

Volume VII, No. 5



# Journal

May 2009



Insurance Marketing:  
**TOWARDS HIGHER GROWTH**

बीमा विनियामक और विकास प्राधिकरण

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## From the Publisher

The function of marketing a product in a domain where it is not fully understood is a challenging task. If the product is not a tangible one and is conceptual in nature, it is even more intriguing. Insurance marketing in India faces these challenges and as has been said very often, it needs to be sold rather than bought voluntarily by the common man. All the same, it is a welcome sign that this trend is undergoing a positive transformation although not at a pace that one would desire it to happen.

As in any product, insurance marketing involves several strategic roles that the top managements have to address tactfully. At the outset, market research and analysis have to be done carefully in order that there is a proper match between identification of the need of the prospect and the designing of the product. It would be redundant to add that the best effort in designing a product could end in a fiasco if the final output is not anywhere close to the needs of the market. In a domain that is not very mature, there may be need to even push a product that would be in the interests of the general masses, although a perceptible demand is absent.

Publicity for the product, which is an essential component of marketing, should be in such a manner that it is easily understood and appealing to the general public. The aim should not only be

at promoting the product but also at disseminating proper information about the product. This would lead to the buyer making an informed decision, to a great extent; and would eventually avoid post-sale complications that are the bane of any evolving market. It should also be kept in mind that the publicity effort should target different segments of the population; and wherever required, there should be different forms of conveying the message in a comprehensible fashion. Above all, it should be appreciated that the best efforts in product development could still lead to market failure if the training and education of the intermediary is insufficient. A well-trained and a plain-speaking intermediary has the ability to be the best brand ambassador for any player.

'Insurance Marketing' is the focus of this issue of the **Journal**. One of the most basic forms of insurance is Accident Insurance, which one would expect to be least controversial. The focus of the next issue of the **Journal** will be 'Accident Insurance'.

J. Hari Narayan

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## Tapping the Potential – So Near, Yet So Far

To decide upon the marketing strategies in promoting an intangible product; and in an emerging domain, at that, is replete with lots of complications. At the outset, the marketing strategies should be so designed that they appeal to different sections of the society which are alienated from each other by virtue of economic status, educational levels and income distribution. Corporates would do well to identify separate strategies for different sections of the population, thus targeting each of the segments differently. In the case of insurance, there is a great need to impress upon the rural masses as also the economically downtrodden, the role of having in place proper risk-management tools to obviate their possibility of being victims of circumstances.

Historically, it has been mentioned that poverty is at the root of poor development in the rural areas; and on more than one occasion, even wished away in exasperation. The revolution that has been brought in by the FMCG sector has under-pinned the importance of proper marketing strategies that would bring in the desired changes in the thinking of rural masses. Especially in the case of insurance, one would appreciate that it is not merely the affordability factor that is responsible for the poor growth levels but the inability to understand its role. It is here that the need exists for appealing to the masses directly through a medium that they can easily follow. The process may call for the adoption of a few revolutionary, out-of-the-box solutions, which insurers should not shy away from.

Some of the players have already demonstrated amply what successful marketing strategies can lead to. There is need for all the others to emulate them in ensuring that it is not merely their marketing requirements that are accomplished but a more sensible, economically risk-free society that results. It is gratifying to note that the trend has been initiated and one would hope that it is taken forward in the right earnest. At the top of the agenda should be the proper training of the person who has an inter-face with the masses - not a one-time act but an on-going exercise that would ensure that he/she is equipped with the wherewithal.

‘Insurance Marketing’ is the focus of this issue of the **Journal**. We open the issue with an article by Mr. Debashis Sarkar who writes that retaining the existing client should be at the forefront of the marketing exercise, as it indicates that he is kept satisfied. He further has a few marketing tips that would come in handy in times of slowdowns. The next article is by Mr. Nitish Asthana who says that just as the telecom boom brought home new realities, insurance marketing among the telecom clientele will bring in insurance penetration into hitherto unknown domains. Mr. David Chandrasekharan, in his article, emphasizes on some of the important marketing strategies that life insurers have to adopt; while questioning whether there has been any worthwhile change in the marketing styles of insurers. The next article is by Mr. Easwaran P.R. in which he gives details of the role of IT in insurance marketing; and what is in store for the future times.

In the ‘follow-through’ section, Dr. G. Gopalakrishna touches upon the repudiation of claims by life insurers which he insists is essential in light of the large scale fraudulent attempts by tricksters. Mr. Jagendra Kumar, in his article in the ‘end-user’ section, describes the various styles that motor thieves adopt; and suggests ways to defeat them in order that this class of insurance stops bleeding. In the end, we have an article by Mr. Devarakonda VS Ramesh in the ‘thinking cap’ section that talks about the role of insurance as a social security measure for the unorganized sector.

Accident Insurance, while being simple in its coverage and contract obligations, has its own share of contradictions and limitations. The focus of the next issue of the **Journal** will be on ‘Accident Insurance’.

# Report Card: LIFE

## First Year Premium of Life Insurers for the Period Ended March, 2009

Sl No.	Insurer	Premium y/w (Rs. in Crores)		No. of Policies / Schemes		No. of lives covered under Group Schemes		
		March, '09	Up to March, '09	March, '09	Up to March, '09	March, '09	Up to March, '09	Up to March, '08
1	<b>Bajaj Allianz</b>	Individual Single Premium	470.91	735.21	18248	107390	102771	
		Individual Non-Single Premium	3729.72	5568.63	35047.6	248253.6	364157.5	6704
		Group Single Premium	3.83	8.52	2	9	0	1992621
		Group Non-Single Premium	154.92	179.36	163	813	3%	
2	<b>ING Vysya</b>	Individual Single Premium	22.48	36.90	150	2772	4347	
		Individual Non-Single Premium	634.84	658.29	55219	355436	355722	1312
		Group Single Premium	0.75	6.69	0	1	1	123468
		Group Non-Single Premium	-0.37	17.51	4	100	25	
3	<b>Reliance Life</b>	Individual Single Premium	405.83	519.89	12184	91043	111320	
		Individual Non-Single Premium	2936.18	1820.88	341953	2128230	962395	5625
		Group Single Premium	136.88	387.17	2	22	97	105633
		Group Non-Single Premium	35.17	24.82	80	383	265	49019
4	<b>SBI Life</b>	Individual Single Premium	519.26	1210.84	10951	92965	170852	156527
		Individual Non-Single Premium	2839.69	2531.78	162891	844528	754677	592755
		Group Single Premium	302.49	246.51	9	14	1	126024
		Group Non-Single Premium	357.91	803.73	44	155	92	1010547
5	<b>Tata AIG</b>	Individual Single Premium	40.24	48.29	1400	8662	8515	
		Individual Non-Single Premium	953.71	788.46	93472	689156	488434	363664
		Group Single Premium	2.07	62.96	0	7	5	219349
		Group Non-Single Premium	22.23	68.07	16	83	75	
6	<b>HDFC Standard</b>	Individual Single Premium	159.47	140.65	113970	154311	249544	
		Individual Non-Single Premium	2293.87	2201.72	139046	919704	699068	252097
		Group Single Premium	151.53	264.76	37	174	192	41517
		Group Non-Single Premium	65.48	72.48	7	16	54	
7	<b>Prudential</b>	Individual Single Premium	244.79	399.58	3506	36236	64576	
		Individual Non-Single Premium	5121.31	6643.94	244558	2601439	2848534	592400
		Group Single Premium	35.72	264.73	20	214	155	474687
		Group Non-Single Premium	255.18	997.60	24	349	341	
8	<b>Birla Sunlife</b>	Individual Single Premium	42.36	37.60	18806	160489	120388	
		Individual Non-Single Premium	2438.40	1708.37	300287	1222780	567923	8461
		Group Single Premium	16.38	6.37	1	2	3	152294
		Group Non-Single Premium	155.78	217.67	37	206	145	
9	<b>Aviva</b>	Individual Single Premium	46.24	25.65	2418	6672	3751	
		Individual Non-Single Premium	651.28	980.77	55788	360688	386317	1091
		Group Single Premium	0.05	1.65	0	0	0	668169
		Group Non-Single Premium	7.62	51.01	14	80	116	
10	<b>Kotak Mahindra Old Mutual</b>	Individual Single Premium	18.81	32.03	251	2410	4357	
		Individual Non-Single Premium	1175.93	943.01	47449	492466	309133	188201
		Group Single Premium	36.82	29.01	1	12	4	459565
		Group Non-Single Premium	53.77	102.56	85	428	277	
11	<b>Max New York</b>	Individual Single Premium	241.48	271.76	1964	16103	17675	
		Individual Non-Single Premium	1571.31	1280.79	154703	1190613	855656	0
		Group Single Premium	0.07	1.71	1	11	0	206762
		Group Non-Single Premium	6.95	23.21	23	335	282	489502

12	<b>Met. Life</b> Individual Single Premium Individual Non-Single Premium Group Single Premium Group Non-Single Premium	1.86 224.82 35.08 0.00	8.02 1067.64 69.98 0.00	20.95 764.94 40.91 0.00	310 75053 18 0	2238 325896 166 0	3159 231993 78 0	17679 0	311588 0	230958 0
13	<b>Sahara Life</b> Individual Single Premium Individual Non-Single Premium Group Single Premium Group Non-Single Premium	10.81 15.74 0.00 3.78	51.63 78.95 0.00 3.80	50.89 71.28 0.00 0.00	3303 20879 0 7	14617 95930 0 16	13026 96058 0 8	324297 0	325067 0	0 371
14	<b>Shriram Life</b> Individual Single Premium Individual Non-Single Premium Group Single Premium Group Non-Single Premium	5.29 24.83 0.00 0.18	135.29 177.23 0.00 0.64	184.76 124.97 0.14 0.00	1121 21178 0 1	21929 104697 0 4	33431 75698 4 2	6369 0	44783 0	14806 623
15	<b>Bharti Axa Life</b> Individual Single Premium Individual Non-Single Premium Group Single Premium Group Non-Single Premium	0.77 42.60 4.15 0.00	5.57 275.34 11.67 0.00	4.18 105.68 3.25 0.00	17058 32777 1 0	18071 193504 4 0	1161 72913 4 0	15287 0	44550 0	9012 0
16	<b>Future Generati Life</b> Individual Single Premium Individual Non-Single Premium Group Single Premium Group Non-Single Premium	1.68 68.28 0.03 2.11	5.24 132.71 0.13 14.36	0.00 0.41 0.00 2.09	322 46010 0 16	1079 102851 0 82	0 800 0 9	16307 0	265867 0	0 71672
17	<b>IDBI Fortis Life</b> Individual Single Premium Individual Non-Single Premium Group Single Premium Group Non-Single Premium	34.80 58.62 0.00 0.00	132.57 184.19 0.00 0.03	7.54 4.36 0.00 0.00	5687 18940 0 1	21008 62993 0 2	1376 1782 0 0	3017 0	22602 0	0 0
18	<b>Canara HSBC OBC Life</b> Individual Single Premium Individual Non-Single Premium Group Single Premium Group Non-Single Premium	1.65 74.89 0.00 0.02	7.59 291.12 0.00 0.02	0.00 0.00 0.00 0.00	88 10715 0 1	499 35230 0 1	0 0 0 0	2586 0	2586 0	0 0
19	<b>Aegon Religare</b> Individual Single Premium Individual Non-Single Premium Group Single Premium Group Non-Single Premium	0.12 8.18 0.00 0.00	2.30 28.91 0.00 0.00	0.00 0.00 0.00 0.00	67 5013 2 0	1193 22392 0 0	0 0 0 0	2745 0	2745 0	0 0
20	<b>DLF Pramerico#</b> Individual Single Premium Individual Non-Single Premium Group Single Premium Group Non-Single Premium	0.00 1.90 0.00 0.01	0.00 3.38 0.00 0.01	0.00 0.00 0.00 0.00	0 1101 0 1	2795 0 0 1	0 0 0 0	2602 0	2602 0	0 0
21	<b>Star Union Dai-ichi @</b> Individual Single Premium Individual Non-Single Premium Group Single Premium Group Non-Single Premium Private Total	14.22 31.05 4.25 0.55	14.70 32.26 4.25 0.55	0.00 0.00 0.00 0.00	2111 10538 1 2	2206 11039 2 2	0 0 0 0	4000 5587	4101 5587	0 0
22	<b>LIIC</b> Individual Single Premium Individual Non-Single Premium Group Single Premium Group Non-Single Premium Grand Total	1686.99 3941.27 3442.42 0.00	22159.02 18070.18 12724.72 0.00	25048.97 23583.73 10549.50 0.00	405236 7725383 4101 0	5188193 30703139 21335 0	7530309 30059686 22604 0	3796311 0	31770561 0	26738141 0
	<b>Individual Single Premium</b> <b>Individual Non-Single Premium</b> <b>Group Single Premium</b> <b>Group Non-Single Premium</b> <b>Grand Total</b>	2116.02 8220.97 3708.68 1045.23	24733.78 44688.16 113738.61 3947.07	28770.68 49782.02 11872.17 2563.84	619151 9913429 4196 526	5950286 44948059 21976 3056	8440558 42408364 23148 2087	4177571 4245520	34250400 19411920	28689998 62971140

Note: 1. Cumulative premium / No. of policies upto the month is net of cancellations which may occur during the free look period.  
 2. Compiled on the basis of data submitted by the Insurance companies.  
 3. # Started operations in September, 2008.  
 4. @ Started operations in February, 2009.



## CIRCULAR

March 24, 2009

IRDA/F&A/CIR/49/Mar-09

### Sub: Creation of Reserve for Unexpired Risk (URR) by the Non-life Insurance Companies

Section 64V(1) of the Insurance Act lays down the manner of valuation of Assets and Liabilities of insurance companies. Proviso (ii) (b) of the said section provides for creation of reserves for unexpired risks in respect of-

- (i) fire and miscellaneous business, 50 per cent,
- (ii) marine cargo business, 50 per cent, and
- (iii) marine hull business, 100 per cent, of the premium, net of re-insurances, during the preceding twelve months.

Further, Clause 2 of part I of Schedule B of the IRDA (Preparation of Financial Statements & Auditors' Report of Insurance Companies) Regulations, 2002 (the Regulations) provides that a reserve for unexpired risks shall be created as the amount representing that part of the premium written which is attributable to, and to be allocated to the succeeding accounting periods and shall not be less than as required under Section 64V(l)(ii)(b) of the Insurance Act.

The Authority has examined the request of insurers seeking relaxation from the stipulation that "such reserve shall not be less than as required under Section 64V(l)(ii) (b) of the Insurance Act", irrespective of the premium allocated to the succeeding accounting periods in respect of the health insurance business. While the amendment to the statutory provisions as stipulated are being separately examined by the Authority to provide for appropriate regulatory framework for creation of Reserve for Unexpired Risk, taking into account the peculiar nature of the health segment, limited relaxation is being extended to the non

life insurers with respect to the health segment for the financial year 2008-09.

While preparing the financial statements, the non-life insurance companies may provide for the Reserve for Unexpired Risks in the health segment on the 1/365 day method basis as provided in the Regulations. The requirement for the said reserve being not less than as required under Section 64V(l)(ii)(b) of the Act, thus stands waived only with respect to the health segment for the year 2008-09.

