change

- The Customer Perspective

'Technology, competition and consumers have transformed the way the insurance business transactions are now performed' says G.V. Rao. He further adds that the future would determine how the consumers would like them to be changed.

This article limits itself to understanding why problems arise between the two parties to the contract; and how customers would dictate the future pace of the relationship in a detariffed scenario. It is expected that understanding customers and their changing expectations would lead to insurers devising improved systems, injecting acceptable professional standards and displaying empathetic attitudes in handling their grievances. The current opaque and one-sided grievance review system needs an urgent overhaul. The market dynamic is changing yet again with the detariffing measure. Would insurers at least now change their business mechanics? Let us discuss where the industry currently stands.

How insurance business has changed:

The non-life industry has an annual premium of about Rs.25,000 crore. Motor portfolio forms about 42 percent, Fire 20 percent, Health 12 percent, Marine 8 percent, Engineering 6 percent, Liability 2 percent; and the rest 10 percent comes under the Miscellaneous portfolio. The industry issues about sixty million polices and deals with new claims of less than Rs.35 lakh each year. Annually, the insurers pay out about Rs.12,000 crore of which about 60 percent are towards Motor claims.

The penetration level of insurance, as measured by gross insurance premiums to GDP was about 0.65 percent in 2004; the insurance density, measured as per capita gross premiums to population, was $4. For China, our big neighbor; the penetration level was 1.05 percent and the insurance density was $13. The GDP in India in 2004 was $670 billion and that of China $1700 billion. As against India's gross premiums of $4.3 billion in 2004; China's was $17 billion, four times India's, though the GDP of China was 2.5 times that of India's. The non-life insurance industry has a lot to catch up on our neighbor.

There is a need to reduce both the service tax and the internal operational costs of insurers to make insurance products more affordable to semi-urban and rural segments.

The portfolios of Fire, Marine and Engineering (34 percent) are mostly bank and financial-institution driven; the Motor and Health portfolios (54 percent) are customer-driven; the insurer-driven portfolios are about 12 percent. It is evident that the insurers have functioned so far largely as mere insurance-providers rather than as change or trendsetters: either as product innovators or as market innovators. Their reactive provider's culture has now come to haunt them; when the insurance market has become vibrant with competition, and the consumer-provider dynamic has significantly changed. What additional factors have affected the market developments?

Factors influencing market dynamics:

Insurance buying today has become more expensive due to two factors. There is an imposition of service tax of 12.24 percent on all insurance premiums paid by consumers. In the UK, from where the insurance system originated, it is called the premium tax and is levied at only 5 percent. Secondly, the operational costs of Indian insurers are quite high, at over 35 percent of earned premiums, despite all the technological improvements they have made. The margins on claims ratios having been squeezed to less than 60 percent-rather difficult to realize-- their continued loss-making propensities on operations have affected their marketing approach and attitudes towards consumers. The evidence is in the harsh treatment the consumers get while their claims are processed. There is a need to reduce both the service tax and the internal operational costs of insurers to make insurance products more affordable to semi-urban and rural segments.

Despite the tariffs, with pre-determined rating structures, the insurers are consistently making huge operating losses. Now, with the rates getting freed and the motor TP rates in the doghouse of the Motor Pool, do the PSU insurers really believe that a level playing field has been made for them? Insurers in general, and the PSU insurers in particular, have failed to take into account the changes that have occurred around them. What are these changes?

Technology, competition and consumers have transformed the way the insurance business transactions are now performed; and the future would determine how the consumers would like them to be changed for them. The shots for market changes would be called by the consumers; and no longer by the insurers. ATMs and credit cards have influenced financial transactions between the parties. Competition has enabled more choices of services and products to consumers; and excellence in perceived service by insurers is seen as a differentiator, instead of price; as the real value of the product.

The business profiles of insurance consumers of non-life insurance have changed and are different from those of yesteryears. They are mostly in the younger age group and are better educated; they appreciate the value of insurance, and are time and convenience conscious and are impatient for outcomes. They know how to make a choice of a service provider of their own in the competitive environment. There are no second chances to qualify for patronage.

Price vs. Value:

Now a days consumers view the price they pay for a product in the context of the value the product delivers. In the case of an insurance policy, the value addition to its purchase actually takes place, not when a policy is bought, but only when a claim occurs. At this point, the policy or the promise of indemnity made assumes a significant value to the consumer.

Would the insurer really deliver on the promise made to him? Would he get the promised value on the policy he bought? Only if and when a claim were to occur, does an opportunity also arise for an insurer to build a credible and trusting relationship with his customer. Thus, to an insurer a claim occurrence becomes the real 'moment of truth' and also an opportunity for brand building as well. Does he realize this simple truth?

What complicates business relationships?

Why is the relationship between the insurer and his insured mostly tense? The answer lies in the nature of the non-life insurance contracts that are subject to peculiar legal principles of utmost good faith and indemnity that are unique to them. An insured often fails to understand or refuses to understand the significance of these twin principles that guides the basis of insurance contracts and of the claims settlement.

Insurance being an intangible product, the 'technical quality of the service' depends upon its reliability; that the insured knows or is educated enough to know, when it would work for him and when it would not.

Compounding this complex situation is the insured's own double standards of judging the product initially based on price; but judging the value of the product and the conduct of an insurer on how his claim is processed. The claim situation is thus charged with these conflicting facts and feelings. This asymmetry in information exchange has largely led to a poor image of insurers.

Insurance being an intangible product, the 'technical quality of the service' depends upon its reliability; that the insured knows or is educated enough to know, when it would work for him and when it would not. The 'functional quality of service' is situational and is perceived not only on what is delivered as service but how and who delivers it. This functional quality of service is subjective and depends on the individual customer's expectations. Both these variables, the technical and functional qualities of service, are managed by the customer philosophy of the service provider.

As the saying goes: make a customer happy, he would tell two of his friends about it. Make a customer unhappy, he would tell everyone he knows about it. Insurers, according to consumers are in the business of ensuring that their customers do get a fair treatment. But the insurers seem to believe and act in their approach to market that they are really in the business of collecting premium incomes. Fair claims settlement to reinforce the faith of the consumer in insurance is incidental, but is not primary to the insurers' competitive business strategy.

Competition from established players:

For the established insurers, these new market challenges have come in as huge surprises of the markets, strategies and mindset initiated by the consumers; and they are trying to cope with them by responding with old structures, old systems and old mindset. From merely managing insurance business to competitively marketing insurance products has been none too easy for them. In a span of less than six years, they have seen their market share dwindle by 35 percent.

The PSU insurers attribute this setback to the prevalence of tariffs and the unethical practices indulged in by the new players to gain business volumes, but not to their own internal deficiencies or to their outdated business models. Now with the dismantling of rating structures of the hitherto tariffed business in Fire, Engineering, and Motor OD, the PSU insurers see a great business opportunity; as permitting them to compete on prices, their sole competitive strategy.

This approach towards price competition to woo customers is shortsighted; customers are hungry for quality improvements to be offered to them by insurers. Price reduction is a one-time exercise. After collecting a large number of customers, how does one retain them? The obvious question to ask is: how many customers are happy? Why?

An unpredictable challenge:

Customers want the best of all the worlds; price reductions, wider product coverage and excellent claims settlement. Once that is available, customers would ask, what next? That is the trend seen in all other sectors including in banking and in life insurance. Only the non-life insurance segment has refused to face reality and has refused to change its thinking and mindset. If ever there were a crisis that is likely to arise in the financial sector, it would be in the non-life insurance segment.

Dismantling tariffs could lead to unbridled greed on the part of customers for rate reductions, their appeasement on the part of insurers, whose internal financial controls and corporate governance standards are weak and uncertain; this could lead to possible market instability; unless the sector is strongly and regularly monitored.

Neither the customers nor the insurers know where to set limits to their expectations. The past experience of detariffing in Marine in 1994 has seen competitive hunger for premium overriding prudent underwriting standards. The initiative to set domestic rating and coverage standards of underwriting would soon be passed on to international reinsurers. It has happened elsewhere; it could happen soon in India to restore discipline among the ever-hungry insurers for premium incomes.

Final word;

Which way would the pendulum swing in the detariffed scenario? It is only the freeing of premium rates, with the basic tariff structure remaining in tact that would come about from 1st January 2007. Would detarifffing become a free for all in rate reductions in the profitable segments like Fire and Engineering; the insurers having failed to prise open the Motor TP segment from tariffs? Any illogical rate reductions to meet competition would hurt the insurers more.

Price reduction is a one-time exercise. After collecting a large number of customers, how does one retain them? The obvious question to ask is: how many customers are happy?

Even if PSU insurers really believed, as many of them do, that they would thereby recover a part of their lost market shares, that would add to their top line; this would help only in lessening their management costs a wee bit; but the premium additions would not add to their bottom line significantly.

One should remember that all non-life insurance policies in the market are up for renewal every 12 months. Consumers are always hungry to have more for less. How would insurers deal with the changing loyalties of consumers, who only think of their interests to the exclusion of those of the insurers, annually seeking more value to be delivered at lower costs? That really is the essence of the challenge before the non-life insurers.

Business sense should prevail among insurers to ensure their survival as solvent entities; mere growth in premiums does not assure that survival. Sentiment to crush competition at any cost should not be the sole marketing guide; but excellence in execution of assurances given to consumers and internal cost cutting should be the goals to pursue for insurers to become more competitive.

Insurers should know that in a detariffed scenario, there would be only one winner to emerge out of the market scene. And that is the 'customer' - the powerful change agent of the market that would call the shots to shape the future of the insurance market.

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Being an Insurance Agent

- The Pride and the Prejudice

'We are not content to do a job just so that later we'll be able to afford to please ourselves. All of us are taking a close look inside to see what it is that we really want' says Ritu Nanda.