Any insurer creating the Reserve for Unexpired Risks on the basis of 1/365 method in the health segment shall ensure compliance with the stipulated conditions and disclosure requirements as indicated below:

- 1) The relaxation is available for the accounting period 2008-09 only;
- 2) In case of the insurance company generating any accounting surplus, i.e., operating profit, net of tax, in the health segment on account of application of 1/365 method, the surplus so generated shall not be available for distribution to the shareholders;
- 3) The operating profit, net of tax, generated on account of the difference between the reserve created on the basis of 1/365 method and the URR as would have been created based on Section 64V(l)(ii)(b) of the Act (as reflected at pt. (2) above) shall be transferred to a "Contingency reserve for Unexpired Risks" and reflected in the Profit and Loss account as under:

#### Extract of the Profit and Loss Account for the year ended 31<sup>st</sup> March, 20....

Particulars	Schedule	Current Year	Previous Year
		(Rs. '000)	(Rs. '000)
<i>Appropriations</i>			
(a) Interim dividends paid during the year			
(b) Proposed final dividend			
(c) Dividend Distribution Tax			
(d) Transfer to any reserve or other accounts (to be specified):			
• Contingency reserve for Unexpired Risks			





The reserve so created is to be reflected in the Profit and Loss Account as indicated in bold letters in the above extract.

In effect, where the URR created on the basis of 1/365 method is less than as provided under Section 64V(l)(ii)(b) of the Act and is resulting in an operating profit, the insurer would be required to transfer such operating profit, net of tax, to the Contingency Reserve as indicated above **and such profit shall not be available for distribution to the shareholders without the explicit approval of the Authority.**

- 4) As a matter of prudence, for the purpose of computation of Solvency Margin, the insurer shall continue to estimate its liabilities as provided for in form HG of the IRDA (Assets, Liabilities and Solvency Margin of insurers) Regulations, 2000 taking into account the stipulations as laid down at Para 3 of IRDA Circular no.045/IRDA/F&A/Mar-06, dated 31<sup>st</sup> March, 2006.

No amendments are proposed in the said instructions for the purpose of computation of Solvency Margin for the year ending March 2009.

- 5) In the Notes to the Accounts, the following disclosures shall be made:

“The Company has created the Reserve for Unexpired Risks as at the end of the Accounting period based on the 1/365 method in the health segment as per IRDA Circular No. IRDA/F&A/CIR/49/Mar-09 dated March 24, 2009. The said Contingency Reserve is not available for distribution to Shareholders and its utilization, at any future date would require prior approval of the Authority.

(J. Hari Narayan)  
Chairman

## CIRCULAR

April 22, 2009

Circular No. 004/IRDA/F&A/CIR/APR-09

The Chairman/CEOs of  
All Insurance Companies/Reinsurer

Dear Sir/Madam,

### Appointment of Statutory Auditors

1. This is further to our Circular No. 36/7/F&A/EMPL/74/July/05 dated July 25, 2005 on ‘Appointment of Statutory Auditors’.
2. It is reiterated that all insurers while appointing/re-appointing the Statutory Auditors must ensure compliance with the stipulations on the “Appointment of Statutory Auditors” as contained in the circular under reference.
3. The Authority must be informed such appointments/re-appointments within a week thereof with a certification to

the effect that the said stipulations have been met, as per the enclosed Format 1.

4. Insurers are also advised to file a Return on an annual basis as per the enclosed Format 2 giving details of Chartered Accountant firms engaged in various capacities like Statutory Auditors, Internal Auditors, Concurrent Auditors, Tax Auditors and other Auditors (to be specified)

Kindly acknowledge receipt.

Yours faithfully,  
(C.R. Muralidharan)  
Member (F&I)

FORMAT 1

Date:

Name of the Insurer:

### 1. Appointment of Statutory Auditors

This is to inform that the following audit firms have been appointed as Statutory Auditors for (Name of the Insurer) for the financial year \_\_\_\_\_

Sl. No.	Name of the Audit Firm	Address
1		
2		
3		

**2. Past Record**

Statutory Auditors of (Name of the Insurer) for the past five years is as under:

	Year - 4	Year - 3	Year - 2	Year - 1	Current Year
Name of the Audit Firm					
1					
2					

It is certified that this appointment/reappointment is in compliance with the requirements vide IRDA Circular No. 36/7/F&A/EMPL/74/July/05 dated 25 July 2005 on .... (date).....

Date:

Signed

Place:

Chief Executive Officer

**FORMAT 2**

**Name of the Insurance Company:**

**Return of Auditors engaged for the financial year**

Sl. No.	Auditors engaged as	Name of the Firm	Address
1.	Statutory Auditors		
	1.		
	2.		
2.	Internal Auditors		
	1.		
	2.		
3.	Concurrent Auditors		
	1.		
	2.		
4.	Tax Auditors		
	1.		
	2.		
5.	Any Other Capacity (to be specified)		
	1.		
	2.		

It is certified that the above information is correct and complete to the best of my knowledge and belief, and reflects the true position.

Date:

Signed

Place:

Chief Executive Officer

## CIRCULAR

March 31, 2009

52/15/IRDA/Health/SN/08-09

To  
CEOs of all General Insurance Companies.

### Re: Renewability of Health Insurance Policies

Under the provisions of section 14 (1) and (2)(b) of the Insurance Regulatory and Development Authority Act, 1999, and in compliance with recent court judgments and in pursuance of the recommendations of various committees and working groups constituted by the Authority, the following circular on renewability of health insurance policies as applicable to all general insurance companies is hereby issued:

1. A health insurance policy shall be ordinarily renewable except on grounds such as fraud, moral hazard or misrepresentation and upon renewal being sought by the insured, shall not be rejected on arbitrary grounds. Specifically, renewal shall not be denied on the ground that the insured had made a claim (or claims) in the previous or earlier years.
2. An insurer shall not compel any insured covered under a specific health insurance product to shift to another health insurance product except in cases where a specific product is being upgraded or discontinued with the approval of the Authority.
3. A prospectus of a health insurance policy shall contain detailed upfront disclosures about the terms of its renewal to enable the consumer to take an informed decision. This would include material information related to the coverage and likely premium for future renewals of the policy, including but not limited to a disclosure of the maximum age up to when the renewal would be available, any changes in the scope of cover after a certain duration of the policy or after a certain age - such as coverage of pre-existing diseases, a disclosure on whether renewal premium would be guaranteed or subject to revision, the premium currently being charged at different age slabs and details of specific circumstances where the premium could be loaded (or discount withdrawn) by the insurer, as also the extent to which it would be done. The terms of renewal shall also state the procedure and terms for enhancing the sum insured or scope of cover.
4. All health insurance policies shall contain a clause that provides for a mechanism to condone delays in renewal for up to 15 days from the renewal due date, so that the insured person(s) is /are treated as 'continuously covered' in terms of continuity benefits such as waiting periods and coverage of pre-existing diseases. This clause shall also specify further details of this

mechanism, including the fact that coverage would not be available for the period for which no premium is received.

5. Any change in the premium structure or terms of health insurance policies filed with IRDA shall be made only after such a change(s) is/are filed and accepted by the Authority. Thereafter, insurers shall intimate such revision(s) to all the policyholders such that the policyholders are so informed at least three months prior to the date of renewal of their cover. These revisions will only be accepted by IRDA for justified and compelling reasons or if they are to the benefit of policyholders.
6. An insurer sending a renewal notice for a health insurance policy to the policyholder(s) which envisages a premium higher than that paid in the previous year, shall append a note to the renewal notice explaining the reasons for the increase in premium and also the quantum of this increase which is in accordance with the upfront disclosures earlier made in the prospectus.

The provisions contained in clauses 1 to 6 as detailed above - shall not be applicable to tailor-made or group health-insurance policies.

In cases of such Group and Tailor-made Health Insurance policies, the prospectus and policy documents shall contain upfront disclosures about the mechanism for continuity of coverage being offered by the insurer to the individual members covered under the group insurance, in the event that the group policy is discontinued or not renewed. Further, any mechanism for continuity also being made available to members of the group when leaving the group on account of resignation, retirement, termination of employment or otherwise may also be disclosed therein. The group policy shall, however, contain a clause that any such 'Disclosures on continuity' are made known to the members of the group by the policyholder/ group organizer.

This circular shall be applicable to all health insurance policies issued or renewed on or after 1<sup>st</sup> June 2009.

All general insurance companies are advised to ensure due compliance with the provisions contained in the circular as any failure to do so would render them liable to appropriate action under the provisions of IRDA Act, 1999, the Insurance Act, 1938 and the regulations framed thereunder,

(J. Hari Narayan)  
Chairman

# Accident Insurance

## THE UBIQUITOUS CLASS

U. JAWAHARLAL OPINES THAT ALTHOUGH ACCIDENT INSURANCE LOOKS VERY SIMPLE APPARENTLY, IT HAS ITS OWN SET OF COMPLICATIONS THAT SURFACE FROM TIME TO TIME; UNLESS THERE IS SUFFICIENT CLARITY IN THE TERMS OF CONTRACT.

**A**ccident Insurance is one of the most ancient forms of insurance; and evidently, the simplest among all the insurances. It exists both in the life and the non-life domains either as a rider or as a stand-alone product. The common guiding factor in both these classes is that the claim should be triggered only by the happening of an accident. Further, it is also essential that accident should be the proximate cause of the event and where this condition is not fulfilled, it leads to a dispute in the settlement of claim. Although it sounds very simple apparently, it becomes a bone of contention in several controversial claims in both life as well as non-life classes of insurance; owing partly to the low awareness levels of the insuring public and also to the lack of clarity on what exactly amounts to an accident.

In the domain of life insurance, it is offered as a rider on most life insurance contracts and usually to the extent of the basic sum assured at a very reasonable premium. In view of this, it presupposes the importance of careful underwriting to ensure that

physically sub-standard classes of lives are not covered under it. Further, in Personal Accident policies, there is intense need for fulfilling the utmost good faith factor that forms the basis of the contracts as a detailed medical examination may not be possible in many cases. Similarly, insurable interest also plays a major role in this form of insurance; and should be very explicit. There is also emphasis on what really caused the accident, in order that a claim is admissible. It should be clearly understood that accidents occurring on account of such events as suicidal tendencies, self-inflicted injuries, intoxication caused by liquor or narcotics etc. are out of the purview of claim payment, for obvious reasons.

Both life and non-life insurers take into consideration the occupation of the prospect before accepting the liability under accident insurance policies. The conditions of acceptance may be other than the standard ones in case of the occupation being a hazardous one. This once again emphasizes the fact that wherever there is a change in

occupation, it should be brought to the notice of the insurer in order that the changed conditions are acceptable to the insurers, either at the same terms or revised ones according to the need.

For a claim to be settled in this class of insurance, it is essential that all conditions of the policy are fulfilled meticulously and that the personal details of the claimant are established so that any possible impersonation is ruled out. As mentioned earlier, it should be ensured that accident as a proximate cause is what resulted into a claim. Besides, it has been perennially debated as to whether Accident Insurance is one of indemnity or benefit. In light of the fact that total sum assured is payable on account of death, there is an element of benefit. At the same time, in view of the disability benefits which are strictly in the form of compensating for loss of income, it is an indemnity.

'Accident Insurance' in all its forms will be the focus of the next issue of the **Journal**. We hope to bring you varied flavours of this universal line of insurance.

## Accident Insurance

*in the next issue...*



# Believe and Adapt

## THE MARKETING MANTRA

DEBASHIS SARKAR STATES THAT THE PRESENT ECONOMIC SLOWDOWN SHOULD BE TAKEN AS AN OPPORTUNITY FOR LIFE INSURERS AND AN OCCASION FOR PUTTING THEIR BEST FOOT FORWARD.

In this day and age of economic downturn, talking about spending money is serious conversation. Heated debates happen and emotions can run high, even in small families. Imagine what may happen in boardrooms of large corporations when discussing about marketing budgets and plans, especially if you are not able to see what that money is going to buy you in the short term and when there are several conflicting opinions about whether it

**Smart management teams know that marketing is not a “spend” but it is a strategic investment. And several parts of it can provide tangible returns which can be measured easily.**

should be spent at all or not. (Remember: Insurance is sold and not bought!)

But smart management teams know that marketing is not a “spend” but it is a strategic investment. And several parts of it can provide tangible returns which can be measured easily. Smart life insurance professionals - and that includes both the smart life insurance agent and the smart life insurance marketer - know that when times are tough, it separates the men from the boys. This is the time to seize the opportunity when the customer is anxious and alert and not stupefied by the irrational exuberance of the last few years to be befooled or bedazzled by any and every promise. This is the time to get ahead for good and stay ahead long after the dust has settled.

But strategies have to be different, plans have to be executed with variations, initiatives will have to change, messages will have to be altered. It is time for talking in the language the consumers understand and relate to rather than using the message that has been used by the brand in the past which may have worked well under different circumstances.

### Finding the brand relevance

Relevance is an important paradigm shift in these new times. Consumers will tend to throw away irrelevant messages, not

listen to irrelevant promises and not buy irrelevant products. You have to understand that the consumer is a lot more focussed today and you have to connect your messages to the focal point of his thoughts. This is the time for life insurance brands to reinforce trust, cultivate transparency and provide reassurance to the consumers. It is the time to tell the consumer in simple terms how and why he can win in today’s times. Such messages and acts of brand promise, if made in areas of high relevance can really strengthen the brand in the eyes of the consumer. However, this observation must not be misconstrued to infer that large scale brand repositioning exercises need to be done. This is about appropriate messaging, correct tonality and proactive communication. In fact, this also should be done selectively since a large portion of consumers; say in the semi-urban or rural markets may not at all be affected by this slowdown.

### Dealing with the inquisitive consumer

Customers today are more informed and seek to understand their options better. They investigate the reliability of the business offering the product and the dependability of its after-sale services. And just as businesses look for long-standing relationships in a world where stress is all-pervasive, so do consumers.

Someone who would take a loan for a 1000 square foot house from a little known builder will today investigate the builder more thoroughly, weigh the different loan offerings more meticulously, study the different projects being marketed painstakingly; and having evaluated all the pros and cons, will make a more “informed” choice. The householder will look for discounts in every buy, and the investor for long-term gains and sustainable growth opportunities. The need for the hour is better preparation and patience in dealing with the inquisitive customer. You may have to be twice as well prepared on the knowledge of the market and competition; and be twice as confident with the customer and spend twice the effort in building the customer relationship. Agent training efforts have to be enhanced to deal with

the inquisitive customer. Marketing departments will have to change their communication strategies with their customers making such interactions more frequent and engaging to whet the appetite of the inquisitive consumer.

### **Building relationships that last a lifetime**

An old English proverb says “Laugh and the world laughs with you, weep and you weep alone.” It essentially means that there are many to share the joys in good times but none to share the sorrow in bad times. If any of your customers are thinking like this in today’s market after buying unit linked plans, then you have a sure problem; and a big one, at that. The fundamental life insurance promise is one of partnership and being with the customer through the thick and thin of his life. While it is natural for some life insurance agents to leave the profession, the customer remains very much with the company and it is critical that the company builds a strong relationship with the customer in addition to what the agent may already have. Customer relationships can be a true brand differentiator and the value of such relationships is tested in times which are tough as indeed all relationships are. Offer customers real support in troubled times and the relationship is cemented for the long-term. Financial institutions, or more specifically, life insurance companies, have the most promising opportunity for building relationships by providing the service people are seeking most urgently – grounded advice about financial matters, especially about financial planning.

### **Using the power of referrals and word of mouth**

To some, a referral is merely a name. However, a referral is actually much more than this! A referral is the authorization

to use the influence attached to that name. Smart life insurance marketing people have discovered this long ago. However, in times like these, a disciplined approach to marketing through referral will pay rich dividends. Building a communication strategy and process based on word of mouth and ensuring a positive customer experience is hard work for a life insurance agent or a life insurance company. It’s probably a lot easier to run an ad, issue a press release, or hold a press conference. It’s a lot easier to talk than to listen. However, like it or not, people are talking about your business all the time. Some talk is positive, but because of a quirk in human nature, negative talk reaches a much wider audience than positive talk. Word of mouth tends to be highly persuasive because the sender apparently has nothing to gain from the receiver’s subsequent actions. Hence, it is critical for life insurance companies to keep a close watch on their referrals in such times. Word of mouth seems to be a frequently used risk-reduction device by the consumer and this source of information is particularly sought after in situations characterized by high uncertainty or poor understanding such as times like these.

### **Retaining before acquiring**

In today’s challenging economy and competitive business world, retaining your customer base is critical to your success. If you don’t give your customers some good reasons to stay, your competitors will provide them with a reason to leave. This could be through product choices or agent relationships. Life insurance companies have often treated their customers as hostages especially after they have been sold cash value policies but customer retention has a far deeper positive and multiplying impact with such customers buying more policies, with their family members buying

**The fundamental life insurance promise is one of partnership and being with the customer through the thick and thin of his life.**



**At the heart of the parallel activities of marketing and shopping are perceptions of human need and want which change during times of economic slowdown.**

more policies and with the referrals they provide. It's far less expensive to cultivate your existing customer base and sell more services to them than it is to seek new, single-transaction customers. Most surveys across industries show that keeping one existing customer is five to seven times more profitable than attracting new ones. The challenge is in how firms approach the retention game. While sophisticated modelling techniques like "propensity to pay" should certainly find a place in this approach, the crucial factor is the investment made in building a strong relationship through a proper engagement program across customer touch points. And in all this, the role of the distributor or the sourcing agent is critical, if he still exists and services the relationship.

**Listening with a sharp year close to the ground**

Marketers get their best answers when

they listen to the customers first hand and reflect on their insights. When there is euphoria, value takes a backseat and consumers indulge. When the going gets tough, consumers tighten their purse strings and value takes the drivers seat. The key, of course, is to respond to what the customer needs. At the heart of the parallel activities of marketing and shopping are perceptions of human need and want which change during times of economic slowdown. People want to spend less for more. Life insurance businesses have to understand how they can meet this new want effectively, without becoming unprofitable. So, it is important to hit the road and talk to a few customers, directly, face to face, without the intervention of any research agency. Often this means an additional promise, some better service or some process improvement or even a start to a discussion around a new product.

**Spotting the new prospects**

While it is possible that some prospects may postpone purchases, new markets may open up for your product lines. The brand or the product promise may now be relevant to new segments like in untapped small towns and some of your products may become relevant to new consumer segments. This is also the time to forge strategic partnerships with players who may sell complementary products but target the same consumer segment, thereby lowering acquisition costs as well as gaining volumes. It's also the time when you can explore extensions of your product lines, but only those that strengthen your brand promise. Health products are probably one range that are not affected by any slowdown but could have an increased need since the costs of healthcare is rising, and incidence of health related ailments are increasing every day. Hence, a differentiated acquisition strategy needs to be put in

place, one that maximizes the opportunities such times offer.

**Optimizing the spends**

This is really the time to spend on marketing, but it must be done wisely. It is the time to drive hard bargains whether it is choosing the right program, the right outdoor sites or the right media vehicle. There would be bargains available everywhere and it is important to look for them, else your competitors will get them before you do. In addition, efficiencies must be driven by analysing spends across mediums. For example, if the digital medium is able to do the awareness job, then the rest of the marketing monies can be targeted in a more focussed manner.

**Adopting an attitude to win**

In sum, it is critical for life insurance marketers and agents to adopt a winning attitude. In fact, strategies should be driven towards maximization of gains rather than minimization of losses. And while we wait for the economic cycle to turn back a full cycle, the difference lies in which marketers believe that it is a threat and will get defensive in a slowdown and which ones believe that this is the opportunity and will go on the offensive. However, the opportunity is there for the marketer who can believe and adapt, and indeed the marketer who is comfortable in dealing with numbers to focus marketing efforts to maximize its impact.

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# The Next Frontier

## TELCASSURANCE

NITISH ASTHANA OPINES THAT CONSIDERING THE VAST GROWTH IN THE TELECOM INDUSTRY ACROSS THE LENGTH AND BREADTH OF THE COUNTRY, TELECOM DISTRIBUTION WILL BE THE ONE DISTRIBUTION MODEL TO LOOK FOR IN THE YEARS TO COME.

Consider this. Tele-density in India now exceeds 35% of the total population; over 400 mn people have some form of telephone connection (mobile or wire line). One school of thought would consider them merely as telephone subscribers, and therefore what could a telecom subscriber base

have to do with insurance purchase? Another theory would consider them as individuals, consumers, members of a household; and therefore having financial protection needs of insurance and long term savings - just like their needs to stay connected with their loved ones with the help of a phone. What makes this theory interesting is that consumers are consumers and access to these consumers, even if through a telecom platform, is access all the same! And therefore this opportunity is significant for the insurance world.

diversity. First, their owners have an entrepreneurial mindset. They are largely small business owners, and are looking for additional sources of revenue that enhance the returns on their investment (this investment is in the form of the store's rent, inventory, credit and people costs). Second, they are under pressure with telecom margins shrinking by the day. It is no surprise that reducing tariffs have played a big role in the penetration of mobile telephony in the past five years. While this is good news for subscribers, it has exerted pressure on distributors to stay afloat. Third, dealers that front-end with consumers have a fairly large prospect base, in the form of core and walk-in customers, suppliers, business associates, friends and family. This prospect base can range from 500 to 5000 prospects, depending on the type of dealer. More importantly, these distributors are very influential in the local community, especially in smaller towns and villages.

The attributes outlined above become extremely relevant when we evaluate them in comparison with the key issues facing the insurance agency model. A majority of insurance agents in the industry fail because, (a) they are flirting with a fully variable earnings occupation in the absence of any other alternative, or (b) they don't have a large enough prospect

**Telecom distribution is enviable. Undoubtedly, telecom companies have over the last 10-12 years, built distribution that reaches far and deep into the country.**

### Telecom distribution – key attributes

Telecom distribution is enviable. Undoubtedly, telecom companies have over the last 10-12 years, built distribution that reaches far and deep into the country. Exact figures are not available, but if one were to hazard a guess, over 3 mn outlets would not be far from the truth. This distribution is diverse: from company-owned or franchised exclusive stores, direct selling agents, telecom shops, right down to small neighbourhood kirana stores; from upscale, urban, modern retail to pan-beedi stores in remote rural areas.

True, telecom distribution is diverse, but there are a few common threads in this

**Needless to say, insurance selling is a tough job and requires investment of time and effort in addition to experience to become successful.**

base that would sustain their insurance business beyond the first few months of their career, or (c) they do not possess the skills to sell insurance products. Needless to say, insurance selling is a tough job and requires investment of time and effort in addition to experience to become successful. Telecom distribution therefore can potentially resolve at least the first two of the above issues plaguing the agency model (the third one regarding selling skills, though a key one, can be overcome with the specific sales model that is adopted).

At the same time, several best practices that make bancassurance successful are truly applicable in drawing the most out of the telecom distributors towards insurance selling - an existing distribution network and a large number of existing customer relationships. Again, one key issue that bancassurance faces is that

bank staff being employees cannot be expected to be as entrepreneurial as entrepreneurs themselves. This is a key difference, which though not too obvious, does reflect in under-penetration of bank customers for insurance. Telecom distribution solves this as well.

To summarise, telecom distribution presents an opportunity that is large, scaleable and sustainable since it combines the best of the agency and bancassurance distribution models – the entrepreneurial spirit of agents with prospect relationships of bancassurance.

### **The value equation to telcos**

Telcos are very successful and busy companies. Insurance must strike a powerful chord for them to venture even a thought to the concept. However, their pressure points are customer retention, distributor satisfaction and revenue growth.

Insurance distribution creates a revenue stream for telecom distributors by leveraging off their customer base without any incremental investment in infrastructure, people or other resources. Experientially, insurance can enhance a dealer's revenue by an average of 20%. This can relieve the pressure on the telco towards distributor retention, both in case of franchisees with high investment or multi-brand non-exclusive outlets.

Insurance programs can create affinity and loyalty in the minds of customers through exclusive or free/ subsidized programs, and thus enhance customer retention. In fact, several telcos are proactively exploring value added lifestyle and life stage features on the mobile platform, and thus stepping beyond the realm of pure telecom services. The objective is to surround the customer

with more and more services to increase the exit barriers, both rationally and emotionally. With number portability a distinct possibility, such value addition (insurance included) is imperative in facilitating the transition of telcos from marketing and distribution orientated organizations to customer centric organizations.

### **Customer-product-distribution: a holistic approach**

With over 400 mn telecom subscribers and nearly 15 mn subscribers being added every month, it would be fair to say that this client base would be as diverse as the Indian population itself. The insurance industry has thus far been obsessed with developing and fitting products with distribution, without giving due emphasis to consumer understanding with respect to decisions regarding product and sales processes. In dealing with telecom customers, this orientation is critical to truly leverage the diversity and size that is presented.

Here are a few examples of customer orientated product-distribution models that can work:

- **Rural, semi urban low income households:** This segment constitutes the lion's share of the overall telecom subscriber base and a majority of new subscribers added. Rural and non-proprietary telecom distribution is now sizeable, and can be leveraged to provide micro-insurance products to these segments. Significantly, these households have a high savings preference, though savings trends are erratic and liquidity requirements may arise in times of contingencies. It is therefore important that products are savings orientated, flexible, reasonably liquid and provide capital safety.
- **Rural, semi urban middle income:** The burgeoning middle income in the rural

and semi urban areas of the country cannot be ignored. These segments are adequately serviced by and have strong relationships with their neighbourhood telecom outlets. An agency model is the most appropriate in this segment, as it leverages off the relationship, whilst keeping the cost model highly variable for the insurance company. Products can range from health to endowment, with simple features and little or no underwriting.

- **Urban middle income:** This segment deals with telecom dealers and exclusive company/ franchised showrooms for their purchase and service needs. Most relevant products here are simple health and ULIP plans that are sold over the counter at the outlet.
- **Urban mass affluent:** Seemingly the most attractive segment, this is also a challenging one as consumers have access to insurance products through

their banks or agents. The affinity towards buying insurance through these sources is much higher than through their telecom provider. However, dealer and franchisee relationships can be leveraged to generate leads that are then closed by specialized insurance staff of the insurance company.

### Telcassurance distribution models

In making a distribution model decision, one must consider factors such as consumer behaviour, dealer orientation and capability, product complexity, scalability, infrastructure support, profitability objectives and risk appetite. While these are some interesting ideas, they are definitely not exhaustive in scope:

- **Exclusive franchised stores:** These outlets are run by an entrepreneur, handle between 200-500 daily customer footfalls, exclusively represent a telco for selling to and servicing telecom customers, and occupy expensive real estate. A fully intermediated model, with an employee Financial Advisor (FA) of the insurer being posted at the outlet to sell to walk-in customers is the most suitable sales model. This model works like bancassurance, wherein walk in customers are referred to the FA for a sale. And much like bancassurance, simple products such as health and pre-underwritten ULIPs ensure high in-store sales.
- **Non-exclusive mass retail:** Outlets may vary from telecom stores to neighbourhood kirana shops. For stores with a larger prospect base, an FA intermediated model entails a network of 10 -12 retailers being managed by an FA, who sells to the retailers' prospects along with maximizing the relationship with his set of retailers. An agency model may be deployed for the smaller size retailers.

- **Micro-savings and insurance:** The low income group is probably the biggest opportunity, and also the toughest to penetrate. Setting up micro savings programs requires significant effort in dealer empanelment and technology to administer premium collection and benefit payout through the network. The recent thoughts in this field are innovative, with a profitable product design that suits the consumer's savings habits along with providing premium flexibility and liquidity to his savings pool. Currently, this model is taking shape and will surely be the next wave in enhancing insurance penetration on a large scale.
- **Affinity programs:** The large middle to upper-low income customer base can be targeted with exclusive products developed to address specific customer needs, such as health or protection. Being exclusive, these programs would leverage off the brand affinity and customer information held by the telco, and may be structured as group insurance programs, sold through telesales or in-store sales.
- **Loyalty programs:** Low cost, pure protection programs can possibly enhance customer loyalty, but at this point this is pure theory. While retention is a key issue in the telecom industry, free insurance programs entail a significant cost at a per customer level. Further, considering that anything "free" may become a blind spot to the customer, probably subsidized insurance cover is a better option. The key benefit here is that insurance arguably creates a higher perceived value as a loyalty benefit than free or discounted airtime.

Setting up micro savings programs requires significant effort in dealer empanelment and technology to administer premium collection and benefit payout through the network.

### Shaping success – critical success factors

Telcassurance is an entirely new way of

**Telecom distribution is very similar to FMCG structures, and therefore is decentralized with highly variable costs.**

insurance distribution, having no existing blueprints. While the jury is still out on finding the right formula for success, there are a few proposals to keep in mind.

- **Get the telco engaged.** This is no easy task, given that these companies are large and have their own set of market, organizational and customer challenges to contend with. Their priorities are customer retention, distributor engagement and revenue growth and to this end insurance has a role to play. At the very least, a common vision and strategy needs to be contracted at the highest level, and people at the central and circle level must be accountable for insurance objectives, and given credit for revenue generated.
- **Think Customer first.** Given the diversity of the customer base, their needs, purchase behaviour and

network interaction must be studied before deploying products, distribution models and sales practices. Research and proof of concepts are valuable tools.

- **Integrate with the telco's distribution structure.** Telecom distribution is very similar to FMCG structures, and therefore is decentralized with highly variable costs. Aligning the sales organization to this map is important as it clarifies relationship points. Network management skills and daily market beat plans are tested FMCG distribution practices, and valuable in enhancing dealer engagement.
- **Replicate agency best practice.** Set the right expectations with dealers at the time of on-boarding in terms of their role, even in an intermediated sales model. Agree a relatable business opportunity based on specific information, as all dealers have a different prospect base. Segment dealer performance and thus give relevant inputs and support. Create attractive reward and recognition programs.
- **Ensure high service levels.** Nothing switches off a dealer more than delayed payouts or poor back end support.
- **Use technology to standardize.** Premium collection through distribution networks, partner relationship management, leads management, campaign management and payout administration require investment in technology to seamlessly support and enhance the performance of the network and customer programs
- **Think simple.** Such distribution models require product and process simplicity to stimulate in-store and outbound sales. Products must be simple to understand and explain, and the purchase process must attempt as much standardization and pre-underwriting as possible.

## Conclusion

At a very basic level, the ingredients of telecom distribution combine the best of the agency and bancassurance business models and the recipe must eliminate the problems inherent in both. The diversity of the customer base and distribution network makes this platform complex, and therefore there are no short cuts to success. This will entail strategic partnerships with a long term view of the business. Insurance companies must build their capabilities to manage networks with the right balance of standardization and customization, whilst integrating with the telecom business seamlessly and symbiotically.

Today, very few companies can think beyond the traditional business models, but as the environment shifts, these businesses will need to think about what creates scaleable and sustainable distribution. Tomorrow, who knows.... the immense opportunity presented by telecom distribution and customer base may trigger the next wave of insurance distribution.

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# Marketing of Life Insurance

## HAVE THINGS REALLY CHANGED?

DAVID CHANDRASEKARAN EMPHASIZES THAT ALTHOUGH THERE IS A DISCERNIBLE DIFFERENCE IN THE MARKETING STYLES OF THE PRESENT DAY INSURERS, A GREAT QUALITATIVE IMPROVEMENT IS YET TO BE PERCEIVED.

### Introduction

**M**arketing today has become an essential function in trade and commerce in free societies like ours. Both goods and services, however high their quality, do not easily get sold without “marketing support”. The role of marketing is thus crucial for a good sales performance as marketing initiatives prepare the ground and soften the market for a successful sales effort. Life insurance marketing comes under services marketing and poses many challenges as it involves marketing of intangible products.