I am very proud to be an insurance agent. I think it is one of the best professions that there is but somehow, the profession does not either have the credibility or the recognition that it deserves. I believe that there has been a fundamental shift in our attitude to success. As an insurance advisor, you earn well for yourself and get a lot of recognition from the insurer that you work for, you are doing good to the customer to whom you are selling securities for their future and doing good to the insurance company that you are working for and doing good to your country! Did you know that contributions from the insurers and the insured go towards infrastructure development of the nation?

We want a life less mundane and materialistic to more meaningful and significant. We want to choose our own fate, determine our own destiny, without restriction. More of us are better educated, than ever before, our horizons extended our aspirations limitless. The quality of people who are today coming forward to become insurance advisors are bringing a revolution in the profession. Being an insurance advisor also gives you an exposure to an international platform of insurance professionals. The MDRT, COT and TOT create an opportunity for us agents to find a global ranking for our performance, which is self driven.

Easy travel has made the planet a smaller place, widening our perspective, exposing us to other worlds and ways of life. Some will say this is the reason we are less content, more restless than our forefathers of fifty years ago. I say it's the challenge of freedom and opportunity. This can be either a burden or a gift. We are no longer willing merely to make a living, however lucrative. We are not content to do a job just so that later we'll be able to afford to please ourselves. All of us are taking a close look inside to see what it is that we really want. And we live with the notion of personal responsibility that the direction of our lives is down to us. It was most gratifying for me to have been invited as a speaker to the TOT convention held in October in California. It was even more flattering when I was informed by the chairman of TOT that it was for the first time that any agent was being invited from India! Such opportunities can only come to an insurance advisor from any part of the world.

The quality of people who are today coming forward to become insurance advisors are bringing a revolution in the profession.

We can create our own results. We don't have to live the life that we were born into, or the one we were schooled to follow. Life really is what you make of it. In the past we were pre-programmed in our early years and had little control over our thinking. We choose how we think we take charge of our own destiny and alter our behavior accordingly. We can decide to ramp up our thinking to become more pro-active, enterprising, resourceful and dynamic. With the opening up of the insurance sector and a variety of great insurance companies of the world coming into India, and with the guidelines of the Insurance Regulatory Development Authority; new generation innovative products have now created opportunities for us intermediaries to sell insurance products not only to Indians in India but also to the Non Resident Indian abroad and in Dollars too!

Living an ideal life, based on our definition of success, is the name of the

game. And the greatest stumbling block to accomplishing our dreams is always within. Success is what you make it mean. It can also change over time. I am regularly confronted by wealthy individuals who enjoy all the status and trappings that come from being at the top of their professional tree, yet feel like losers. This is because they are leading a life that matches their parent's dreams and aspirations and not one that feels right or fulfilling to them.

Success nowadays is more personal than for any other generation. The trick is to figure out what success looks like to you and go after it. Keeping up with the neighbors is over.

More and more people are leaving highly paid jobs to down shift to a less frenetic way of life. Modern success also means you can take jobs that were previously considered low of status, without loosing status. I have never forgiven or forgotten the fact that many people laughed at my face when they heard that I became an agent of LIC of India! Today, MBAs, Chartered Accountants, professionals from software companies and banks etc. are becoming insurance agents by choice.

Always do what you love doing. You never achieve success unless you like what you are doing. The belief that dreams are impossible to achieve, prevents most people from getting what they want out of life. Passion is the driving force behind every significant human achievement. You need a sense of purpose to bring passion into your life.

You have to have self belief to get anywhere in life. Where you end up is where your self belief takes you to. You are the product of all that you believe to be possible for you. It really is that simple and it really is all in the mind. Take a look at this. India is the second fastest growing economy in the world after China. India is the fourth largest growing economy in terms of purchasing power parity. The emergence of the middle class is a recent phenomenon of the last generation. According to NCEAR, 30% of our population of 1.3 billion has the earning capability between Rs.80000 and Rs.2 lac. They further add that 50% of this population exists in the rural areas, 30% in 5 lac population towns and the balance 20% are in the metros.

You never achieve success unless you like what you are doing. The belief that dreams are impossible to achieve, prevents most people from getting what they want out of life.

To me, this means a great deal of potential. Define the goal. Continually visualize the successful outcome. Be pro-active and create opportunities to be on the radar of the right people. Anticipate a positive response, assuming that people will be happy to see you or hear from you. Be bold and imaginative in your approach to reach people and make progress. Don't entertain self doubt. Have total regard for what you have to offer. Feel excited as you look forward to your inevitable success. We are very fortunate to be in India as an insurance advisor as it is the third largest potential source for insurance business in the world.

Take on a project that will expand your self belief. Your project should allow you to feel passionate , fulfill your purpose, incorporate your strengths, stretch your self belief and achieve your potential. Encourage yourself. Praise and reward are more useful to you than criticism and punishment. Fuel your growing self-belief with loving kindness. Keep your spirit strong and your resolve steady with the right backing. Choose self determination. The past is over. Your childhood is over. You are free to choose what to believe and who to be. It's all down to you. Watch your thinking as it's shaping your life.

Appreciate your advantages. Never forget how fortunate you are. Ensure you make full use of the edge it gives you. Do you feel lucky? You should do. Select a guiding belief. What belief provides the strongest motivation for your life? Keep that belief by your side. Let this be your mantra, for all the good times and the more challenging ones. Proceed boldly. Many a false step is made by standing still. Create a feeling of urgency by doing more in less time, and then take the rest of the day off. Do the most daunting thing first, without dwelling on it. Don't give it a moments thought. Just do it. Don't waste time. Focus your efforts to produce the maximum return on your time and energy. Understand what you do best and concentrate on that. Delegate what you don't enjoy or excel at to others. Know your niche.

Have fun! Don't become a busy bore. Doing more of what you want should make you happier and more irresistible to be around. If not, step off the treadmill. You need a day off. Being more dynamic and all around effective should leave you with more time to play with.

Don't let others pull you down. The world is full of people who will tell you why your schemes won't work. Sometimes, you have to rely on your own inner resources and be selective about who you listen to. Think carefully and then select your advisors. Constructive criticism, not automatic dismissal, is what you're after.

Use a mantra. Propel yourself forward with the right message. I can do it, I will find a way, I'm good enough to do this, will all put a spring in your step .These are your holy words, with the power to sharpen your focus and create your results. Soon enough, they will kick in and start working for you. Develop your instinct. Save time and money by trusting your gut instinct more. You may not need market research if you trust what you are seeing and feeling. A risk a day, keeps boredom at bay. Enjoy trying something different without any guarantee of a successful outcome. Even trying out a new restaurant gives you a fresh experience and stops you from getting stale and set in your ways. Doing different things, keeps you risk friendly, even on a small scale. It all adds up to a bigger outlook.

What's your secret passion? Think bolder thoughts. Why on earth should the fact that something is seemingly impossible prevent you from trying, with all your might? Be optimistic and enthusiastic. Charge yourself up with enthusiasm for life and what you do. People can't help but notice you when you glow with energy and excitement. Ensure that you are one of life's energizers and up lifters. Sprinkle a little magic dust over people at every opportunity. Everyone loves a confident leader. Avoid indecision. Command attention with certainty and conviction. No obstacle can overwhelm you as you stretch to contain it. Manage bouts of self doubt, without infecting others with it. Have a vision. Have your own dream, a higher purpose. Everyone should have in their life something bigger than themselves. If there isn't the sublime and noble somewhere in the picture, then there's something missing. Invite others to join you on your mission. Never make it about the money. It's always about the vision.

Try to visualize what difference it would make in empathizing and guiding a prospect accordingly rather than indulging in a mere selling of a large policy with a hefty premium.

Empathize, and understand what people want and ensure that they get it when they join your team. Create the circumstances for people to fulfill themselves and be happy. Help people to get the best out of themselves. Choose to trust them. This trait is particularly necessary in insurance advisors, life in particular. Try to visualize what difference it would make in empathizing and guiding a prospect accordingly rather than indulging in a mere selling of a large policy with a hefty premium.

Stay inspired. Keep your own spark in good shape. Don't get dull and run-down. Stay focused on your vision but take time off to renew and recharge your batteries often. Have fun. Enjoy life. No matter how worthy your vision, don't take the shine off it by getting tired or over serious. Keep it light! What are you persevering for? Its lot easier and more fun to persist and push for what you really want rather than what you or other people think you should want. If things aren't working out, check for self sabotage. It could be one way of saving yourself. Know the difference between effort and struggle.

When you mess up, get back on track quickly. Revel in your mistake until you're clear why you made it, then pick yourself up and start again with a clean slate. Be real. Be optimistic. Awful things can happen at any moment, so you may as well be pleased while they are not. And remember that optimism is good for you. It will keep you going through difficulty and for the rest of your life. Success can come at any age so long as you keep believing that and working for it.

Lean on others. Perseverers need to have a great person behind them building them up, lending vital strength when theirs was running low. A supportive partner is a tremendous bonus. If they are not in your life right

now, take strength from pals, comrades and colleagues. All I can say to my colleagues is wake up and fasten your seat belts! New distribution channels are now on the Indian horizon. Research has predicted that in five years time, 50% of the insurance business would be done by Bancassurance, 20% by Corporate Agents and Brokers and only 30% by the Agents.

Take up the gauntlet. Don't defeat yourself. Watch your self fulfilling prophesies. Don't set yourself up to fail, before or during your endeavors. Your abilities are at the mercy of your beliefs. Neither is fixed. Don't let yourself down. Practice what you preach. Declare your ethics for all to see. Stand out from the competition and let people feel good about spending their money with you. It's not just what they are buying, but how they are buying.