**The marketing initiatives of the new companies have certainly helped enhance insurance awareness in the country.**

The all important first step in any marketing plan is market research. It provides the basic data regarding ‘market potential’ for an organization to assess whether there is scope for launching a viable operation. Much depends of course also on the way the data is interpreted by the marketing people. We have all heard of the story of a footwear manufacturer who wanted some market survey done before starting operations in a developing country. The two persons to whom he had entrusted the survey job were advised to independently ascertain whether there is a market for footwear in that developing country. Both came out with the same data but drew opposite conclusions. Both of them noted that no one in that country wore any footwear but while one of them concluded on the basis of his survey that there was no scope for selling the company’s products in that country, the other was emphatic in his conclusion that since no one wore any footwear in that country there is huge potential for footwear sales in the country waiting to be exploited! With less than 25% of the insurable population covered under life insurance the potential for life insurance marketing is indeed huge.

This takes us forward to the natural next step: identifying the need and creating awareness about the need among the target group by giving advertisement

messages that hit the target group and promote sales. Advertising and sales promotion activities which also form part of the marketing function take care of these aspects. The objective of these activities is to generate market sentiment in favor of purchasing your product by turning the spotlight on the benefits the purchase of the product can confer on you. The marketing initiatives of the new companies have certainly helped enhance insurance awareness in the country.

Now you move to the next stage ‘Brand Building’ which is done by advertising in the media and launching other publicity activities. There is already an established player in the market place, LIC, and this exercise is therefore to catch the customer’s eye and draw his attention to the fact that they are also there now in the market place.

All these marketing initiatives have been undertaken by all the new players but then their making an entry into the market, has it made any difference to insurance customers at large is the moot question now. Has the 100 hrs and 50 hrs training made the Indian insurance agent in his new avatar as ‘Adviser’, as he likes to be called, more knowledgeable, more skilled in selling and more professional like his western counter part? Has the quality of selling made any better and more ethical? Do people who buy insurance



**The corporate agency, especially where a bank is the corporate agent seems to hold much promise. The full potential of this new distribution channel is yet to be fully tapped.**

do so by taking an informed decision on what is good for them and what is not? Has there been a qualitative change in the insurance buying experience?

When you look around, certain cosmetic changes are clearly visible. There are a whole lot of good looking smartly turned out young people around in the industry selling insurance. The 'tie' is *de rigueur*; and the 'laptop' is the status symbol in the new insurance market. Thinking big in terms of premium is the order of the day and getting into the MDRT the new magnificent obsession. Targets based on sum assured and number of policies are things of the past. Small policies for the 'Aam Admi' are relegated to the micro-insurance domain. And till the market came crashing down the other day; it was 'Ulip', and 'Ulip' all the way!

There are certainly more products on offer today on the shelf. Products also

come with 'riders' which help customise the product offering to suit the customer need. There is a new focus on some old products like term plans and pension plans. We also have the controversial 'Ulips' sold with much gusto as gullible customers turn eager to get rich quick.

Direct marketing, no doubt, seems like an attractive option for the new insurers. But many people who belong to the old school of thought are firmly of the view that this is no way to sell life insurance. The experience in the western world may be different but cannot be replicated in India. You cannot sell life insurance by sending SMSes and the telecallers, whom many find obnoxious, can at best be only 'lead generators' and nothing more.

Two new intermediaries have also made their entry into the Indian insurance market. Of the two, the brokers, seem to be wholly preoccupied with marketing non-life products particularly to institutional customers. The corporate agency, especially where a bank is the corporate agent seems to hold much promise. The full potential of this new distribution channel is yet to be fully tapped.

All the new entrants have established their own distribution channels and there is an energetic thrust for market share by all new players. The ancient behemoth, LIC, is also energized to protect its falling market share by aggressively launching innovative new plans.

Meanwhile the insurance 'cake' itself has grown bigger thanks to the marketing initiatives of the new players. But there is enough potential for every one to tap more.

Has the profile of the insurance buyer undergone a change? Is there a paradigm shift in the way people buy insurance? Alas, the situation remains the same.

Insurance continues to be sold and not bought. Insurance continues to be bought and sold for the wrong reasons. And the 'market conduct', a much talked about subject lately by all concerned, remains the same. In the above background can you expect any qualitative improvement in the sales made? There is just more quantity, because there are more players today in the Indian insurance market place and more agents. Lack of customer education, which is also a marketing function is, in my view, what ails the Indian insurance market. Are the insurance companies listening? The largest public sector bank has been running for sometime an educational campaign for the bank customer. The largest private bank has also followed suit. When will insurers wake up to this great need of the hour?

### Conclusion

Insurance people have always been optimists and hence it may perhaps be appropriate to conclude on a sanguine note using the words of the eminent former chairman of SEBI, Sri Damodaran: "(Life) Insurance was being sold as a tax planning device some time ago, it is being sold as an investment option now (this was said when the Ulips were the flavour of the season) and some day, we hope (Life) insurance will be sold as insurance".

Let us hope that the day is not too far off!

*The author is Retd. Executive Director, LIC of India.*

# Data Driven Business

## KEY TO MARKETING STRATEGY

EASWARAN PR OBSERVES THAT IT SOLUTIONS ARE THE ORDER OF THE DAY FOR INSURERS NOT JUST IN REAL-TIME UNDERWRITING, FRAUD-DETECTION ETC. BUT ALSO AS A GOOD TOOL IN MARKETING.

### Introduction

**M**arketing Challenges: Marketing insurance products in Indian market has always been considered to be a painstaking effort for insurers and other intermediaries like agents, brokers etc, especially in Non-life insurance line of business. Various reasons can be attributed for such a scenario.

### Pre-privatization challenges

- Lack of awareness among the people about the importance of insurance.
- No innovative products catering to the needs of different customers.
- Slowdown approach on important service areas like claim processing and settlement, policy issuance etc.
- Dearth of highly qualified distributors who can convert the prospects to insureds.

### Post-privatization challenges

- Increased awareness and importance of insurance among public especially in urban areas compels more customized products and pricing methodology as per the needs of the customers.
- Competition in bringing new clients; and retaining the existing ones.
- Tariff free regime poses biggest challenge in quoting accurate pricing for the risks covered.

Though the coming days for carriers are not so easy in the marketing space due to

intense competition among themselves, insurers are striving to bring in many marketing strategies to convince the customers and in tapping the business to be stable and remain solvent in the market.

Post privatization and tariff removal demands all the insurers to be very cautious in pricing the risks that are offered to the customers. Customers have become very sensitive and expectations with respect to the kind of service offered to them by insurers have grown a lot in recent years.

Witnessing the current trends in the Indian insurance industry, specifically in the Non-life insurance space, competition among insurers is increasing to a great extent for new business; and retaining the existing business/customers has become even more difficult due to the current economic fluctuations, increasing competitors following private carriers penetration in Indian Insurance market and very importantly the impact due to freedom of tariff regime.

Customer expectations and awareness have significantly increased in recent years, particularly in terms of better and speedy service, accurate pricing and customized solutions. It has become more imperative these days that every customer is serviced based on the customized needs and the type of risk they intend to insure for. In order to achieve the same, it is inevitable that all

insurance carriers look for better predictive analysis than the old system based on common pricing models.

To have a better predictive analysis, accurate pricing of premium, sophisticated underwriting and knowing the customers play a key role which could enable the carriers to project these features as their key marketing strategy.

This document defines how these features can be achieved by insurers by adapting to certain new innovations and changes in the current methodology.

**Customer expectations and awareness have significantly increased in recent years, particularly in terms of better and speedy service, accurate pricing and customized solutions.**



**Though there is a freedom in pricing, insurance companies were not allowed to change the coverage, endorsements, terms and conditions and discounts, etc.**

### Tariff Free Regime

In late 2005, general insurance companies in India and other stakeholders in the insurance market demanded the removal of tariff as it was considered contrary to free market principles. The insurance products need to be priced based on current market conditions; in other words, should be dynamic rather than static.

Accordingly, IRDA recommended tariff free regime to make the Indian insurance sector on par with other developed insurance markets such as UK, US and Japan. The insurers in India were advised to be prepared with the following important decisions to face the new era of underwriting practice, and also ensure a smooth transition from tariff to non-tariff regime:

- Underwriting set up within organization.
- Identify the classes of business that are governed by tariff and the classes that are underwritten individually.

- Identify the rating factors for every class of business that are under de-tariff.
- Review the current terms and conditions and revise the same, if required.
- Train the staff accordingly by ensuring that all of them are well aware of the changes in all aspects.
- Secure guidance and approval from the board for all the new activities initiated from the insurers' end.

### De-Tariff: What & Why

Let's see what we mean by tariff free, and some key points as to why this is imperative for the Indian insurance market. For example: TAC in India has fixed rates for Motor insurance premium by taking a few criteria as rating factors for Comprehensive Insurance, for example :

- Type of Vehicle
- CC (Cubic capacity of vehicle)
- GVW of the vehicle (Commercial types like passenger/Goods carriers)
- Zone of plying the vehicle
- Value of the vehicle

The above fixed rates would be charged for all the customers who would like to insure the same risk, and will not take cognizance of other driving factors like: Driver details, Accident by and earlier convictions of the drivers etc.

Motor insurance is not doing well in the Indian insurance market, though Motor-Class of business is the major class of business segment in India due to various reasons. The primary one notable would be the Liability claims part, which is enormous, and many carriers are still struggling to make underwriting profit out of it.

Considering the above state, de-tariff becomes inevitable. Many carriers have demanded for de-tariff, to bring out their best experiences in underwriting and pricing dynamically based on the current market situation rather than following the static rates and terms and conditions.

Though this is new to our country,

international markets like UK and Europe already have this business process/model in place. Many insurers feel that making tariff free would place them in a better position to take decisions quickly in terms of defining the competitive rates for the risks insured and also define the terms and conditions based on the individual risk type rather than the common methodology followed by all the carriers.

The opening of the private sector in India in 2001 witnessed many big international players entering the Indian insurance market. The market matured and the different segments across India were serviced through new products, terms and conditions, and different pricing to cater to the different needs of the customers. This also encouraged the transition to a tariff-free market.

### De Tariff – Impact

Following the tariff free regime, it has become mandatory that all Insurance companies in India comply with various rules and steps as defined by IRDA.

IRDA was very cautious in not freeing the tariff for all the lines of business at one go. This was to keep the insurance companies from becoming insolvent, as it could have lead to huge underwriting losses. Therefore, it was undertaken in a phased manner.

The first phase involved the freedom of pricing in all the lines of business except for Motor TP. Though there is a freedom in pricing, insurance companies were not allowed to change the coverage, endorsements, terms and conditions and discounts, etc. This somewhat restricted the insurance companies from defining their products with their own experience.

However, the second phase of de-tariffing addresses the above needs.

### Data Driven Business – Future of Indian Insurance market's Key Marketing Strategy

Data being used for accurate pricing of

risks can have a major positive impact for the insurers and can be considered as a part of their key marketing strategy to tap the business. Considering the tariff free regime, it would be essential that the Indian insurance market, especially in the Non-Life insurance, continues to remain competitive. All carriers are under severe pressure to provide the best service to the customers and are forced to go in for innovations in order to bring about operational excellence and be unique in the market.

All insurance companies are striving to become front runners in offering innovative products, including specialized underwriting and pricing methodology to attract customers. The most important innovation is to invest in technology to improve underwriting and claims leakage and also to automate their business process

in almost all areas of insurance business value chain.

All foreign players, with the collaboration of Indian companies, can adapt themselves to the new processes by quickly utilizing their past experience in the international market. Pure Indian players would strive hard to streamline the data that is the foremost weapon for bridging the gap, specifically in the areas of:

- Sophisticated pricing
- Underwriting excellence
- Speedy claims settlement

Building Business Intelligence tools, Data mining, Data warehousing and SOA (Services Oriented Architecture) are on the back burner and will be considered in the future, since the basic application oriented constraints are to be addressed at the first point.

Every organization is willing to take up these initiatives in order to be competitive in the market, which is directly or indirectly aimed at offering improved customer service, resulting in profitability.

### Importance of Data

It would be a very cumbersome and time consuming process initially for the insurers to have a sophisticated pricing model in place for accurate pricing of risk insured after de-tariff. This is because of the drastic changes in arriving at the primary factors for rating would depend on each and every individual risk/property, and the traditional way of fixing the common rate for the same type of risks will not work in this case. What is so important in pricing, underwriting and claims in the world of tariff free regime in equating ourselves to International market is Data.

Given the current scenario in India, the Data has a very important role to play and is treated as the main reference for pricing the premium.

What is Data and why would this be a major factor to be used predominantly in pricing and underwriting? Information with

respect to risk that is placed for insurance, details of proposer or insured etc. can be utilized effectively by the insurance carriers for proper pricing of premium and it also helps enormously in underwriting decisions.

Data can be of different types; some examples of data that are imperative for pricing various risks include:

- Customer credentials
- Past insurance details of risks
- Past claims history of each and every risk insured
- Previous accident details of vehicle
- Accidents and convictions of the named driver using the vehicle.
- Any court case - criminal or civil - in the name of customer
- Moral hazard of the customer
- Solvency details
- Where the customer is residing
- Is self employed or salaried
- Is the customer delinquent

Though some of the above particulars or details are very personal to each individual, most of the information is very valid and useful for the insurance carriers for pricing and underwriting the risks. Merely having the data will not suffice for taking correct decisions in underwriting and calculating the premium. Its completeness, integrity and currency are also critical. Hence it is highly important that the data is kept confidential as it is sensitive, apart from being accurate.

### Data Challenges in India

Having seen the importance of data for pricing and underwriting, the challenge faced by the Indian insurance companies currently with regard to such data is mammoth due to its disorientation and being fragmented. Availability of accurate details or information at right time and the measures taken for non-existence of data are the biggest challenges that we are facing at the moment.

Many businesses are focused on how

**Merely having the data will not suffice for taking correct decisions in underwriting and calculating the premium. Its completeness, integrity and currency are also critical.**

these challenges are to be handled and looking out for any readymade solution that is available in the market to combat these issues.

From the business or insurers' perspective, it is becoming increasingly important to know who you are dealing with. You need to be confident that a business is legitimate and protect your company's assets and reputation. At the same time, even from the customer's point of view, there will always be a doubt about the safety of personal information that has been shared with any organizations and the fear of falling in wrong hands.

The other great challenge is the volume of records/data that will have to be maintained by each insurance carrier. In a country like India, it's going to be huge, in billions of gigabytes.

The maintenance of such massive records by each insurer is not easy, as the infrastructure cost would be enormous. More importantly, not all carriers would be interested to have this kind of a setup as they would feel that they are deviating from their core business of insurance. It would be very difficult for the insurance carriers to maintain this data even if they were interested in it as they would end up with a huge maintenance cost.

Most of the carriers would prefer to invest in their core business activities and try getting these records on request for each and every customer or risk on a need basis from specialists in this field. Some carriers would even go to the extent of charging customers and include those charges as part of the premium as well.

### I.T. Solution Underpinning the Data Challenges

Going forward, as data is going to be of foremost importance as the key differentiator for insurance companies in India to be competitive in the market; any solutions from the technology space to tackle this challenge would be welcome.

**Solutions that transfer the required data electronically to insurance companies on demand would help them in quoting the accurate premium and also in making the correct underwriting decisions.**

Due to the number of insurance carriers increasing in India following privatization, the focus is on stabilizing their business processes. The companies should implement a robust application system for Policy Administration, Claims and Accounts – areas which would help them provide better and faster service to the customers.