Do more than your shift at work. Don't be mean with your energy and efforts. Don't hold back, but do ensure that your generosity is reciprocated. Generosity isn't always its own reward. Be generous to yourself too. No one likes a martyr. Incorporate acts of generosity into your daily life. Practice constructive generosity. Don't be a generous idealist. Handouts don't work. But don't be cynical about generosity, it's a powerful tool. People need a hand up rather than a hand out to get back on their feet.

Remember, no one does it alone. It is the people we lived with, laughed with and loved that we remember more than anything else. Don't be afraid to ask for help from others. It is a mark of strength, courage and character. Don't be reluctant to give of yourself to others generously. It is a mark of compassion and personal greatness. Whatever life hands you, decide that you will carry on. And once you do, nothing can stop you from achieving the greatness for which you have been born.

The author is a successful life insurance advisor; and presently stationed at New Delhi.

9th Global Conference of Actuaries

The 9th Global Conference of Actuaries is being held jointly by the Actuarial Society of India (ASI) and International Actuarial Association (IAA) on 12th and 13th February, 2007 at Mumbai. The focus of the conference would be **"The Emerging Roles of Actuaries"**.

The actuary's role has been undergoing rapid transformation, especially in view of the globalization of the profession. Further, even in such areas where the actuary has been active for several years, new challenges are surfacing thereby creating huge opportunities for the profession.

Historically, life insurance and retirement arrangements have been the main focus areas for the actuarial profession. But with the new challenges emerging in general insurance, regulatory and legislative requirements; the role of the actuary is assuming a new, dynamic form.

The conference would provide an effective platform for discussing the emerging scenario and the role of the actuarial profession.

Venue
Hotel Taj President, Mumbai

Dates
12th & 13th February, 2007

प्रकाशक का संदेश

निगमित प्रबन्धन में ग्राहक कि शिकायतों को दूर करना महत्वपुर्ण स्थान रखता है। विशेष रूप से ग्राहकों द्वारा उनके अधिकारों के प्रति अधिक सजकता के कारण। तथा ऐसे मंचो के सामने आने के कारण जो इनके पक्ष को उठाते हैं। बीमा संविदा के अधिकार क्षेत्र में ग्राहक की शिकायतें निशचित रूप से अधिकता की ओर हैं विशेष रूप से विशेषतः भारत जैसे नवशैशव बाजार में। इस स्थिति को कई युक्तियाँ दी गई हैं, लेकिन एक जो इससे उपर है वह बीमा के किसी एक पक्ष द्वारा सही तरह से समझी नहीं गई है और वह है बीमाकृत। इसे जानते हुए यथा संभव बीमाकर्त्ता को साधारण तथा विषयपरक रूप से संविदा बनाना चाहिये। विशेष रूप से गैर जीवन बीमा क्षेत्र में जहाँ दावों को स्वीकार करने की सीमाएँ है तथा जहाँ अनेक अपवर्जन लगाये जाते हैं बीमाकर्त्ता को ऐसे संवेदनशील क्षेत्रों में यथा संभव स्पष्टता दिखानी चाहिये कि क्या स्वीकार्य है तथ क्या स्वीकार्य नहीं है। इस सबसे उपर संविदा की व्याख्या सच्ची भावना तथा जहाँ कहीं भ्रम की स्थिति हो वह बीमाकृत के पक्ष में जानी चाहिये।

साथ ही ग्राहक को भी अपने उत्तरदायित्व को भली प्रकार समझना चाहिये, सूचना प्रदान करते समय बीमाकृत को मध्यवर्तियों के निर्णय पर कुछ नहीं छोडना चाहिये। वितरण की भूमिका जोखिम को स्वीकार करने के लिए महत्वपूर्ण सूचनाएँ प्रदान करने की न होकर मात्र प्रक्रिया को सुविधा जनक बनाने की है। विधि के हस्तक्षेप करने की स्थिति में, फैसला पालसीधारक के विरूद्ध सूचनाओं को ठीक प्रकार से न देने के कारण जा सकता है। आगे एक फ्रि लुक अप काल का प्रावधान किया गया है जिससे गलत विक्रय को रोका जा सके। पालसीधारकों से अपेक्षा कि जाती है कि खंडों को समझें तथा संविदा के अपर्वजन तथा आश्वासनों से संतुष्ट हो जाए। यह कहा नहीं जा सकता की कोई शिकायत मुक्त परिवेश हो सकता है हाँ स्थितियाँ कुछ अच्छी हो सकती हैं। जर्नल के इस अंक के केन्द्र बिन्दु में शिकायत निवारण है।

एक स्पष्ट सीधा बीमा संविदा में बीमा कर्त्ता बीमीत को दावे का भुगतान करता है, परंतु वह घटना जोखिम आवरण के क्षेत्र में होनी चाहिये। इसके विरूद्ध यह संभव है की दावे का भुगतान तीसरे पक्ष को किया जाए जो बीमा संविदा में एक पक्ष नहीं है। दायित्व बीमा ऐसे सभी सभी तृतीय पक्ष दावों से संरक्षण दिलवाता है। जर्नल के अगले अंक के केन्द्र बिन्दु में दायित्व बीमा होगा।

सी. एस. राव

"हैल्थ केयर लाभ हैल्थ केयर खर्च का मात्र एक भाग है। हमें यह नहीं भूलना चाहिये कि मरीजों का सह भुगतान बीमा प्रिमियम खाते का 45 प्रतिशत होता है।"

श्री मित्शुरा सूजूकी,
कार्यकारी सदस्य, जापान मैडिकल ऐसोसियेशन

"प्रतिस्पर्धा अपने साथ न केवल आधुनिक मूल्य प्रारंभिक छूट लाती है वरन् यह ग्राहक सेवा का स्तर भी सुधार देती है।"

श्री सी एस राव, अध्यक्ष,
बीमा विकास विनियमन प्राधिकरण

"पूर्व में बीमाकर्त्ता ने बीमा चक्र को प्रकृति की शक्ति के स्प में स्वीकार किया जिसके कारण उनके व्यवसाय पर कोई नियन्त्रण नहीं था।"

श्री रोलफ टोले, निदेशक,
फ्रेन्चाइज निष्पादन

"चीन का बैंक विनियमन प्राधिकरण (सीबीआरसी) इन संभाव्यताओं और संभावनाओं का मूल्याकंन कर रहा है कि वाणिज्य बैंको को बीमा कंपनी प्रारभ करने कि अनुमति प्रदान की जाए।"

श्री टेग शउन्गनिगी,
उप अध्यक्ष, सी बी आर सी

"बीमाकर्त्ता की प्रत्येक कार्रवाई को इक्विटी की गुणवत्ता के अनुसार न्यायसंगत होना चाहिये तथा जब तक कपट अथवा अन्यथा कथन के उदाहरण नही होगे यह गलत होगा कि हम व्यक्तिगत ग्राहक मून्यांकित उत्पादों को निशाना बनाया जाए।"

श्री सी एस राव, अध्यक्ष,
बीमा विकास विनियमन प्राधिकरण

"विनियामक सुगमता से सभी संबधित पक्षों से निविष्टियाँ लेकर बाजार में प्रश्नवाचक प्रथाओं (समझौता विलेख) को सम्बोधित करने के लिए आगे बढा है । इस माडल में ऐसे उपभोक्ता जा अपनी पालसी का विक्रय करना चाहते है उन्हें कपट तथा प्रकटिकरण से अच्छी सुरक्षा प्राप्त है।"

जीम पुलमैन,
जीवन बीमा तथा एन्युटी (ए) कमेटी के अध्यक्ष तथा नार्थ डकोटा बीमा कमीशनर

पेशेवर ब्रोकरों की प्रतिस्पर्धा एवं चुनौतियां

- आगे चुनौतिया व रास्ते

राधाकृष्ण .सी का मानना है कि डी ट्रेफिकिंग ब्रोकर एवं बाजार दोनों के लिए वरदान सिद्ध होगा और यह शीघ्र ही ब्रोकर डोमिनेटेड हो जायेगा। उन्होंने कहा कि यह रातोंरात एक जादूई तरिके से उभर कर सामने आयेगा।

भारीय बीमा उद्योग में ब्रोकरों की भूमिका में हुई वृद्धि स्टेकहोल्डर के बीच तभी से चर्चा का विषय बना हुआ है जब आईआरडीए ने चार वर्ष पूर्व पहले लाईसेंस जारी करना आरंभ किया था। यह स्थिति हमारे दृष्टिकोण को दर्शाता है अत: इस संबंध में यह दो बातें लोगों की सामने आयी है कि एक यह कि ब्रोकर के बिना काम नहीं चल सकता तथा दूसरी ब्रोकर का कोई औचित्य नहीं है वह केवल कार्य में बाधा ही पैदा करते हैं।

इन दोनों कथनों में कुछ न कुछ सच्चाई जरुर है, जैसे ब्रोकरों ने अपने ग्राहकों (बीमित व्यक्ति) के सामने अपने आपको विकसित पश्चिमी देशों के ब्रोकरों से न केवल भिन्न साबित किया है बल्कि वे पूरी तरह छिपे हुए हैं (जैसा की लोगों का मानना है)। ब्रोकरी की परिधि में उक्त बात आज भी परिचर्चा का विषय बना हुआ है। संयुक्त राष्ट्र अमेरिका जैसे देश में जब ग्राहक बीमाकर्ता के पास प्रत्यक्ष रुप से (कभी-कभी) जाता है तो उसे पहले ब्रोकर के पास जाने की सलाह दी जाती है। इससे स्थिति स्पष्ट हो जाती है कि हम भारतीय इस प्रकार की प्रणाली से अभी काफी दूर हैं।

बाजार अभी इसी घूरी पर घूम रहा है:- वर्ष 2003 से ब्रोकरों के व्यापार काफी बढ़ने के बाद भी ग्राहक अभी भी ब्रोकर को स्वीकार करने से कतराते हैं और अंतरिम लेखा परिक्षक एवं बीमा करने वाले जैसे कई मामलों में प्रत्यक्ष रुप से ही सम्पर्क करना पसंद करते हैं।

इससे भविष्य में ब्रोकरी उद्योग की क्या स्थिति होगी ?