Hence, solutions that transfer the required data electronically to insurance companies on demand would help them in quoting the accurate premium and also in making the correct underwriting decisions. With time and with advances in technology, the main medium of transfer of information between insurance companies would be through the electronic media.

### How and why?

In the US and UK markets, many insurers rely on data that can be used for

Underwriting and Rating before issuing an insurance policy. Company's underwriters need access applicant's MVR (MOTOR Vehicle Report) and past claims history data for accurate pricing and underwriting of risks. In order to get the data, all insurers mostly rely on providers of such data services.

These data service providers help improve the operational and financial performance of insurers by improving the processes of risk-acceptance and loss-mitigation – enhancing risk selection, automating underwriting, reducing claim severity and cycle time, increasing efficiency, reducing expenses and improving outcomes.

Those organizations work mainly on collecting the data from different sources like various insurance companies, police departments, banks etc., evaluate, verify and update the data to make it relevant and send it to insurance companies on request.

The key here is that, in addition to data collection and maintenance, these vendors have the technology, tools and services to deliver relevant data quickly, cost-effectively and, most importantly, according to the recipient's requirements.

### Opportunity in India

The opportunity in India for these kinds of data service providers is very bright, following IRDA's decision of De-tariff which compels for the introduction of the new system of premium pricing by insurers.

Technology improvement is at a faster phase in India in all sectors, which builds more confidence in bringing consistency in insurance companies' business processes like streamlined underwriting, accurate pricing and fraud detection in claims due to availability of correct data in right format.

For example: Impact of technology on the police department has been phenomenal, specifically in booking the defaulters by

traffic controllers using different technologies (installing CCTV in traffic signals to identify vehicles that are over speeding, jumping the traffic line etc., and booking them). Most of the penalties are being booked electronically by storing vehicle registration number and the driver's licence number. Introduction of testing for levels of alcohol in case of suspected drunken driving in all urban areas is yet another boon of technology.

As all these convictions and accidents information are very vital for insurance companies for pricing or underwriting, they would go unnoticed if the same is not available to them at the right time. Therefore there needs to be some governance put in place in terms of collecting the vital data from different sources and collate them in one place, enabling appropriate use.

**Introduction of service providers for better and faster service would be the focus. This would help insurance carriers to focus on their core activity by outsourcing this to companies who are specialists or experts in these.**

This would help insurance companies enormously in accurate pricing, underwriting and in claims as it provides them with information even where FIR is not made. FIR is treated as the main base for any motor accident claims by insurance companies in India.

### Data gathering approach

How to gather data from various sources, so that the same can be provided in proper format to insurance companies and brokers etc, is the biggest challenge. Introduction of service providers for better and faster service would be the focus. This would help insurance carriers to focus on their core activity by outsourcing this to companies who are specialists or experts in these. By outsourcing, insurance companies would get substantial amount of savings as well.

The service provider facilitates the insurance underwriting functions by providing quick and easy access to up-to-date information. Combining advanced technology with comprehensive data allows the service provider to deliver timely and reliable results.

The service provider link should be a Web-enabled delivery system that provides insurance companies and agents with instant access to the information so that they can quickly and effectively rate policies at the point of sale.

As part of first phase, the service provider can gather info related to:

- Motor Vehicle reports
- Driver details
- Prior carrier information
- No-claim discount details
- Previous claims history

All insurance companies in India would give the details of the records to the service provider on a daily basis with regard to the following areas:

- New business
- Cancellation
- Renewals

- Re-instatement
- Endorsements
- Claims

The service provider will in turn have a single place where the records can be stored, and the same can be of use to the same company who provided it, or to some other insurance company where the business has migrated to.

With regard to claims details, the two major details that can be valid to have are:

- Claims reported and settled - where the same can be collected from the insurance companies.
- Accidents which did not turn to claims - this is very difficult to gather since the same would not be available with the insurance companies. So the best possible solution would be to have a tie up with the police departments to get the list of accidents reported and compare the same with the data collected from the insurance companies. The rest would be considered as accidents with no-claims, and the records will help understand the history of the driver.

In the case of uninsured vehicles, having a tie-up with the various auto dealers will help.

### Conclusion

For the anticipated revolutionary change in the way the premiums are decided in the years to come, data plays a very crucial role for insurers. Therefore, insurance companies in India capitalizing on this opportunity to bring in the right IT solution at the right time will do well to improvise their model of pricing, underwriting and claims fraud detection; and most importantly can project this as their prime marketing strategy to get the business in the market.

*The author is Business Consultant - Insurance, Accenture, India. The views express in the article are his own.*



# Repudiation of Claims

## FRAUDS IN LIFE INSURANCE

DR. G. GOPALAKRISHNA AVERS THAT DESPITE ALL THE CARE THAT LIFE INSURERS TAKE TO CHECK FRAUDULENT CLAIMS, FRAUDS DO OCCUR THAT AFFECT THE ENTIRE POLICYHOLDER COMMUNITY; WHILE HAVING AN ADVERSE IMPACT ON THE BOTTOM LINES AND REPUTATION OF INSURERS.

### Repudiation

**R**epudiation of a claim in an insurance contract would mean conveying the decision of denial of liability under the circumstances leading to such recourse by the insurer. The insurer needs to notify the insured of that decision and the intention to rescind the contract, supported by reasons thereof. How, why and when it happens is a breath-taking question.

### General Position

The business of life insurance is effecting contracts whereby a person (insurer) agrees, for a consideration (that is payment of a sum of money or a periodical payment, called the premium) to pay to another (insured or his estate) a stated sum on the happening of an event dependent on human life. In essence, right to payment of the sum assured by insurers in certain circumstances is acquired by the assured and in consideration the assured agrees to pay the stipulated premium.

### The Principle of Uberrima Fides

A contract of life assurance is a contract of "*uberrima fides*," i.e., a contract requiring the utmost good faith, and proceeds on the basis that every material fact concerning the health of the life to be assured and that of his family is

disclosed. Prior to the contract, the insurer is entirely ignorant of the premises upon which the contract may be founded and he has to depend for them upon the statements of the life to be assured. The life to be assured is, therefore, required to state correctly and truly not only all matters of fact within his knowledge which he believes to be material for the consideration of his proposal, but also all matters which in point of fact are so. If he conceals anything which he knows to be material, it is a fraud; but besides that if he fails to disclose anything that may influence the insurer in arriving at a correct decision, although he does not know that it would have that effect, such non-disclosure would also entirely vitiate the contract.

### Provisions of Section 45 of the Insurance Act, 1938

Under this Section, a policy which has been in force for two years cannot be disputed on the ground of incorrect or false statements in the proposal and other documents, unless it is shown to be on a material matter and was fraudulently made. This provision is meant to protect policyholders from suffering for minor inaccuracies on stated facts.

It will, therefore, be seen that in all cases where evidence is available either during

**Prior to the contract, the insurer is entirely ignorant of the premises upon which the contract may be founded and he has to depend for them upon the statements of the life to be assured.**

the currency of the policy or on the claim arising by death, to show that the life assured had made an untrue statement in the proposal or personal statement, and where two years have not elapsed from the date on which the policy was effected, the insurer would be entitled to repudiate the policy contract, no

**It is not possible to lay down any hard and fast rules or procedure as to the precise manner of making enquiries to cover all types of cases.**

matter whether the untrue statement was material for the consideration of the risk or not, and whether it was fraudulently made or not. Where, however, two years have elapsed from the date on which the policy was effected, the insurer is required to prove not only materiality of the misstatement but also knowledge and fraud on the part of the proposer.

In dealing with the cases of the first category, i.e., where two years have not elapsed, it may be noted that it is not the policy of the insurer to avoid a policy contract on a mere inaccurate statement not material for the consideration of the risk, except in cases where there is a strong suspicion of fraud and where attempts made by the insurer to obtain proper evidence in support thereof have been thwarted by the claimant.

### **Policies Issued Outside India**

Section 45 of the Insurance Act is

applicable only to policies the sums assured under which are payable within the Indian territory. Policies payable outside the Indian territory are governed by the law of the country in which the policyholders reside, and offices situated out of India are required to find out whether any Act or Regulation similar to the Indian Insurance Act is in operation locally, and act in accordance therewith in deciding whether materiality and knowledge would be required to be proved, or proof of mere mis-statement or inaccurate statement would be sufficient for the purpose.

### **Early Claim**

If a life assured dies within a short time after effecting the policy, it is put on enquiry as to whether death was due to an ailment which the deceased could have developed after insurance was effected; or whether it was the result of a disease or illness from which he had suffered prior to the date of covering the risk, and which he had not disclosed in his proposal or personal statement or before the conclusion of the contract, as required by the terms of the Acceptance Letter. It is not possible to lay down any hard and fast rules or procedure as to the precise manner of making enquiries to cover all types of cases. Each case has to be considered on its merits.

Claims arising by death of a Life Assured within two years from the date of covering the risk or within two years from the date of last revival or reinstatement of a policy are to be considered as "Early Claims." However, in cases of revivals or reinstatements, except where the claim is *prima facie* suspicious, such claim need not be treated as an "early claim"- and as a consequence investigation may be dispensed with if certain conditions are satisfied. Investigation of claim may be waived, even where such conditions are

not satisfied, and even where death has taken place due to accident or there is no suspicion of suicide or the suicide clause in terms of the particular policy contract, is or has become inoperative.

### **Major Types of Fraudulent Claims**

Various types of cases would arise and as it would not be possible to deal with all, a few major types, which offices would usually come across in dealing with Early Claims are stated:

- Where the insurer has been induced to issue a policy by misstatement of material facts or fraudulent suppression of true facts about personal or family history, etc. at the time of proposal or before completion of the contract or at the time of revival of a lapsed policy.
- Where the company has been induced to issue a policy by gross understatement of age.
- Where due to similarity in names, or in the case of twins, the deceased person is found to be some one other than the Life Assured under the policy.
- Where the death of the Life Assured has not taken place at all, and attempts are made to recover the policy monies by submitting fictitious claim certificates etc.
- Where the insurer has been induced to issue a policy by impersonation.
- Where a policy has been obtained by way of gambling on insurance, otherwise known as wagering contract.

### **Principle of Waiver**

Whenever a proposal is declined it is generally the practice of the insurer to keep records of such cases in what is known as Declined Card Index, in which relevant particulars are maintained. In cases where the claim is repudiated on the ground of non-disclosure of correct information about the declinature etc.

of a previous proposal, the claimant may contend in a Court that in view of the existence of the Declined Card Index, the company was not justified in repudiating the claim, because through the medium of its Declined Card Index, it could and should have discovered the true position before accepting the further proposal which resulted in the claim; and that since the company did not do so, it should be deemed to have waived its right to raise that issue when the claim arose. This plea is untenable and the rule of law which has been upheld by the Calcutta Appeal Court very early in the case of *Asima Sarkar v. The Western India Life Insurance Company Limited*, reported in (1942) 1 Cal. Page 100, is (1) that in order to succeed, the claimant would have to show to the satisfaction of the Court that when the office considered the proposal it had actually referred to the Declined Card Registry in question and the case in particular, and in spite thereof it accepted the proposal; and it is not enough to simply say that as the office was maintaining the Card Registry, it should have referred to it, and that if it did not, it should be presumed to have waived its right thereafter; and (2) that a clear case of “waiver” is one in which the office at the time of considering the proposal had taken into account the fact that a previous proposal on the same life had been declined, deferred etc. and specifically states in its Acceptance Letter that in spite thereof it has decided to undertake the risk.

### Deceased Person Different from Life Assured

Mistake in the identity of the life assured is likely to arise because of a similarity in names. Cases of the following nature have actually occurred in the past. Two persons bearing the same name were residing in the same place or locality. One of them was insured, while the other was

not. After the death of the latter, a premium notice meant for the insured person bearing the same name, came to be wrongly delivered by the post office to the widow of the deceased person. The widow took it for granted that her deceased husband was insured under the policy mentioned in the Premium Notice and a claim was put in. While in some cases, the mistake was detected by the office concerned in the course of correspondence, or on a proper scrutiny of the claim forms, in at least one case it happened that the claim was wrongly paid to the deceased’s heirs and the mistake was discovered only when the real life assured turned up subsequently at the office to make enquiries about the payment of his premiums. Human nature

Usually it is the tendency of the perpetrators of frauds to put in a claim before even the second installment of premium under the policy has fallen due.

being what it is, advantage may also be deliberately taken of the similarity in names in some cases to prefer a fraudulent claim. It is, therefore, very essential that the claim forms should always be carefully scrutinized with a view to verifying the identity of the deceased person. The particulars contained in the claim papers should be examined with care and checked up with those contained in the proposal and policy papers, and if any discrepancy is observed in the full name of the deceased or his address, age, father’s name, particulars of family, identification marks, place of birth or death; or in the name, address, age etc. of the nominee or assignee, if any, the case should be handled with great caution and searching enquiries should be made in order to eliminate the possibility of a mistake in identity.

### Death of the Life Assured Did Not Take Place – False Claim Made

There is another type of fraudulent claims which offices are likely to come across. It may happen that an unscrupulous Life Assured himself or another person who may have made him to take out a policy with dishonest intentions, may conspire in collusion with other accomplices to put in a death claim while the Life Assured is alive, with a view to defrauding the company.

It is no doubt difficult to detect a fraud of this type from a mere scrutiny of the proposal and claim papers. Usually it is the tendency of the perpetrators of frauds to put in a claim before even the second installment of premium under the policy has fallen due. Where a very early claim has been received, proper enquiries should be made in order to find out whether the person on whose life the policy was issued ever lived at the address given in the proposal form, and was



carrying on a trade or profession mentioned in the proposal, and whether the information about his death having occurred is correct and, if so, whether he died due to natural causes. If he is reported to have died at some other station, searching enquiries should be made at that place on similar lines and also when and why he had gone there. If he had lived with his friends or relatives, they should be questioned and if they appear to be shifty in their statements, the enquiries should be pursued vigorously. The Death Register pertaining to the alleged death of the Assured should be inspected carefully, in order to see whether the entries relating to the death are in natural order. The Doctor who issued the Medical Attendant's certificate should be contacted and his records of treatment of the alleged deceased should be scrutinized. Declarants of Certificate of Cremation and Certificate of Identity should also be interviewed; in some cases it may turn out that the signatures of the Declarants are fictitious. The Doctor and the Declarants may be in actual collusion with the conspirators, but if they are closely and tactfully interrogated, they are likely to betray themselves and give out some clue with which to work on. The records maintained at the burial or cremation ground, as the case may be, should also be examined whether the entry relating to the assured, had been made in the ordinary course on the date on which the burial or cremation took place, or whether it had been inserted later on.

If as a result of investigation, it is felt that there are reasonable grounds to suspect that the person whose life was insured is not dead and that a fraud has been perpetrated (as distinct from a case of suppression of material facts relating to health, age, family history, previous history etc.), a complaint should be filed with the police for further investigation

**A person is said to have suppressed information on a material point when the information suppressed is such that had it been disclosed, it would have resulted in deferring consideration of the proposal or charging an extra premium, or accepting the proposal on terms other than those proposed, or declining the proposal.**

of the case in order that a decision to repudiate the claim may be strengthened.

### **Wagering Contract or Gamble in Insurance**

Where there is a suspicion that a deceased Assured has not got sufficient means to maintain the policy which resulted into a claim, and if there is an assignment or nomination of the policy in favour of some one, other than a close

relative, proper enquiries should be made with a view to finding out what was the real income of the deceased when he proposed for the assurance, and who paid the first and subsequent premiums. If the deceased Assured is found to have not been in a position to maintain the policy and if it is found that the assignee or nominee had paid the first and subsequent premiums, it would be a "Wagering Contract" entered into by the assignee or nominee with the view to benefit himself and the claim should be repudiated.