डी ट्रेफिकिंग, ब्रोकरी के लिए क्या वाकई में जादूई मंत्र साबित होगा ?

> खुदरा(लाईफ को मिलाकर) बाजार के एजेंटों को छोड़कर, भारतीय ब्रोकर ने भारी संख्या में खुदरा क्षेत्र की ओर अपना रुख किया है।

भारतीय ब्रोकरी उद्योग: कुछ आंकड़े

इस विषय में जाने से पहले आंकड़ों पर नज़र डाली जाए

आज बाजार में 232 लाईसेंसधारी ब्रोकर कार्य कर रहे हैं

इनकी संख्या इस प्रकार है:-

प्रत्यक्ष ब्रोकर 201

संयुक्त 27

पुन: बीमा 4

आईआरडीए द्वारा जारी किये जा रहे लाईसेंस की स्थिति लगातार कम होती जा रही है जिसे नीचे उल्लेखित किया गया है:-

2003	138
2004	48
2005	34
2006	12

इससे यही तथ्य सामने आते हैं कि:-

क. बाजार कुछ हद तक स्थायी हो गया है।

ख. आईआरडीए लाईसेंस जारी करने में कड़ाई बरती जा रही है।

इसी प्रकार अन्य बाजार जहां ब्रोकर वाणिज्यिक/ संस्थान व्यापारों पर ध्यान देते हैं।

खुदरा(लाईफ को मिलाकर) बाजार के एजेंटों को छोड़कर, भारतीय ब्रोकर ने भारी संख्या में खुदरा क्षेत्र की ओर अपना रुख किया है। इनमें मुख्य रुप से नवीन बाजार एवं/ वाणिज्यिक बाजार के टेरिफ की सीमितता पर ज्यादा ध्यान दिया है।

डी-ट्रेफिकिंग:-

सामान्यत: ऐसा माना जाता है कि डी- ट्रेफिकिंग ब्रोकर के लिए वरदान साबित होगी और बाजार रातोंरात ब्रोकरों के लिए प्रमुख हो जायेगा, बाजार में ग्राहकों के लिए दर का चयन करने की कई

संभावनाएं होंगी तथा उसे बाजार एवं समय का खास ध्यान रखने की जरुरत नहीं होगी। इससे यही स्पष्ट होता है कि वह आश्वस्त होता है कि उसका सही रुप से मार्गदर्शन होगा। परंतु ऐसा माना जाता है कि यह जादूई रुप से रातोंरात बिना किसी बाधा के होगा। इस उद्योग में आगे कई चुनौतियों का सामना करना पड़ेगा। इसमें सबसे बड़ी चुनौती मानवश्रम की एवं अन्य उद्योगों से अच्छे जानकारों को अपनी ओर आकर्षित करने की कमी खलेगी।

मानवश्रम चुनौती:-

ब्रोकरी का कार्य तभी बेहत्तर एवं प्रभावी हो सकेगा जब वह किसी बूटिक या कंसलटेन्सी या एजेंसी के व्यापार की तरह हर जगह पहुंचकर ग्राहकों को अपनी ओर आकर्षित कर सके। इस प्रकार की शुरुआत जोखिम प्रबंधक, कवरज का विस्तार, मोलभाव एवं ग्राहकों के दावे के निपटाने के लिए बहुत ही लाभकारी होगा।

किसी भी व्यापार को बढ़ाने के लिए तत्काल इन बातों को लागू करना आवश्यक होगा:-

बड़ी टीम की आवश्यकता

टीम को सुचारु रुप से चलाने के लिए मालिक-प्रबंधक के प्रतिनिधित्व की आवश्यकता

ग्राहकों से व्यक्तिगत रुप से सम्पर्क की कमी को मालिक- प्रबंधक पूरा करे।

ब्रोकरी के उद्योग की सबसे बड़ी चुनौती इसे लगातार बढ़ाये रखने तथा बिना किसी प्रोफेशनल सहमति के अपना व्यापार आईआरडीए के मानक स्तरों एवं ग्राहकों की मांग के अनुसार करें।

यह विशेष रुप से उनके लिए उपयुक्त है जहां पर प्रशिक्षित मानवश्रम की कमी है एवं जहां ब्रोकरी के कैरियर को अच्छे कैरियर में शुमार नहीं किया जाता। देशभर में सभी ब्रोकर टीम द्वारा किये गये सर्वेक्षण के अनुसार:-

आज भी चार्टेड एकांउटेंट एवं आईआईटी/आईआईएम की इस उद्योग में भागीदारी बहुत ही कम है।

जानेमाने प्रबंधन संस्थानों में कैम्पस में होने वाली भर्ती में ब्रोकर की संख्या बहुत ही कम होती है एवं जहां तक संख्या की बात है वही भी केवल आईसीएफएआई, एनएमआईएम, एमीटी आदि संस्थानों में ही देखने को मिलेगी।

जानेमाने प्रबंधन संस्थानों में कैम्पस में होने वाली भर्ती में ब्रोकर की संख्या बहुत ही कम होती ह

ब्रोकरी का व्यापार बिक्री एवं परामर्श का एक मिश्रण है, ब्रोकर कमीशन के लिए मध्यस्तता करने के साथ-साथ चिकित्सकों, वकीलों आदि को तकनीकी परामर्श प्रदान करता है और प्रोफेशन क्षतिपूर्ति का संरक्षण भी करता है। इसी प्रकार हमें सुगम कौशल (विपणन/संबंध प्रगाढ़करने/समाधान करने एवं समझौता करने) एवं तकनीक (बीमा उत्पादों का ज्ञान) दोनों के समिश्रण वाले की ही आवश्यकता है। यह असंभव है कि बड़े टिकट वाले कार्पोरेट ग्राहक 200 लाख रुपये का बीमा करवाकर इसे किसी विभाग को आसानी से संभालने के लिए कहे।

जबकि सारा उद्योग मानता है कि अप्रैल 2008 से ब्रोकर की भूमिका बिलकुल अलग होगी। लेकिन इस संबंध में शतुरमुर्ग वाली स्थिति भी आयेगी जहां पर इस तथ्य से अंजान रहेंगे की प्रशिक्षण के आभाव में भी अच्छे परिणाम प्राप्त किये जा सकते हैं। बीमा का गहनता से उपयोग, ग्राहकों की स्थिति को समझना, उसे उपयुक्त उत्पाद बताते हुए अच्छा कवरेज देना, हानि को नियंत्रित करने के उपाय बताते हुए बीमा की समग्र जानकारी देना एवं बड़े जटिल दावों को अपनी दक्षता से निपटारा करना आदि की लिए काफी कौशलता की जरुरत होती है। उक्त बातों को अनदेखा करने से बाजार में केवल लघु अवधि के कदम ही उठाये जा सकेंगे।

कुछ सुझाव:-

साधारण बीमा उद्योग इस तथ्य तक नहीं पहुंच है कि उसके सभी विधान एक साथ कार्य करते हुए उद्योग को उंचाईयों तक ले जाने के लिए सक्षम हों। हम यहां पर उन दो प्रतिष्ठित कंपनियों की बात कर रहे हैं जिसने व्यापक कदम उठा कर उल्लेखनीय वृद्धि की है। मिचुअल फंड उद्योग (90 के बाद) एवं निजी जीवन बीमा उद्योग (हालहि के)। हमें एक दूसरे की नकल कर या एक दूसरे को नीचा दिखाने के बजाए अपनी कौशलता, ज्ञान एवं संसाधन को बेहत्तर बनाना होगा।

प्रवेशार्थियों के लिए उद्योग अपने सभी प्रतिष्ठानों जैसे बीमाकर्ता, ब्रोकर, टीपीए, कार्पोरेट एजेंट एवं बैंक आदि को जोड़ते हुए एक संघ का गठन करें। यह संघ अपने विशेष संघ के अतिरिक्त होना चाहिए जहां पर ज्ञान एवं युक्ति को बढ़ाने पर विस्तार से विचार- विमर्श किया जाये।

आईआरडीए एवं राष्ट्रीय बीमा अकादमी (एनआईए) के नेत्रृत्व में विशेष उत्पादों के लिए पाठ्यक्रम एवं प्रशिक्षण प्रणाली को तैयार कर बीमाकर्ताओं एवं प्रतिष्ठित ब्रोकरों के साथ कार्य करें।

विभिन्न महाविद्यालयों के साथ जुड़ते हुए बीमा पाठ्यक्रमों को तैयार करें और पाठ्यक्रमों का अभ्यास मैत्रीपूर्ण ढ़ंग से पूर्ण करवाने में मदद करें।

100 घंटों का प्रशिक्षण एजेंडा हो (एक समय तक ही होने वाला प्रशिक्षण की आवश्यकता को पूर्ण नहीं कर पाता)

इसे अधिक प्रभावी बनाये- यह वर्तमान में मुम्बई, दिल्ली एवं चैन्नाई में उपलब्ध हैं।

2-3 दिनों की अवधी के कई लघु पाठ्यक्रम चलाये जायें।

एनआईए ने कई शहरों में सेटेलाईट अकादमी को स्थापित करने का विचार किया है, जिसमें सभी सामान्य बीमाकर्ता एवं भारतीय बीमा ब्रोकर संघों का सहयोग भी होगा। यह अकादमी लघु एवं दीर्घ अवधी के प्रशिक्षण पाठ्यक्रम तैयार करेगी ताकि उद्योग से बाहर के प्रतिभावानों की खोज कर उनको प्रशिक्षण दिया जा सके।

स्पष्ट रुप से कहा जाए तो प्रतिस्पर्धा एवं दायित्व को निभाने के लिए उद्योग के सभी स्तरों एवं क्षेत्र में विभिन्न प्रतिभा को निखारना बहुत ही आवश्यक है। यदि नहीं हुआ तो ब्रोकर की दर 1 जनवरी 2007 के बाद सीमित ही होकर रह जायेगी।

विभिन्न महाविद्यालयों के साथ जुड़ते हुए बीमा पाठ्यक्रमों को तैयार करें और पाठ्यक्रमों का अभ्यास मैत्रीपूर्ण ढ़ंग से पूर्ण करवाने में मदद करें।

फिर भी सेबी ने हालही में (22 नवंबर 2006) डिपोजिटरी प्रतिनिधियों में अपने डिस्जोर्जमेंट आदेश को बहाल रखा है। अत: बिचौलियों को बाजार में अन्य खिलाडियों की तरह प्रभावी कार्य करने के लिए अहम भूमिका निभानी होगी।

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लेखक इंडिया इंशुरर रिस्क मैनेजमैट सर्विस प्रा.लि. में निदेशक हैं यहाँ व्यक्त विचार उनके अपने हैं।

सुक्ष्म बीमा में डिलेवरी मैकेनिज्म की महत्वपूर्ण भूमिका

- सुक्ष्म बीमा में भूमिका

अरमन ओजा का मानना है कि सुक्ष्म बीमा के क्षेत्र में निर्धारित लक्ष्य को प्राप्त करने के लिए रीतिगत मॉडल योग्य नहीं हो सकते। उन्होंने आगे कहा कि यदि लघु बीमा को सुक्ष्म वित्त की तरह ही सफल बनाना है तो समकालीन वित्त परामर्शदाता की भूमिका को प्रमुख बनाना होगा।

बीमा सदैव बिक्री किया जाता है न कि खरीदा जाता है।

इसमें निष्ठा के साथ तुरंत कार्य किया तो जाता है लेकिन इसका लाभ काफी समय बाद एवं आकस्मिक रुप से प्राप्त होता है।

बीमा दावों का व्यापार है।

बीमा में वितरण प्रणाली की अवधारणा उतनी ही पुरानी है जितनी की बीमा। उक्त कथन का आशय आपूर्ति एवं मांग दोनों को ही पहेली को निश्चित करता है। यह कथन बीमा करने वाले एवं बीमाकर्ता के बीच की बडी दूरी को दर्शाता हुए वितरण प्रणाली की अनावश्यकता को समझाता है।

यह सामान्यतौर पर सच है कि सुक्ष्म बीमा काफी विचित्र एवं विशाल है। सुक्ष्म बीमा वास्तव में उन जनसमूह के उन जोखिम को स्थानांनतरित करने का उपकरण है जो जीवन, जीवन व्यापन एवं जीने के दौरान आघात होते हैं। लघु बीमा में जैसे टीकट साईज, ग्रामीण जनसमूह एवं क्षेत्र की व्यापकता के साथ-साथ डेमोग्राफी के जोखिम को भी प्रदर्शीत करने जैसे कारक शामिल होते हैं। बीमाकर्ता का कार्यालय शहरों एवं उपनगरों तक ही सीमित रहने के कारण वह ग्रामिण की बीमा की आवश्यकताओं को पूरा नहीं कर पाते। इसके अलावा ग्रामिण क्षेत्रों में उपभोक्ता व्यापार सामान्यत: बिलकुल ही अलग होता है जहां पर प्रत्यक्ष रुप से वास्तविक बिक्री करना असंभव है। यही कारक सुक्ष्म बीमा के वितरण प्रणाली को विवेकी एवं संचयी बनाते हैं।

डिलेवर्स (प्रेषक) की भूमिका

बिचौलियों की भूमिका की परिपाटी नामांकन एवं दावा (क्लेमिंग) सेवा तक ही सीमित मानी जाती है जबकि सुक्ष्म बीमा प्रेषक के लिए और अधिक व्यापक क्षेत्र की आवश्यकता को जरुरी मानता है।

> यहां इस बात का ध्यान रखते हुए जन को लगातार शिक्षित किया जाते रहना काफी लाभकर सिद्ध हो सकता है।

क. जोखिम की जांच एवं आंकलन: भौगोलिक एवं डेमोग्राफी के आधार पर गरीबों द्वारा झेली जा रहे जोखिम अलग-अलग प्रकार के होते हैं। इसके अतिरिक्त खर्च करना उनकी सबसे बड़ी बाधा होती है इसी कारण लघु बीमा कार्यक्रम में जोखिम एवं आंकलन की सही पहचान और लक्ष्यगत जनसमूह पर अपना प्रभाव बनाये रखना बहुत ही आवश्यक है। इसी समय स्तरीय उत्पादों को उनके सामने रखना काफी कारगर सिद्ध हो सकता है।

ख. शिक्षा एवं जागरुकता: बीमा की अवधारणा गरीब के साथ- साथ समृद्ध लोगों के लिए भी दुविधापूर्ण बनी हुई है। उनकी बहुत कम आय या कोई निश्चित आय न होना स्थिति को अधिक नाजुक बनाती है। यहां इस बात का ध्यान रखते हुए जन को लगातार शिक्षित किया जाते रहना काफी लाभकर सिद्ध हो सकता है। उक्त अवधारणा की अज्ञानता आगे चलकर पुन: नवीनीकरण न कराने के लिए एक बाधा बन सकती है जिसके कारण इस कार्यक्रम को लंबी अवधि तक चलाने में काफी दिक्कते पेश आ सकती हैं।

ग. विपणन: जो लोगों से वादा किया है उसे पूरा किया जाए। क्योंकि बीमा बिक्री किया जाता है न कि खरीदा जाता है। बीमा का विपणन हालांकि गरीबों की बुनियादी जरुरत को दर्शाता है। प्रेषक की सचेतता उनके आत्मविश्वास जीतने तथा उनकी वास्तविक चिंताओं के कारणों को समझते हुए ग्रामिण विपणन का कार्य मुख्य रुप से किया जा सकता है।

घ. विपरित चयन का नियंत्रण एवं नैतिक संकट: प्रेषक क्षेत्र की स्थिति को अच्छी तरह समझते हैं

इसीलिए वे विपरित एवं जोखिम की घटनाओं को अच्छी तरह से जान जाते हैं। स्टेक होल्डर के चेतनता को ध्यान में रखते हुए जहां तक हो सके विवाद इत्यादि का निपटारा क्षेत्र स्तर पर ही सुलझाने का प्रयास किया जाये।

च. नामांकन: बिचौलिये का यह सबसे महत्वपूर्ण कार्य है। बीमाकर्ता को बीमा कार्यक्रम में सही नामांकन, बीमित व्यक्ति के समूचित दस्तावेजों का सही विवरण, पालिसी दस्तावेज का प्रेषण करना जरुरी है। इस कार्य प्रक्रिया में की गई आलस्यता भविष्य में चलकर दावे में काफी परेशानी उत्पन्न करने के साथ- साथ बीमित लोगों के साथ अच्छे संबंध बनाये रखने की स्थिति को बिगाड़ सकती है। इसीलिए यह कार्य सचेत होकर किया जाए।

छ. दावा (क्लेम) सेवाएं सुक्ष्म बीमा में यद्यपि यह भूमिका कई आयामों की होती है। समय पर बीमित व्यक्ति के दावे के दस्तावेज एकत्र करने, खासतौर पर प्राकृतिक दुर्घटनाओं का दावा करने में, दावा का समाधान करने में काफी सहायक हो सकते हैं। बीमा करने वाले को पूर्व में दिये गये स्पष्टीकरण के आधार पर ही समय एवं दावा की सेवा को कम किया जा सकता है।

प्रेषक (डिलेवर्र) के गुण:

उल्लेखित बातों से यह स्पष्ट हो चुका है कि लघु बीमा के कार्य में बिचौलियों की सेवाओं के लक्षण क्या है। प्रेषकों से निम्न प्रकार के दक्षता की अपेक्षाएं की जाती हैं जैसे:-

क. मजबूत सामुदायिक जोखिम प्रबंधन एवं बीमा निर्णय लेने की दक्षता:

गरीबों को प्रभावित करने जोखिम को समझने एवं संभव बीमा समाधान करवा कर जोखिम को सामान्य करने में जो बेहत्तर एवं सक्षम हो वही लघु बीमा वितरण तंत्र का अभिन्न अंग है। इसके अतिरिक्त चूंकि बीमा के द्वारा जोखिम स्थानांतरित करना सभी मामलों में संभव न हो सके तो प्रेषक को अन्य तंत्र या विकल्प को सुझाने की क्षमता होनी चाहिए इस स्थिति में जोखिम बीमा और समुदाय को नियमों के अनुसार स्तरीय उत्पादों की आवश्यकता को भी देखा जाये। यह तभी संभव हो सकता है जब बिचौलिये को जोखिम प्रबंधन एवं बीमा के नियम एवं अभ्यास की अच्छी जानकारी हो।

ख. जन समूह से जुड़ना: गरीब एवं ग्रामिण जनता की आवश्यकता को समझने के लिए बिचौलिये को जनता से अच्छा प्रगाढ़सम्पर्क स्थापित करना होगा। बिचौलिचा भी यदि इन्हीं जनसमूह में से एक ही हो तो काफी अच्छा होगा। यह इसलिए भी जरुरी है कि वह स्थानीय परिस्थिति को काफी अच्छी ढ़ंग से समझ सकता है। इस कार्यक्रम में किसी भी स्तर पर जल्दबाजी करना जोखिम से भरा हो सकता है। इस बात को सदैव ध्यान में रखना चाहिए की लघु बीमा परियोजना की अवधी काफी लम्बे समय की होती है।