### **Hazardous Occupation**

Although after the issue of a policy it is free from all restrictions as to occupation, if, in any Early Claim case, the claim papers show that the deceased's occupation or pursuit at the time of his death was of a hazardous nature while that stated in the proposal was non-hazardous and the cause of death could be attributed to that hazardous occupation or pursuit, proper enquiries should be made of the employers or the authorities concerned, in order to find out since when the deceased had been engaged in the hazardous occupation or pursuit even at the time of his proposal, of which proper evidence is available, the matter may be referred to the Underwriting Department enquiring of them as to how the disclosure of the true nature of occupation or pursuit would have affected the consideration of the proposal at the inception. If in the opinion of the Underwriting Department, the occupation was such that, had it been disclosed, it would have resulted in the proposal being rejected, deferred or accepted on terms other than those proposed, then the claim needs to be repudiated.

### **Material Information**

What is material information is a question

of fact. A person is said to have suppressed information on a material point when the information suppressed is such that had it been disclosed, it would have resulted in deferring consideration of the proposal or charging an extra premium, or accepting the proposal on terms other than those proposed, or declining the proposal.

### Correlation Between the Cause of Death and a Previous Illness

It is not necessary, for the purpose of repudiation of a claim, that there should be any correlation between the illness which caused the death and the illness which was not disclosed, even in cases where Section 45 of the Insurance Act, 1938 applies, so long as the illness suffered from was of such a nature that its disclosure would have affected the decision in accepting the proposal as stated above.

This view is supported by the following

**Claimant has the right to a fair, quick and correct claim decision, and this is every insurer's duty and responsibility to ensure.**

passage appearing in Bunyon's "Law of Life Assurance":

"Whether the case be that of a warranty, misrepresentation or concealment, the question of materiality is not, in any degree determined by the event. The contract is void in its inception. It is not rendered less so by the circumstance that death may have arisen from some cause totally unconnected with the fact warranted, misrepresented or concealed."

### Conclusion

While this is the general position, a vast majority of claims received by an insurance company are settled with minimum of delay and effort, either for the policyholder/claimant or for the company. Claimant has the right to a fair, quick and correct claim decision, and this is every insurer's duty and responsibility to ensure. Wherever failure is noticed on the part of any company, in view of their social responsibility to provide reasonable security to policyholders, the Consumer Forums and Courts, even while recognizing the need for repudiation in legitimate cases, have passed strictures against the companies for rejecting claims on frivolous and technical grounds. Hence, claim processes in insurance companies are now streamlined and designed to serve the purpose and to provide support to all valid claims. Moreover, consciousness and resourcefulness to keep repudiations to the barest minimum will serve to increase the business growth and better reputation.

Consumers the world over have been generally cynical about insurance as a reliable risk management instrument. Insurance is a device where the sacrifice is real and immediate (i.e., payment of premium) while the benefits to be reaped are distant and contingent (i.e., only when the claim amount is paid). Incidence of

this is the only instance of evidence of the concept of insurance to the customer. Repudiation of claim by the insurer hits at the very root of the faith and confidence of the insured/claimant. A general feeling or disbelief of the customer towards insurers and insurance is that their claims do get rejected, for one reason or the other. Hence, the claimant under a death claim deserves the most sympathetic consideration and attention; and all efforts should be made to settle the claim at the utmost priority.

However, since a life insurance policy is a contract on the principle of utmost good faith, there are instances where early claims need to be investigated to make sure that they are genuine. All insurers are very cautious in denying liability under a policy. Claimants of such claim are given all explanation and reasons for repudiation. Further, reasons for rejection of claims have to be cogent and have to be suitably communicated to the insured, failing which the aggrieved (insured) has a right of action against the insurer.

There are, however, cases where the extenuating circumstances of the cases, humanitarian grounds or lack of strong evidence merit reconsideration of the cases. Depending upon the merits of the case, the decision on reconsideration may be to pay the repudiated claim on *ex-gratia* basis in full or in part or to the extent of the refund of the premiums paid.

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# Motor Theft Claims

## NEED FOR CONCERN

JAGENDRA KUMAR WRITES THAT IN SPITE OF ALL THE MODERN TECHNOLOGY BEING DRAFTED INTO DESIGNING ANTI-THEFT DEVICES, THEFT OF MOTOR VEHICLES IS STILL ON THE RISE.

**R**ecently a Mumbai businessman, who had traveled to the Hiranandani Complex in Powai for work, was left stunned when his Rs 25 lakh Pajero vanished from the parking lot. Later, he found out that the thieves had been tracking his vehicle ever since he started his journey from Pune. The police had been regularly clamping down on inter-state gangs but are rarely able to trace the mastermind as each gang member knows only his role in the racket. They operate on a need-to-know basis. While one gang-member actually steals

the vehicle, another is given the role of changing its number plates and preparing fake papers. A third member drives it out of town for sale. The businessman's stolen Pajero from Powai was sold for as less as Rs 1.25 lakh.

This is not just one incident that took place in the country. Every day, from some place some costly vehicle is stolen like this. In India, all Indian vehicle owners are expected to opt for **vehicle insurance** as it is mandatory. The Motor Vehicles Act is the legal reference point in case of doubt. Under the India Vehicle Insurance policy, a vehicle is insured against the market value of the car. The price in a typical Indian insurance policy is regulated by the law, so price variations do not differ significantly. However, the scope of cover and ease of services may vary between different insurance companies. Insurance companies offer two levels of cover under vehicle insurance. The first type is third-party insurance. This covers financial loss that happens to another person's property in an accident. The second type of vehicle insurance offers comprehensive cover that provides third-party benefits and covers damage to the insured vehicle. This policy can be extended to cover tariffs, motor services and modification in the vehicle. In recent years in India there is a boom in the automobile sector with a

high growth rate and MNCs making a beeline into the country. But due to this and acute traffic chaos, the number of auto accidents are also soaring. So the desirability of opting for auto insurance has accelerated. Auto insurance is obligatory for all new vehicles be it for commercial or personal use. Simultaneously incidents of auto theft all over the country are on the rise. As per reliable sources, data reveals that:

- More than 40,000 vehicles worth Rs 140 crore are stolen in our country every year, mainly in the metropolitan cities.
- Less than 15,000 vehicles are re-traced. Interestingly motor vehicle thieves seem to prefer motorcycles over cars.
- Motorcycles are being targeted the most. A two-wheeler can be stolen just by unlocking it with a duplicate key. Moreover, selling a stolen motorcycle in the disposal goods market is easier compared with selling a stolen car or a heavy vehicle. Also, hiding a two-wheeler is easier. Motorcycles have always caught the fancy of those who step into the world of crime at a young age. The underprivileged steal them because of need of money or to show off among their friends.

### Why Motor Vehicles are Stolen?

Motor vehicles get stolen for a host of reasons. It could be a temporary or long-

**Selling a stolen motorcycle in the disposal goods market is easier compared with selling a stolen car or a heavy vehicle.**

**Thieves also find it profitable to sell expensive equipment and accessories of the car such as stereos, batteries and other decorative parts of the cars.**

term use of transportation, hoping that it will not be detected by the police. In some cases it is found that the accused steal the vehicle for a joyride and later abandon it. Sometimes the stolen vehicles are dismantled and their parts are sold off as spare parts or built into new vehicles. But mostly the vehicles are stolen and resold to unsuspecting customers in Haryana, Punjab, Bihar, Rajasthan or Uttar Pradesh. Different motives of theft are as follow:

- **Motor Vehicle Theft for Re-Selling Vehicles-** Main motive of most of the crimes is earning a fast buck and vehicle thefts give a good return for the risk involved if the vehicle is resold as it is or after Re- Registration under some other Transport Authority on the basis of fake documents.
- **Motor Vehicle Theft for spare/accessories-** A motor car and most often

its components are items in steady demand. An engine of Hero Honda bike is used in various other machineries like agriculture pump set. A thief may steal it for removing its spare parts/accessories; because stealing a car is easier and faster than theft of parts! At last they abandon vehicles after petty thefts.

- **Motor Vehicle Theft for joy riding** – Wayward youngsters always enjoy others' things; especially if it is a well maintained vehicle. But the good thing is they abandon it after using /enjoying it for some time. It is back to the owner if correct particulars of the vehicle have been given to the police.
- **Motor Vehicle Theft for committing other crimes** - Criminals of all kinds require means of transport to commit crimes like Robbery, Dacoity, and Smuggling etc. One good thing about this is that they also abandon these vehicles after short use. It can be restored to the real owner if correct particulars of the vehicle have been given to the police.

### Spurt in Auto Theft Cases

Though incidents of dacoity, attempt to murder, robbery and criminal assault have shown a considerable fall in the Metros over the past one year as per the latest figures of the Delhi police; a sudden spurt in cases of motor vehicles theft coupled with an abysmally low workout rate reflects poorly on the ability of the police to crack down on such gangs.

- As many as 9,895 cases of motor vehicle theft were reported in 2008, a whopping 23.08 per cent increase over 8,039 cases in 2007. Even worse, only 19.55 per cent of these cases could be worked out in 2008 compared to 21.51 per cent the previous year.
- Seen in the context of the Capital's (Delhi) overall crime scenario, motor

vehicles theft alone contributed almost 25 per cent of the total IPC cases reported in 2008.

### Recirculation

As India is emerging as an economic super-power, many people are now able to afford cars. This goes to show the buying power of the country but this development has given rise to increase in the crime rate of car theft. These stolen cars are sold by changing their chassis number in another city or neighboring countries. Thieves also find it profitable to sell expensive equipment and accessories of the car such as stereos, batteries and other decorative parts of the cars. Car-lifting cases have shown an increasing trend, but there is a declining trend in tracing of these vehicles. Without any proven method of tracking the cars, only 10 percent of the total stolen vehicles are recovered.

### Common Tools of Theft

Carjacking is the forceful theft of an occupied vehicle. Most car jackings happen in as little as 15 seconds, when the thief suddenly appears and demands that the driver surrender the car. The FBI reports that the primary motives for carjacking are to secure transportation after robbing the driver to obtain transportation to commit another crime, such as drug trafficking. Common tools used by the vehicle stealers are:

- Slice Hammer Puller to break into the door locks and the cylinder lock.
- Multimeters or a test light to find the source of the battery.
- Spare wires and/or a screwdriver to connect the battery source to the ignition and starter wires.
- A generic rod and hook toolkit to slip between the car window and car frame; and to open the lock behind the window.

New keyless ignition/lock cars often share the same 40-bit encryption method between their “keys” and their computers. Using a RFID Microreader and a laptop, university students have managed to remotely unlock, start, and drive away in top-of-the-line luxury cars, not without returning the cars to their rightful owners of course and with their consent to “steal” it in the first place.

### Total Loss Claims in Insurance

There can be two types of total loss to a vehicle insured under a Motor Insurance policy.

- The claim could be considered to be a total loss where the vehicle is totally damaged and when the cost of repairs/replacement is 75% or above of the IDV.

**If the vehicle is found damaged, and is to be indemnified against that loss or damage; the insured is advised to obtain a recovery memo from the police and to get the vehicle surveyed at the police station before taking delivery.**

Such total loss claims are settled on net of salvage basis i.e. salvage being retained by the insured. Appropriate amount towards salvage value as determined by the surveyor in consultation with the company is deducted from the Total Loss amount. The R.T.O is informed by Registered A.D. Post informing non-use of the vehicle.

- Another one is theft of the vehicle. It may include the cost of accessories, extra fittings or installations. In theft cases invariably investigation is arranged by insurers through an investigator.

### Documents Required

In case of a theft claim of the vehicle, the insurance company requires various documents. In addition to the Registration Certification and Driving License which are normally required in every OD claim, insurance company would require the following documents.

- Policy with 64VB compliance.
- First Information Report. (FIR)
- Final Report. (FR)
- Surrender of Original Documents of the Vehicle - RC, Fitness, Permit, certificate of Insurance /Policy.
- The copy of letter written by the insured to police authorities regarding receipt of the claim from insurer and thus creation of the interest in case there is recovery of vehicle.
- Letter to National Crime Records Bureau (NCRB) for record.
- Ignition keys of the Vehicle.
- Letter of Indemnity and Subrogation.
- N.O.C. from Finance Company in case the vehicle is hypothecated.

It should be recorded in panchanama/recovery memo if parts are found missing or changed after recovery of stolen vehicle. Here insured should send a registered A/D letter to the SP/ACP

requesting that the insurer should be informed of any recovery.

### On Recovery of Stolen Vehicle

**Before settlement of claim:** The insured is asked to take the vehicle in his possession. If the vehicle is found damaged, and is to be indemnified against that loss or damage; the insured is advised to obtain a recovery memo from the police and to get the vehicle surveyed at the police station before taking delivery.

**After settlement of claim:** In a situation where the stolen vehicle is recovered by police, insurer initiates the process of recovering the vehicle. After getting the possession of stolen vehicle, the insurance company disposes it off and adjusts the amount against the paid claim. The insured may also be asked to take the vehicle and in case the insured is willing to take the vehicle in his possession, then he has to refund the claim amount already paid to him by the insurance company. Where a theft claim is settled, the policy is cancelled for the remaining period. After theft, the vehicle is either not in use or does not stand in the name of registered owner; hence the policy can not be continued. After settlement of theft claim of a vehicle, the RTO and NCRB are informed. Insurers exchange the theft data to monitor the stolen vehicles and avoid multiple claims on the same vehicle.

### The Role of NCRB

The National Crime Records Bureau (NCRB) based in Delhi collates information on crimes across the country. Motor Vehicle theft is one of the heads under which the crime is classified. The NCRB maintains computerized records of missing vehicles and recovered vehicles; and allows prospective car buyers to check their database before buying a used vehicle. Stolen vehicles usually find their way into used car markets in another part of the



country where unwary buyers can end up with a vehicle that has forged registration documents. The NCRB database can be queried at [www.ncrbindia.org](http://www.ncrbindia.org). The data available in Crime Records Division is used for the purpose of co-ordination of recovered / seized Motor Vehicles with data of lost / stolen Motor Vehicles and vice versa. To ensure proper co-ordination, the concerned District Superintendent of Police is informed through wireless message accordingly. The data of Motor Vehicles is also used to fulfill the need of issuing theft clearance reports to all the Transport Authorities of Delhi Administration, and certain other States for the purpose of transferring the ownership of the vehicle.

### Close Proximity Cases

Wherever the loss has occurred within seven days of the issuance of cover, claim is termed as “close proximity” claim. Detailed investigation is arranged to ascertain the circumstances of the loss and to see whether the insurance cover has been obtained after occurrence of the loss. The close proximity is in reference to new insurance or where there has been a break in insurance. The point of close proximity is not applicable where there is continuous renewal of the policy without any break. In close proximity cases, the pre-inspection report is the basis of settlement. Here the *mens rea* (intention of the insured person) plays an important role. In case of an already stolen vehicle, neither the pre-inspection of the vehicle is possible nor the insurance.

### Auto Theft Security Devices

In the market, there are basically different types of security systems available such as centralized locking system, in which the car is locked or unlocked by its remote controlling

**The close proximity is in reference to new insurance or where there has been a break in insurance. The point of close proximity is not applicable where there is continuous renewal of the policy without any break.**

system. This is the most commonly used security system. A special type of sensors is applied in this device that begins beeping loudly if someone tries to open it forcefully and the main unit is hidden somewhere inside the car, which a thief cannot find or deactivate easily. Another technique is gear lock in which the system locks the gear of the car, so that even if the thief manages to get into the car; he/she cannot drive it away. Steering lock is another form of a security system. Besides these, clutch lock and brake lock also work in preventing the theft of the car. In order to secure the vehicle, several devices may be installed to deter or prevent theft of the car or any of its parts

or contents. Anti-theft devices, expensive or not, are going to deter the inexperienced thief. Following installations of anti-theft devices also would provide obstacles to thieves:

- **IGNITION CUT-OFF:** A key-operated or hidden manual switch that interrupts the power supply from the battery to the ignition.
- **FUEL CUT-OFF:** Integrated into the fuel line, this device prevents the flow of gasoline once the fuel in the gas line is used. Only a special key deactivates the cut-off.
- **IGNITION COLUMN GUARD:** This security device can provide protection to the ignition starting system. The device fits around the steering column and over the ignition starting system.
- **DOOR LOCKS:** Visible inside door lock buttons should be smooth and tapered.
- **ANTI-THEFT STEERING WHEEL LOCK:** Locks on and prevents steering wheel from turning. Its high visibility deters theft.
- **TRUNK LOCK:** As an auxiliary or secondary locking device, a heavy duty chain lock may be installed inside the trunk and is key-operated.
- **MICRO VEHICLE BLACK BOX:** Micro vehicle black box is a next generation anti-theft security system. This is a new concept, which is in a testing phase to track the stolen car through cell phones. It is compatible with all GSM or CDMA mobiles. With the help of this service, it will be easy to make the car immobilize; also this service will help to know about the unauthorized entry in the car, and location of the vehicle. Through this service it will be easy to make two-way communication with the driver and transfer of command.

### GPS Tracking Device

GPS is a compact handy device like mobile

phone with enabled combo technology of GPS and GPRS that track mobile vehicles through using four visible satellites. The satellites send the signals to the GPS receiver and it calculates the signals and informs about the exact position of the vehicle on the earth. The calculated data is sent on web server provided to users by the GPS service providing company. The company provides a web based login account to access the data from the web server. Using this account, the user can track one or more vehicles at a time. The GPS device provides the complete data about the vehicle like its status, maximum speed, motion hours, distance covered and stationary timing and duration. As technology is advancing, more and more security systems are surfacing in the market. Now by the use of satellite or mobile phone it is easy to track the mobile vehicles.

**Motor Insurance policy is necessary for all motor vehicle owners since it shields them from legal liabilities that might occur during their vehicle maneuver. It is true that a policeman cannot be deployed at every nook and corner.**

Auto Insurance companies are coming out with wide-ranging policies for their customers. And to encourage the customers to take at least low cost car insurance or cheapest car insurance the insurance companies are offering varied discounts and cheap car insurance online. They are also tying up with foremost automobile manufacturers for a speedy insurance procedure. Auto insurance companies have come out with only Package insurance plan to cover the theft of four wheelers, two wheelers and all types of commercial vehicles. To a thief, there's nothing like a car because of its self propelled and fully equipped property for a fast getaway. The car and especially its components are items in constant demand. A comprehensive Motor Insurance policy is necessary for all motor vehicle owners since it shields them from legal liabilities that might occur during their vehicle maneuver. It is true that a policeman cannot be deployed at every nook and corner. People need to spend some money on putting proper security locks in their vehicles. When people can spend a treasure on acquiring vehicles, they can also afford to spend a few thousands on the security apparatus. But the best bet would be the manufacturers doing so in all earnestness rather than indulging in fancy, meaningless gimmicks they generally tend to come up with.

The makes and models of vehicles most frequently stolen vary by several factors, including region and ease of theft. Recovery rates for stolen vehicles vary, depending on the effort a jurisdiction's police department puts into recovery, and devices a vehicle has been installed with assist in the process. A vehicle may be insured against loss or harm by accident, fire, theft, while in transit, third party accident etc. A vehicle insurance policy protects the motor vehicle owners from the risks of - Fire, Explosion, Self-

Ignition and Lightning, Burglary, Housebreaking and Theft, Riot, Strike, Malicious and Terrorism Damage, Earthquake, Flood, Typhoon, Hurricane, Storm, Tempest, Inundation, Cyclone, Hailstorm, Accidental External Means, Transit by road, rail, inland waterway, lift, elevator or air. One can take a low cost motor insurance also covering Third Party+Theft liability only. Insurers expect that owner or authorized driver of a vehicle should not leave the vehicle unattended without locking the ignition and removing the key. A significant number of automobiles are stolen because drivers fail to remove ignition keys. Police departments use various methods of recovering stolen vehicles, such as random checks of vehicles that come in front of a patrol unit, checks of all vehicles parked along a street or within a parking lot, or keeping a watchlist of all the vehicles reported stolen by their owners. In Europe, vehicle tracking system, such as LoJack or Automatic vehicle location enable the location of the vehicle to be tracked by local law enforcement or a private company. Other security devices such as DotGuard microdots allow individual parts of a vehicle also to be identified and potentially returned. In India, despite all innovations, security systems and police control, the graph of theft of vehicles is rising rapidly; and the situation is alarming in various states, which needs to be curbed drastically.

*The author is Corporate Head (Trg.), Shriram General Insurance.*



# Economic Status of Informal Sector

## ROLE OF INSURANCE

'PROVIDING SOCIAL SECURITY FOR THE INFORMAL SECTOR IS A CRITICAL COMPONENT OF TRANSFORMATION OF SOCIAL AND ECONOMIC STATUS; AND INSURANCE SHALL BE THE ESSENTIAL INGREDIENT OF THIS SOCIAL SECURITY' ASSERTS DEVARAKONDA V S RAMESH.

Provision of social security benefits to the entire population of a nation, in general and to the needy, in particular is one of the age old traditions being adopted by various nations. Though initiated as *gratis* by a few individuals and institutions, it culminated into one of the main welfare objectives of modern nations. The need for providing social welfare measures is imminent in the social and economic imbalances that are inherent in societies in general across the globe. Even though there is a sea change globally in the approaches of successive governments in structuring their economies and scaling the life styles of their populations, the core idea of protecting the social fabric of the societies remained the prioritized item in their respective agendas. When the blossoming civilization gave rise to protective solutions like insurance to insulate against unforeseen ravages, the ability of a few individuals enabled them to get the social security cover on organized lines leaving the other end of spectrum; those who are unorganised and informal, with no formal social security coverage, which eventually widened the

**If social security of the unorganised is not squarely prioritized alongside the organized, it will severely affect the social fabric.**

socio economic gaps. If social security of the unorganised is not squarely prioritized alongside the organized, it will severely affect the social fabric. The right to public assistance in case of unemployment, old age, sickness etc. enshrined in Article 41 of Constitution of India as Directive Principles of state policy point towards the importance of social security. But limitations on the part of

Governments to cover the increasing social security needs reengineered the structuring of the solutions in the form of insurance, based on the principles of spreading the risks among large numbers. However, the process of covering the lives and habitats of these sections remained long unfulfilled; and here comes the role of insurers also as part of their Corporate Social Responsibility.

In an economy like India where insurance awareness and penetration are low, organizing the social security needs of the unorganised sections through insurance needs an organized footing. Therefore holding the beacon of developmental responsibility, IRDA framed regulations on rural and social sector obligations for insurers in the year 2002. Through these regulations, it is attempted to channel the flow of the results of the reforms of insurance sector to the rural and social sector. It is not uncommon for the regulators to mandate norms for an even spread of the business, especially in the services, be it in one form or the other. Universal Service Obligation Fund designed by Telecom Regulatory Authority of India (TRAI) is

another such model in telecom sector in India. When the reforms of the sector enhance the customer choice, the availability of these insurance services is expected to garner the numbers. Here comes the social sector factor.

The Indian labour force's social status is quite pitiable. The movement from organized to unorganized and vice-versa is common and rarely tracked to monitor the continuous availability of any social security needs. As per the data of the National Commission for Enterprises in the Unorganised Sector, the absolute numbers of total employees and informal sector workers during 2004-05 are 457.46 millions and 420 million respectively. Thus the informal sector constituted more than 90% of the total employees. Of the informal sector workers; 64.02% are in the agriculture sector, 15.28 % in industry and

20.61 % of persons in services sector. It is also apt to quote that 79.79% of informal sector workers are in rural areas and 34.21% are female workers. The social status of lower strata of Indian women has yet to equate with that of their male counterparts. It is estimated that only around 6% of informal workers were covered by various social security schemes by the year 2000. The vagaries of monsoon badly affect the agriculture sector and are known to be responsible for the fluctuating numbers of vagrants. It is estimated that 60-70% of Indian migration constitutes rural to rural movements. When it comes to overall contribution, the unorganised sector is second to none. An estimated 58 million small scale enterprises in non-agriculture un-organized sector employing less than 10 workers contribute around 31% of our GDP. The data speaks of the importance of integrating the social sector into financial inclusion, and insurance in particular through mandatory obligations. The National Commission on Enterprises in the Unorganised Sector (NCEUS) defines the unorganised sector as 'all unincorporated private enterprises owned by individuals or households engaged in the production and sale of goods and services and operated on a proprietary or a partnership basis and employing less than 10 persons'.

There is altogether a different dispensation that is required, be it in product design or distribution, when it comes to insuring the lives, habitats and other insurance needs of small scale enterprises of these unorganised sectors. The profile of the unorganized sector of the rural areas differs from that of the urban. While in rural areas the unorganized mainly occupy in agri based industries, in urban areas they get scattered in various areas like hawkers,

street vendors, rag pickers etc. Also within the unorganized, there is need for customization of product design and distribution based on these specifics.

### Product Design

One of the main shortcomings of the population of this sector is uneven and scattered income patterns. This scratchy model of earnings at times affects their livelihood limiting their ability to pool up the savings to meet their immediate social security needs like insurance. Moreover, these income trends also land them into the clutches of vicious credit cycle. Products with premium holidays may offer a solution in meeting the insurance needs of these sections. The scattered income patterns also warrant facilitating fragmented premium payment models - say daily, weekly etc. However, in the event of the presence of a single nodal agency, products of this nature may also be considered on a group insurance basis. The provision of the social security benefits to unorganised sector workers proved successful in respect of many associations when the same were implemented under the auspices of a nodal agency. Of them the following two cases are worth mentioning here.

#### *Tapping the services of welfare funds - Kerala State: A Case Study*

In Kerala, there are a number of welfare funds in existence for unorganised sector workers like toddy tappers, head-load workers, cashew workers, khadi workers, coir workers, fish workers, handloom workers, liquor shop assistants, *beedi* workers, tailors and construction workers . While some funds are constituted statutorily, others are non statutory; that is on a voluntary basis. It is estimated that around 54% of informal workers of Kerala

**The social status of lower strata of Indian women has yet to equate with that of their male counterparts.**

state are covered in one form or the other of social security coverage like old age pension, health cover, unemployment relief, accidental and disability cover through these welfare funds. For a majority of funds, workers' contribution exists; for some funds some matching contribution is also there from employers. Though, for the constitution of such type of funds involvement of the statute is necessary; where the associations are already in existence, whether formally or informally, insurers may take proactive steps in initiating the insurance coverage. Given the size and type of these groups, though, initial viability matters, they offer a potential market segment in the long run.

**Levying the premium - Maharashtra Security Guards' Board: A case in point**

The Board that is constituted as apex nodal body works as a chord between the security guards and their respective employers. While the board determines the wages in negotiation with the employers, they levy a premium of 46.75% of the wage cost as charges for covering social security and other benefits of security guards like PF, Gratuity, Ex-gratia and ESI etc. This is an ideal model that deserves to be emulated for various other unorganised labor of urban conglomerate like domestic maids, cab drivers etc. Offering group insurance solutions through these informal workers' associations would be of immense help both to these sections of the workers and insurance companies. Where insurance companies undertake pilot projects as part of their corporate social responsibilities, through their group agencies or on their own, they may consider facilitating the institution of such informal workers' associations, by providing the necessary logistic support.

**It deserves to be examined if constitution of standalone market tracking channels by insurers helps in tapping the business potentiality of the unorganised workers on group insurance basis.**

**Product Distribution**

Tapping the business sources of these individuals/groups is both time consuming and costly. However, they offer potential business segment in the longer run, as the passage of time elevates the financial status of a significant section of the population. A majority of these workers especially in the rural environment would be under the influence of indigenous money lenders and village heads etc. Tapping the services of indigenous money lenders for the purpose of soliciting insurance business, tapping the services of influential village heads etc would be

of immense help. As a prelude, it is necessary to inculcate the requisite awareness to these village heads/money-lenders about the need for identifying insurance solutions to these market segments. It deserves to be examined if constitution of standalone market tracking channels by insurers helps in tapping the business potentiality of the unorganised workers on group insurance basis.

**Something to replicate in insurance from piggy bank model**

The practice of a daily collection of small quantum of money from daily wage earners initiated by three young men transformed into a banking major today. This is the proven power of small, if channeled regularly. Since insurance is a business of longer tenure, involving periodical payments to the insurance companies, the replication of piggy banking model may be run on a pilot basis by a few. It is to be examined by insurers if Micro Insurance Regulations offer an enabling platform towards this direction. Utilizing the services of local formal/informal associations like NGOs, MFIs or RRBs may offer a solution, coupled with offering attractive discounts for payment of premiums in advance.

**Business Potentiality of Informal Sector**

In its recommendation, the National Commission for Enterprises in the Unorganized Sector recommended the constitution of a standalone development financial institution for the unorganized sector called 'National Fund for the Unorganized Sector' with an initial paid up capital of Rs. 500 crores with the objective of increasing the credit share by 3% to this sector. It is estimated that

this initiative would generate an employment for around 57 million over a five year period. This is the blossoming market segment to be tapped for the insurance industry.

**New Pension Scheme to Unorganised Sector**

The proposed New Pension Scheme to unorganised sector may also offer a business opportunity to extend term insurance scheme either on an individual basis or on a group basis. While the integration of former involves regulatory issues the latter would be a value addition to the account holders of NPS. Though it is premature to predict the success rate as NPS itself is yet to commence on a large scale for this market segment, there is enough scope to offer life insurance coverage in those market segments where NPS succeeds. Also there may be other statutory issues that may be required to be addressed like incorporating the enabling provisions to let the fund manager take a group term life insurance policy on the lives of members of these unorganised segments to comprehensively cover the social security needs under a single roof.

**Unorganised Sector Workers' Social Security Bill**

In this bill it is proposed to provide life, disability and health insurance benefits without any contribution from unorganised workers and to those workers where no formal social security system is in prevalence. It also includes

**The mandatory regulatory norms prescribed provide hidden opportunities to tap the business potential. Insurance companies need to eye this segment as a potential market segment for the economic transformation of informal sector.**

an old age pension benefit scheme with contribution from the workers. The extent of benefit proposed to be covered is; Rs 15000 p.a. coverage towards Sickness and maternity offering reimbursement of hospitalization expenses, sickness cover for 15 days at Rs 50 per day at the cost of Rs 380 per

member; a Life Insurance coverage of Rs 15000 per worker at the cost of Rs 150 per life. It is proposed to be implemented through an apex body 'National Social Security Authority' to be constituted for this purpose.

The mandatory regulatory norms prescribed provide hidden opportunities to tap the business potential. Insurance companies need to eye this segment as a potential market segment for the economic transformation of informal sector. The social sector business of today, may be with a comparatively higher acquisition costs fulfils its business role of Corporate Social Responsibility together with having a loyal policyholders' base for its commercial insurance business of future years.