> इस कार्यक्रम में किसी भी स्तर पर जल्दबाजी करना जोखिम से भरा हो सकता है।

ग. अधिक समय तक कटिबद्धता: बीमा लम्बी अवधि का व्यापार है। यह बात बीमाकर्ता एवं बिचौलिये के लिए एकदम सत्य है। वास्तव में बीमाकर्ता की दृष्टि में बीमा का प्रत्यक्ष लाभ लम्बे समय बाद ही मिलता है। इसके अलावा छोटे टीकट वालों के लिए आरंभिक वर्षों में वसूली करना काफी मुश्किल होता है। बिचौलिये को धैर्य के साथ-साथ लम्बी अवधी से जुड़े संबंधित अन्य पहलुओं को भी देखना होगा। समुदाय के जोखिम में स्पष्ट रुप से परिवर्तन आने के बाद ही यह कार्यक्रम वास्तव में आगे बढ़सकता है। जब तक ऐसा नहीं होता बिचौलिये को संरक्षण देना होगा।

घ. अच्छा संतुलित व्यवहार: बिचौलियों को बीमित एवं बीमाकर्ता दोनों के साथ ही बेहत्तर तालमेल इमानदारी से करना होगा। दोनों में बेहत्तर तालमेल के अभाव में लक्ष्य प्राप्त नहीं किया जा सकता। इस प्रकार के स्थिति में बिचौलिये को सटीक संतुलन बैठाना होगा तथा उनके समाधान या आशंका को समझते हुए इसे दूर करने का प्रयास करे।

च. प्रशासनिक क्षमता: सुक्ष्म बीमा कार्यक्रम में अधिकतर कागज़ी एवं प्रबंधकीय कार्य अधिक होता है। इस स्थिति में यह आवश्यक है कि कार्यक्रम को अच्छा बनाये रखने के लिए नामांकन के आंकड़ों एवं दावों का विश्लेषण भलिभांति से किया जाए। अत: एक आर्दश बिचौलिये में अच्छे प्रशासक की क्षमता भी होनी बहुत ही जरुरी है।

वर्तमान स्थिति:

सुक्ष्म बीमा आन्दोलन धीरे-धीरे तेजी पकड़ता जा रहा है। बाजार में निजी बीमाकर्ता के कारण

बहुत ही आवश्यक एवं लचीले उत्पाद आ रहे हैं। अंशगत रुप से ग्रामीण एवं सामाजिक क्षेत्र की बाधा के कारण बीमाकर्ता सामुदायिक जोखिम में अपने कदम आगे बढ़ा रहे हैं।

वर्तमान में सुक्ष्म बीमा वितरण का जो मॉडल ख्याति प्राप्त कर रहा है वह है पार्टनर एजेंट मॉडल, जहां बिचौलिया शुद्ध रुप में उत्पाद के प्रेषक के रुप में कार्य करता है। चूंकि बिचौलिये की भूमिका सीमित है इसलिये उक्त मॉडल, जीवन बीमा जैसे सरल उत्पाद के वितरण के लिए काफी योग्य हैं। बिचौलियों को अकसर जोखिम आंकलन, उत्पाद विकास, क्षमता युक्त ग्राहक को शिक्षित कर एवं दावे की प्रक्रिया में समग्र भूमिका अदा करने वाला मान लिया जाता है। यह मॉडल स्वास्थ्य एवं मौसमी बीमा जैसी गहन एवं जटिल सेवा के लिए बहुत उपयुक्त है। सामुदायिकता पर आधारित मॉडल एवं समुदाय के सामान्य निधि में जमा करने के अनुदान में वह स्वयं जोखिम उठाता हैं। इस स्थिति में अच्छे समुदाय में भागीदारी को प्रदर्शीत करना होगा क्योंकि लाभार्थी स्वयं ही निधि प्रबंधक है। यह मॉडल प्राथमिक स्वास्थ्य यानि जोखिम 'कम गंभीरता उच्च आवृत्ति' के लिए उपयुक्त है। उपलब्ध मॉडल लघु बीमा में नये प्रकार हैं। सेवा करने वाली संस्था, अस्पताल, सेवा डिलिवरी चैन आदि जैसे, इसमें स्वंय जोखिम उठानेवाले होते हैं। यह मॉडल स्वास्थ्य बीमा के लिए काफी क्षमता प्रदान करने वाला है।

सुक्ष्म बीमा आंदोलन को संवेगता गैर सरकारी संगठनों (एनजीओ), सामुदायिक आधारित संगठनो (सीबीओं) सुक्ष्म वित्त संस्थानों (एमएफआई) सहकारी एवं स्वयं सहायता समुह (एसएचजी) आदि के कारण प्राप्त हुई है। इसमें कुछ हेल्थकेयर वाले भी अपने मॉडलों के साथ शामिल हैं। कई मामलों में राज्य सरकार भी सुक्ष्म बीमा को सक्रिय रुप से प्रोत्साहित कर रही है।

सुक्ष्म बीमा वितरण की चुनौतियां-

सुक्ष्म बीमा हमेशा जन समूह का बीमा रहा है। सुक्ष्म बीमा का उद्देश्य उन आघात गरीबों को प्रभावित करता है जो अपनी आवश्यकता जताते हैं। लक्ष्यगत समुदाय को पारदर्शी बनाये बिना सुक्ष्म बीमा का लाभ प्रत्यक्ष रुप से प्राप्त नहीं किया जा सकता। अत: इस कार्यक्रम को सजीव बनाने के लिए कुछ लोगों को पारिस्थितिक भय दिखाना भी जरुरी है।

> यह मॉडल स्वास्थ्य एवं मौसमी बीमा जैसी गहन एवं जटिल सेवा के लिए बहुत उपयुक्त है। सामुदायिकता पर आधारित मॉडल एवं समुदाय के सामान्य निधि में जमा करने के अनुदान में वह स्वयं जोखिम उठाता हैं।

भौगोलिकता को ध्यान में रखते हुए सतर्कता से कार्य करना जरुरी है इसकी स्पष्टवादिता अनेक प्रकार के लाभों को सुनिश्चित करता है। नये सेवा के प्रेषण का लाभ लघु बीमा के मामले में काफी ऊंचा है। क्योंकि सुक्ष्म बीमा ग्रामीण क्षेत्रों को अपना लक्ष्य बनाता है इसलिए शिक्षा, विपणन, नामांकन एवं दावे की सेवा भी उच्च होनी चाहिए। सुक्ष्म बीमा की मध्यस्तता करते समय जीवन क्षमता के कारकों को प्रभावी रुप से विस्तारित करना होगा। इसकी विस्तृत वित्त योजना में सुक्ष्म बीमा एवं सुक्ष्म वित्त की गतिविधियों के बीच एक समानता रहना भी काफी अच्छा साबित हो सकता है।

सामुदायिक जोखिम प्रबंधन के सुक्ष्म बीमा वितरण कार्यक्रम में एक अन्य मुद्दा होलिस्टीक एप्रोच का भी शामिल है। गरीब भिन्न प्रकार के जोखिम से घिरा रहता है जो उसकी आघातता एवं गरीबी दोनों को ही स्पष्ट करता है। इनमें से कुछ स्वास्थ्य तो कुछ मौसम की मार झेल रहे होते हैं। यदि सुक्ष्म बीमा को कुंजी मानकर समुदाय के जोखिम पर इस्तेमाल किया जारहा है तो इसमें गरीबों द्वारा झेली जा रही जोखिम को भी इसमें शामिल करना होगा। इसके अतिरिक्त यदि गरीब को जीवन के जोखिम, जीवन एवं जीवन व्यापन का संचयी उत्पाद बताया जा रहा है तो समुदाय के स्वास्थ्य लाभ को तबतक अनदेखा न देखा जाये जबतक की जोखिम को पूरी तरह समझ नहीं लिया जाता। केवल जीवन या स्वास्थ्य बीमा पर ही अधिक झुकाव अन्य जोखिम को अनदेखा कर रहे हैं जो गंभीर होते जा रहे हैं। अत: सुक्ष्म बीमा में बचत एवं जीवन व्यापन के सृजनों जैसे समुदाय जोखिम प्रबंधन के समाधानों की तैयारी पहले ही करनी चाहिये।

लघु बीमा में बिचौलियों को समुदाय के स्तर पर बीमा कार्यक्रम को संभालते हुए अपनी क्षमता से बाहर जाकर भी इसे बड़े पैमाने पर ले जाना होगा। इस क्षेत्र के खिलाड़ियों को अपने ज्ञान को बांटना होगा एवं अपनी इस सृजनता से गरीबों को अपनी ओर खींचने का प्रयास करना होगा।

★★★

लेखक कंपनी सचिव तथा बीमा में ऐसोशियेट योग्यता रखते हैं। वह अहमदाबाद में परामर्श दाता है।

Report Card: GENERAL

G. V. Rao

November 2006 Growth rate is 31.3 percent.

On the eve of the dismantling of the tariff rates in the Fire, Engineering and Motor OD segments from 1st January 2007; the non-life insurance industry seems to be gearing up for a more vigorous drive to increase the size of the market. The major stimulus for this unprecedented growth in November 2006 has come mainly from the established players, who have mounted a very impressive growth rate of 17.6 percent; the highest ever recoded by them in the current fiscal.

Performance in November 2006:

The industry has recorded a premium income of Rs.1967 crore (Rs.1498 crore). The established players have delivered Rs.1262 crore (Rs.1073 crore) and the private players Rs.705 crore (Rs.425 crore). (The figures in the brackets are those for November 2005). The accretion of the established players is Rs.189 crore at a growth rate of 17.6 percent and that for the new players is Rs.280 crore at a growth rate of 66 percent.

GROSS PREMIUM UNDERWRITTEN FOR AND UP TO THE MONTH OF NOVEMBER, 2006

(Rs.in lakhs)

INSURER	PREMIUM 2006-07		PREMIUM 2005-06		GROWTH OVER THE CORRESPONDING PERIOD OF PREVIOUS YEAR
	FOR THE MONTH	UP TO THE MONTH	FOR THE MONTH	UP TO THE MONTH	
Royal Sundaram	4,766.98	38,883.95	3,046.69	29,146.78	33.41
Tata-AIG	6,245.43	52,011.96	4,925.81	38,919.31	33.64
Reliance General	7,518.83	52,084.67	1,169.99	10,025.44	419.53
IFFCO-Tokio	8,418.36	81,314.52	7,189.27	56,441.61	44.07
ICICI-lombard	24,333.11	207,868.62	12,805.89	109,396.14	90.01
Bajaj Allianz	15,331.71	115,886.55	10,086.91	85,651.75	35.30
HDFC CHUBB	1,630.67	12,588.00	1,749.03	12,580.05	0.06
Cholamandalam	2,372.58	20,668.45	1,490.50	16,042.67	28.83
New India	35,548.00	333,714.00	33,789.00	303,387.00	10.00
National	29,134.00	242,854.00	24,934.00	231,161.00	5.06
United India	31,352.11	235,175.54	22,468.97	209,306.69	12.36
Oriental	30,277.00	264,789.00	26,137.00	233,006.00	13.64
SPECIALISED INSTITUTIONS:					
ECGC	5,178.94	39,167.27	4,628.05	36,680.85	6.78
Star Health & Allied Insurance	77.54	1,343.66			

The major contributors to accretions:

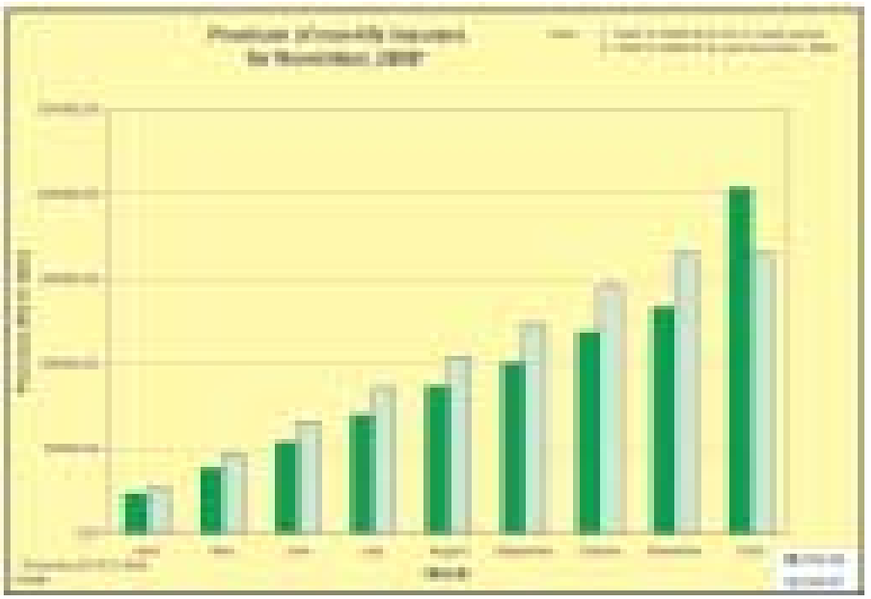
The impressive performance accretions have mainly come from ICICI-Lombard with Rs.115 crore, followed by UIIC with Rs.88 crore and Reliance with Rs.63 crore. The other major contributors to this very impressive growth in November 2006 are: Bajaj-Allianz with Rs.52 crore; and Oriental and National with Rs.42 crore each. These six players among the 12 have contributed an accretion of Rs.402 crore out of the total monthly accretion of Rs.469 crore.

Performance up to November 2006 - Up by 24. 2 percent:

The cumulative growth rate of 22.8 percent up to September 2006 rose to 23.3 percent by end of October 2006; and it has now further moved up to 24.2 percent at the end of November 2006. These trends in the growth rates show the buoyancy in the non-life insurance market leading to higher collections of gross premiums.

The impressive performances of the established players in November 2006 have pushed up their growth rate from 8.3 percent at the end of October 2006 to 10.2 percent at the end of November 2006. The new players have maintained their growth rate at the consistent number of 62 percent. Their market share continues to remain at 35 percent, as in the past few months.

The premium collections at the end of November for the industry stand at Rs 16.580 crores as against Rs 13,350 crores for the corresponding period last year. The accretion in premium is about Rs 3230 crores at a growth rate of 24.2 percent. The established players have completed a premium income of about Rs.10,766 crore (Rs.9,769 crore) and the new players Rs.5815 crore (Rs.3581 crore).



The major contributors to the impressive accretions of Rs.3230 crore are: ICICI-Lombard with Rs.985 crore followed by Reliance with Rs.402 crore, Oriental with Rs.318 crore, New India Rs.308 crore and Bajaj-Allianz with Rs.302 crore. UIIC with Rs.259 crores and IFFCO-Tokio with Rs.249 crores are the other two insurers that have contributed significantly to this increase.

A comment:

The consistently high monthly growth rate augurs well for the non-life insurance market. The growth trends among the players seem to be changing. Reliance has shown a keen appetite for market share and its noticeably high growth rates are remarkable; that could be one of the reasons for the upward swing in the market premiums. ICICI-Lombard has been consistently hitting the top of the premium charts every month and enlarging its premium differential with the next ranked new player.

There is now just one month left - December 2006-before the count down begins for discarding the last remnants of the statutorily dependable tariff rating schedules in favour of market driven ratings. Judging by the state of readiness of the stakeholders i.e. insurers, brokers and customers, and after evaluating the process of communication going on among them, it would seem that the month of January 2007 is likely to be one full of surprises for all of them.

The die is cast; and the game would soon commence. Would it be a win-win market situation for all? One should certainly hope for fairness in dealings all around; but the eager expectations with which the market has been expecting the opening up of rating structures would indicate that the game would be played with all cards held to one's chest. Winning might be the name of the rating games.

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GROSS PREMIUM UNDERWRITTEN BY NON-LIFE INSURERS WITHIN INDIA

Sl No.	Insurer	Fire	Marine	Marine Cargo	Marine Hull	Engineer-ing	Motor	Motor OD
1	**Royal Sundaram**	**6,520.65**	**888.29**	**888.29**	**0.00**	**1,796.27**	**13,354.31**	**11,992.17**
	Previous year	5,119.70	805.37	797.37	8.00	1,178.92	11,127.59	9,988.12
2	**TATA-AIG**	**9,252.85**	**3,451.04**	**3,451.04**	**0.00**	**1,657.81**	**14,381.74**	**13,174.31**
	Previous year	6,977.21	2,407.05	2,407.05	0.00	991.49	11,020.06	10,107.05
3	**Reliance**	**10,049.14**	**1,461.08**	**845.30**	**615.78**	**3,468.30**	**11,531.90**	**11,516.21**
	Previous year	2,201.42	1,613.44	604.51	1,008.93	866.88	891.11	866.86
4	**IFFCO Tokio**	**20,461.33**	**9,989.39**	**2,516.03**	**7,473.36**	**4,542.16**	**21,844.08**	**17,781.63**
	Previous year	16,832.52	2,025.12	1,675.64	349.48	2,909.15	14,562.17	12,579.28
5	**ICICI Lombard**	**25,398.65**	**8,179.72**	**2,910.86**	**5,268.86**	**10,445.82**	**47,817.94**	**42,485.49**
	Previous year	21,729.88	6,780.22	2,298.83	4,481.39	6,417.26	17,219.17	14,939.35
6	**Bajaj Allianz**	**21,947.46**	**3,790.69**	**3,225.55**	**565.14**	**8,988.56**	**33,480.46**	**23,900.97**
	Previous year	18,394.50	2,856.77	2,073.72	783.05	5,421.21	23,908.65	15,939.10
7	**HDFC Chubb**	**443.50**	**120.28**	**120.28**	**0.00**	**215.04**	**6,413.00**	**6,072.47**
	Previous year	184.44	33.11	33.11	0.00	133.97	7,000.84	6,635.11
8	**Cholamandalam**	**4,943.44**	**1,278.81**	**1,263.85**	**14.96**	**1,406.39**	**3,551.62**	**3,268.37**
	Previous year	4,587.41	769.30	742.59	26.70	1,113.94	2,946.22	2,583.46
9	**New India**	**46,504.77**	**12,668.07**	**7,349.98**	**5,318.09**	**10,428.48**	**98,863.27**	**64,570.96**
	Previous year	42,439.37	12,713.71	7,192.12	5,521.59	6,832.47	99,743.68	66,328.75
10	**National**	**30,367.64**	**8,792.96**	**6,000.72**	**2,792.24**	**5,656.67**	**90,658.68**	**62,207.03**
	Previous year	28,073.60	10,034.17	7,027.09	3,007.08	5,285.69	90,064.32	63,138.33
11	**United India**	**42,015.88**	**13,937.68**	**7,070.29**	**6,867.39**	**11,124.01**	**57,179.61**	**34,400.76**
	Previous year	39,621.59	12,892.39	6,466.00	6,426.39	9,162.01	54,240.07	33,164.00
12	**Oriental**	**33,583.94**	**17,231.44**	**8,302.87**	**8,928.57**	**9,916.97**	**82,039.80**	**56,755.03**
	Previous year	31,745.80	14,560.56	7,361.97	7,198.59	12,179.33	70,447.95	49,753.06
	Grand Total	**251,489.27**	**81,789.45**	**43,945.06**	**37,844.39**	**69,646.48**	**481,116.41**	**348,125.40**
	Previous year	217,907.44	67,491.20	38,680.00	28,811.20	52,492.32	403,171.83	286,022.48
	SPECIALISED INSTITUTIONS							
13	**ECGC ***							
	Previous year							
14	**Star Health & Allied Insurance****							
	Previous year							

Note: In case of public sector insurance companies, the segment wise data submitted may vary from the flash Nos filed with the Authority. As such, the industry totals may vary from the flash figures published for the month of September, 2006.

*Pertains to Credit Insurance.

** Pertains to Health Insurance.

(SEGMENT WISE) : HALF YEAR ENDED SEPTEMBER, 2006 (PROVISIONAL & UNAUDITED)

Rs. in Lakhs

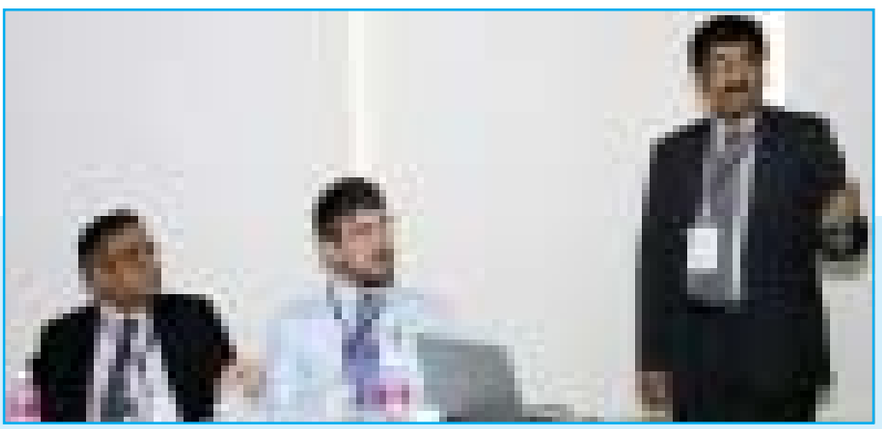
D	Motor TP	Health	Aviation	Liability	Personal Accident	All Others	Grand Total
7	**1,362.14**	**4,220.52**	**0.00**	**521.57**	**1,282.50**	**328.67**	**28,912.78**
2	1,139.47	2,365.99	0.00	438.88	1,205.37	271.75	22,513.57
1	**1,207.43**	**1,924.40**	**0.00**	**3,806.44**	**4,253.72**	**1,329.33**	**40,057.33**
5	913.01	1,660.55	2.22	2,967.02	2,636.36	634.71	29,296.67
1	**15.69**	**3,182.28**	**397.38**	**483.21**	**1,025.00**	**6,155.51**	**37,753.80**
6	24.25	395.52	368.78	168.51	384.64	719.53	7,609.83
3	**4,062.45**	**3,158.12**	**83.92**	**686.98**	**828.00**	**4,057.61**	**65,651.59**
8	1,982.89	2,254.07	20.39	435.33	833.37	2,933.97	42,806.09
9	**5,332.45**	**29,624.93**	**1,687.45**	**5,890.95**	**7,608.37**	**15,863.14**	**152,516.97**
5	2,279.82	13,243.98	1,419.41	4,015.84	4,177.87	7,287.59	82,291.22
7	**9,579.49**	**7,389.92**	**404.84**	**1,606.83**	**1,479.59**	**5,536.11**	**84,624.47**
0	7,969.55	5,220.26	122.97	1,168.85	918.91	4,754.37	62,766.49
7	**340.54**	**404.40**	**0.00**	**205.65**	**540.50**	**785.02**	**9,127.39**
1	365.73	209.03	0.00	118.85	688.47	910.56	9,279.27
7	**283.24**	**1,579.60**	**23.49**	**814.93**	**577.33**	**1,236.80**	**15,412.40**
6	362.75	1,152.77	38.12	757.55	398.43	522.87	12,286.60
6	**34,292.31**	**34,750.58**	**6,387.59**	**3,338.39**	**4,744.58**	**27,385.79**	**245,071.52**
5	33,414.93	28,118.08	5,104.93	2,956.04	5,895.08	24,637.23	228,440.59
3	**28,451.65**	**18,161.96**	**3,848.62**	**2,009.54**	**2,900.78**	**20,848.16**	**183,245.01**
3	26,925.99	15,719.08	1,983.24	2,088.89	4,330.37	19,940.63	177,519.99
6	**22,778.85**	**20,613.58**	**497.73**	**3,636.28**	**4,399.30**	**24,594.20**	**177,998.27**
0	21,076.07	17,414.30	351.12	2,981.25	5,288.55	20,541.22	162,492.50
3	**25,284.77**	**20,950.42**	**5,165.80**	**3,084.33**	**3,807.77**	**22,279.65**	**198,060.12**
6	20,694.89	16,912.77	8,120.77	1,992.02	3,800.16	16,477.01	176,236.37
0	**132,991.01**	**145,960.71**	**18,496.82**	**26,085.10**	**33,447.43**	**130,400.00**	**1,238,431.66**
8	117,149.35	104,666.40	17,531.95	20,089.03	30,557.58	99,631.45	1,013,539.19
						29,302.44	**29,302.44**
						27,407.71	27,407.71
		160.59			**53.41**		**214.00**
		0.00			0.00		0.00

A Seminar on Group-wise supervision, Cross border challenges and Market conduct for Supervisors in Asia was held at Mumbai between 13th and 15th of December 2006; organized by Financial Stability Institute (FSI). It was jointly supported by IAIS and IRDA.

The seminar provided an overview of the activities of IAIS and covered various topics of interest to supervisors in the context of the growth of conglomerates in financial sector; and increasing concerns arising on account of cross-border issues.

The seminar was attended by delegates from various countries of South Asia; Central Asia and Middle East; Asia Pacific region etc. The faculty support was provided by Australian Prudential Regulation Authority (APRA) and Financial Services Commission of Guernsey.

Photograph shows Mr. C.S. Rao, Chairman, Insurance Regulatory Development Authority (IRDA), India; and Ms. Gunilla Borer, Senior Financial Sector Specialist, Financial Stability Institute (FSI), Basel Switzerland.



Mr. Arup Chatterjee, Principal Administrator, International Association of Insurance Supervisors (IAIS), Switzerland making a presentation at the Seminar. Others seen in the picture are (seated L to R): Mr. C.R. Muralidharan, Member (Finance), IRDA; and Mr. Keith Chapman, GM, Policy Development, Australian Prudential Regulation Authority (APRA).

Photograph shows delegates from the various countries who participated in the Seminar.

Events

08 - 10 Jan 2007
Venue: Pune
Workshop on Managing & Developing Insurance Knowledge Resources
By NIA Pune

15 - 16 Jan 2007
Venue: New Delhi
Global Healthcare Conference
"Promoting Partnerships"
By FICCI, New Delhi

15 - 20 Jan 2007
Venue: Pune
Programme for Young Executives (Life)
By NIA Pune

17 - 18 Jan 2007
Venue: New Delhi
Greater Inclusion: Possibilities & Prospects
By 'Sa-Dhan', New Delhi

22 - 23 Jan 2007
Venue: Pune
Seminar on Business Intelligence
By NIA Pune

22 - 24 Jan 2007
Venue: Pune
Workshop on Motor Third Party Claims
By NIA Pune

29 Jan - 03 Feb 2007
Venue: Pune
Reinsurance Management
By NIA Pune

05 - 07 Feb 2007
Venue: Pune
Frontline Marketing Strategies
By NIA Pune

08 - 10 Feb 2007
Venue: Pune
Actuarial Practices in Life Insurance
By NIA Pune

12 - 13 Feb 2007
Venue: Mumbai
9th Global Conference of Actuaries
By Actuarial Society of India, Mumbai

19 - 21 Feb 2007
Venue: Pune
Workshop on Communication & Presentation Skills
By NIA Pune

22 - 24 Feb 2007
Venue: Pune
Scenario Mapping & Business Planning
By NIA Pune

RNI No: APBIL/2002/9589

VIEW POINT

"Healthcare benefits are only part of the healthcare expenditure. We should not forget that patients' co-payment and insurance premiums account for 45% of the healthcare expenditure."

- Mr. Mitsuru Suzuki,
Executive Member, Japan Medical Association.

"Competition brings with it not only moderation on the price front, but also improvements in the levels of service provided to customers."

- Mr. C.S. Rao,
Chairman, Insurance Regulatory & Development Authority

"In the past, insurers have simply accepted the insurance cycle, seeing it as a force of nature with an uncontrollable impact on their business."

- Mr. Rolf Tolle,
Lloyd's Director, Franchise Performance

"The China Banking Regulatory Commission (CBRC) is evaluating the feasibility and prospect of allowing commercial banks to set up insurance companies."

- Mr. Tang Shuangning,
Vice Chairman, CBRC

"Every action of the insurer has to be justified in terms of class equity; and unless there are instances of fraud or misrepresentation, it would be wrong to target individual customers in class rated products."

- Mr. C.S. Rao, Chairman,
Insurance Regulatory & Development Authority

"Regulators have moved swiftly with input from all interested parties to address the questionable practices in this marketplace (viatical settlements). Consumers who choose to sell their policy are far better protected by the fraud prohibitions and disclosures under this model."

- Jim Poolman,
Life Insurance and Annuities (A) Committee Chair and North Dakota Insurance Commissioner.