National Commission on Enterprises in the Unorganised Sector (NCEUS) - The Global Economic Crisis and the Informal Economy in India

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Report of the National Commission on Enterprises in the Unorganised Sector (NCEUS)

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**“It's three weeks since I sent all the documents for the claim... I hope they send the money soon.”**

**“Yes, they will. When all the papers are in order, they have to settle within 30 days. It's the rule!”**

The Insurance Regulatory and Development Authority (IRDA), the supervisory body of insurance companies in India, protects the interests of policyholders. Here are some of the regulations laid down by IRDA:

- A claim has to be paid or disputed by the insurance company, giving relevant reasons within 30 days of receiving all relevant documents.
- The insurer shall furnish the prospect, a copy of the proposal form, free of charge, within 30 days of the acceptance of a proposal.
- Proposals shall be processed and communicated within 15 days of receipt by the insurer.
- In case of delay in settlement of claim after submission of all necessary documents, the insurance company will be liable to pay a stipulated amount of interest.
- A life insurance policyholder is entitled to a “Free Look Period” of 15 days (from the date of receipt of policy) to cancel the policy.
- An insurance company shall respond within 10 days of receipt of any communication from its policy holders.



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## ● प्रकाशक का संदेश

**कि**सी भी डोमेन में जहाँ उत्पाद को पूरी तरह से नहीं समझा जाता उसका विपणन करना एक चुनौती पूर्ण कार्य है। यदि उत्पाद को स्पर्श न किया जा सके तथा वह प्रकृति रूप से परिकल्पना हो यह अधिक रुचि कर हो जाता है। भारत में बीमा का विपणन इस चुनौती से रू-बरू होता है और जैसा की प्रायः कहा जाता है यह बेचा जाता है न की खरीदा जाता है आम आदमी द्वारा। इसके साथ ही एक स्वागत योग्य चिन्ह है कि यह परंपरा एक धनात्मक बदलाव में है जैसे ऐसी गति में नहीं जिसकी इच्छा की जाती है।

जैसा कि किसी भी उत्पाद के साथ होता है बीमा विपणन कई नितिगत भूमिका रखता है जिसे उच्चतम प्रबन्धन को कूटनिति के साथ सम्बोधित करना चाहिये। सबसे पहले तो बाजार शोध तथा अनुसंधान सावधानी से करना चाहिये जिससे भावी की आवश्यकता को जानने तथा उत्पाद को डिजाइन के बीच ठीक प्रकार का समन्वय हो सके। यह जोड़ना जरूरी नहीं कि उत्पाद को डिजाईन करने में सबसे जरूरी कोशिश एक दुर्घटना में समाप्त हो जायेगी यदि अंतिम उत्पाद बाजार की आवश्यकताओं के निकट नहीं हुआ। ऐसे डोमेन में जो अभी परिपक्व नहीं हुआ ऐसे आवश्यकता उत्पाद को आगे बढ़ाने की आवश्यकता है जो लोगों के हित में हो, जबकि उसके लिए माँग न दिखाई देती है।

उत्पाद की पब्लिसिटी जो विपणन का सबसे महत्वपूर्ण घटक है इस प्रकार किया जाना चाहिये कि उसे आसानी

से समझा जा सके तथा इसे साधारण जनता पर लागू किया जा सके। लक्ष्य केवल उत्पाद को आगे बढ़ाना नहीं होना चाहिये लेकिन उत्पाद के बारे में विस्तृत जानकारी दी जानी चाहिये।

काफी हद तक यह क्रयकर्ता के लिए एक जागरूक निर्णय होगा तथा इससे विक्रय के बाद की समस्याओं को जो कि किसी भी बनते हुए बाजार में एक दृश्य है। इसे भी ध्यान में रखना चाहिये कि प्रचार का लक्ष्य जनसंख्या के विभिन्न वर्ग होने चाहिये और जहाँ आवश्यकता है अलग प्रकार का प्रचार एक संगठित ढंग से किया जाना चाहिये। इसके ऊपर, इसको सराहा जाना चाहिये कि उत्पाद को विकसित करने के बेहतर से बेहतर प्रयास भी बाजार को विफल कर सकते यदि मध्यवर्तियों की ट्रेनिंग तथा शिक्षा अधूरी रह गई हो। एक गहन प्रशिक्षित तथा सरल-वार्तालाप वाली मध्यवर्ति, व्यवसायी के उत्पाद का एक अच्छा राजदूत हो सकती है।

जर्नल के इस अंक के केन्द्र बिन्दु में विपणन है सबसे मूल बीमा दुर्घटना बीमा होता है। उससे यह अपेक्षा की जाती है कि बह कम से कम विवादस्पद हो। जर्नल के अगले अंक के केन्द्र बिन्दु में दुर्घटना बीमा होगा

जे. हरि नारायण

जे. हरि नारायण  
अध्यक्ष

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# दृष्टि कोण

आई.ए.आई.एस ने समूह-आधारित पर्यवेक्षण पर शोध-पत्र विकसित किया है, हम सतत रूप से जागरूक रहेंगे। तथा वित्तीय संकट से पाठ सिखते रहेंगे।

**श्री पीटर ब्राउमूलर**

अध्यक्ष, आई.ए.आई.एस कार्यकारी समिति

राज्य के बीमा विनियमक विश्वास करते हैं कि यह सुनिश्चित करना महत्वपूर्ण है कि छोटे व्यवसायी स्वामियों को पर्याप्त हैल्थ कवरेज प्राप्त हो जो उनके कर्मचारियों तथा अन्य व्यक्तियों के लिए भी हो।

**सुश्री सैंडी प्रैगर**

कनसास बीमा कमीशनर तथा

अध्यक्ष, एन.ए.आई.सी हैल्थ इन्श्योरेंस तथा मैनेज केयर कमेटी

अर्थव्यवस्था के विविध क्षेत्रों में विकास के परिणामस्वरूप उसके लोगों की वित्तीय उत्पादों जैसे बीमा के प्रति जागरूकता अवश्य बढ़ेगी।

**श्री जे हरि नारायण**

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सभी वित्तीय सक्रियता में, एक प्रकार का जोखिम अवश्यभावी है तथा उससे बचा नहीं जा सकता प्रुडेंशल विनियामक के जोखिम कम करने के सभी उपायों के बावजूद।

**श्री डेविड लेविस**

महाप्रबन्धक, आस्ट्रेलियन प्रुडेंशल रेगुलेटरी अथॉरिटी

यह कहना जल्दबाजी होगी की नये वित्तीय उर्ध्वधर की स्थिति वित्तीय संकट के बाद कैसी होगी। वैसे, हम यह मुख्य महसूस कर सकते हैं कार्य सूची में निति बनाने वाले तथा विनियामक व व्यवसायों के बीच वाद-विवाद होगा।

**श्री एन जी नाम सिंग**

कार्यकारी निदेशक, सिंगापुर मौनेटरी अथॉरिटी

उन्नत अर्थव्यवस्थाओं में वर्तमान भूमंडलिय वित्तीय संकट आवश्यक ही है तथा द्रुत वित्तीय अस्थिरता तथा अर्थव्यवस्था के निम्न और परिवर्तन ने विकासशील विश्व को प्रभावित किया है।

**श्री डेटो जमानी अब्दूल गनी**

उप गवर्नर, बैंक निगारा, मलेशिया

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# आखिर ये नामांकन एवं समनुदेशन है क्या?

आर एन आई एस द्वारा उपलब्ध सामग्री में नामांकन अवधारणा को सामने लाया जा रहा है।

(पिछले अंक से आगे)

## समनुदेशन

### समनुदेशन है क्या?

सम्पत्ति हस्तान्तरण अधिनियम 1882 के अनुसार, जीवन बीमा पॉलिसी एक सम्पत्ति है तथा इसके स्वामी को इसके उपभोग, हस्तान्तरण एवं निपटारण का अधिकार है। यदि पॉलिसी उल्लिखित रूप में विवाहित महिलाओं की सम्पत्ति अधिनियम, 1874 की धारा-6 के अन्तर्गत न ली गई हो, तो जीवन बीमा पॉलिसी बीमा धारक की सम्पत्ति का अंग मानी जाती है। 'समनुदेशन', जीवन बीमा पॉलिसी में बीमा धारक के अधिकारों को किसी अन्य व्यक्ति (जिसे समनुदेशित कहा जायेगा) को हस्तांतरित करने का एक कानूनी माध्यम है। बीमा अधिनियम की धारा 38 में प्रतिपादित है कि जीवन बीमा पॉलिसी का हस्तांतरण अथवा समनुदेशन प्रतिफल स्वरूप अथवा बिना प्रतिफल के किया जा सकता है।

### समनुदेशन कौन कर सकता है?

जीवन बीमा पॉलिसी का धारक जो आवश्यक नहीं कि उस पॉलिसी में स्वयं बीमित भी हो, पॉलिसी को समनुदेशित अथवा हस्तांतरित कर सकता है।

ऐसा हस्तान्तरण अथवा समनुदेशन-

- या तो पॉलिसी पर ही पृष्ठांकन के द्वारा किया जा सकता है, अथवा
- एक पृथक विलेख के माध्यम से किया जा सकता है। ऐसी स्थिति में उस विलेख पर समुचित स्टाम्प ड्यूटी लगाना अनिवार्य है।

समनुदेशन उपरोक्त विधियों में से किसी भी तरह से भी निष्पादित हो, इसका समनुदेशक के द्वारा हस्ताक्षरित होना तथा कम से कम एक साक्षी के द्वारा प्रमाणित होना अनिवार्य है। संयुक्त बीमा पॉलिसी का समनुदेशन बीमित व्यक्तियों द्वारा संयुक्त रूप से हस्ताक्षरित होगा।

### समनुदेशन का उद्देश्य क्या हो सकता है?

समनुदेशन की आवश्यकता इस परिस्थितियों में हो सकती है:

- सामान्यतः रेहनकृत ऋण लेते समय ऋणी को अपनी जीवन बीमा पॉलिसी अतिरिक्त जमानत के रूप में ऋणदाता के पास बन्धक रखनी पड़ती है। इस के लिए वह अपनी पॉलिसी का ऋणदाता के पक्ष में समनुदेशन करता है।
- जब बीमा पॉलिसी के अन्तर्गत बीमा कम्पनी से ही ऋण लिया जाये तो पॉलिसी बीमा कम्पनी के पक्ष में समनुदेशित करनी होती है।
- पॉलिसी में बीमित व्यक्ति अपने किसी प्रयोजन के लिए स्वाभाविक स्नेह एवं प्रेम के वशीभूत हो उस के पक्ष में समनुदेशन कर सकता है। कल्पना कीजिए, एक विधुर, जिसका अपनी मृतक पत्नि से एक बच्चा है, दूसरा विवाह करना चाह रहा है। उस को ये स्वाभाविक शंका है कि विवाह के पश्चात उसकी असामयिक मृत्यु होने पर उसकी दूसरी पत्नि मृतक पत्नि के बच्चे के साथ न्याय ना करे तो वह बच्चा पॉलिसी से मिलने वाले आर्थिक लाभ से वंचित रह जायेगा। ऐसी शंका का समाधान बीमा पॉलिसी को उस बच्चे के पक्ष में

नामांकन करने की बजाय समनुदेशन कर देने में है।

### समनुदेशन प्रभावी कब होता है?

समनुदेशन निष्पादित करने पर तुरन्त पूर्ण एवं प्रभावी हो जाता है। तात्पर्य ये है कि जैसे ही

जीवन बीमा पॉलिसी का धारक जो आवश्यक नहीं कि उस पॉलिसी में स्वयं बीमित भी हो, पॉलिसी को समनुदेशित अथवा हस्तांतरित कर सकता है।

**एक बार समनुदेशन निष्पादित कर देने बाद समनुदेशक उसे निरस्त अथवा उस में कोई परिवर्तन नहीं कर सकता। हां, समनुदेशिनी उस पॉलिसी को मूल समनुदेशक के पक्ष में पुनः समनुदेशित कर सकता है।**

पॉलिसी पर समनुदेशन का पृष्ठांकन अथवा 'समनुदेशन विलेख' - जिस भी विधि से समनुदेशन निष्पादित हो - हस्ताक्षरित एवं साक्ष्यांकित होता है तो समनुदेशन प्रभावी है जाता है।

**क्या बीमा कम्पनी को समनुदेशन की सूचना देना अनिवार्य है?**

समय आने पर बीमा कम्पनी समनुदेशन को लागू कर सके इस के लिए समनुदेशन की लिखित सूचना बीमा कम्पनी को देना अनिवार्य है। सूचना के साथ समनुदेशन का मौलिक विलेख अथवा समनुदेशक एवं समनुदेशिनी दोनों द्वारा सत्यापित प्रतिलिपी भी भेजनी होती है।

बीमा कम्पनी ऐसी सूचना की पावती लिखित रूप में देगी जिसके लिए वह शुल्क भी ले सकती है। एक से अधिक समनुदेशन विलेख होने की स्थिति में उनके दावों की वरियता का निर्णय बीमा कम्पनी में दी गई सूचनाओं के कम के आधार पर होता है।

**क्या शर्त युक्त समनुदेशन सम्भव है?**

समनुदेशन 'सम्पूर्ण' अथवा 'सशर्त' हो सकता है। 'सम्पूर्ण' समनुदेशन में समनुदेशक बीमा पॉलिसी में अपने सभी अधिकार त्याग देता है तथा पॉलिसी समनुदेशिनी की सम्पत्ति बन जाती है जिससे वह (समनुदेशिनी) अपनी इच्छानुसार उस पॉलिसी का उपयोग कर सकता है। 'सशर्त' समनुदेशन में, उल्लिखित शर्त के घटित होने पर पॉलिसी में समनुदेशक के अधिकार स्वतः उसे वापस मिल जाता है। उदाहरणतः सशर्त समनुदेशन में यह प्रावधान किया जा सकता है कि समनुदेशिनी की मृत्यु होने पर अथवा पॉलिसी परिपक्वता पर समनुदेशक के जीवित होने पर पॉलिसी में समनुदेशक के अधिकार उसे वापस मिल जायेंगे।

**क्या समनुदेशक समनुदेशन को निरस्त उसमें परिवर्तन कर सकता है?**

नहीं! एक बार समनुदेशन निष्पादित कर देने बाद समनुदेशक उसे निरस्त अथवा उस में कोई परिवर्तन नहीं कर सकता। हां, समनुदेशिनी उस पॉलिसी को मूल समनुदेशक के पक्ष में पुनः समनुदेशित कर सकता है।

**क्या किसी आवश्यक के पक्ष में समनुदेशन हो सकता है?**

हां, एक आवश्यक भी समनुदेशिनी हो सकता है। किन्तु वह उस पॉलिसी का आगे उपयोग नहीं कर सकता।

**क्या समनुदेशन पॉलिसी में पहले से किए गए नामांकन को किसी रूप में प्रभावित करता है?**

समनुदेशन होने पर पूर्व नामांकन स्वतः निरस्त हो जाता है। अतएव पॉलिसी में बीमित व्यक्ति की मृत्यु होने पर नामिती को क्लेम लेने का कोई अधिकार नहीं रहता। अपितु यदि पॉलिसी का

समनुदेशन बीमा कम्पनी से ऋण लेने के लिए उसी के पक्ष किया गया हो तो पूर्व नामांकन निरस्त नहीं होता। ऐसे मामलों में ऋण एवं ब्याज काटने के बाद बाकी दावा राशि प्राप्त करने का अधिकार नामिती को होता है।

**'समनुदेशिनी' की मृत्यु हो जाने पर क्या होगा?**

पॉलिसी के अन्तर्गत क्लेम देय होने पर, यदि समनुदेशिनी जीवित न हो तो क्लेम उसके (समनुदेशिनी के) कानूनी उत्तराधिकारियों को मिलता है।

**क्या बीमा राशि के एक अंश का समनुदेशन किया जा सकता है?**

नहीं, कानून की दृष्टि में ऐसा समनुदेशन असंगत है जिसमें बीमा राशि का कुछ भाग का उल्लिखित किया गया हो। फिर भी यदि किसी को अपनी पॉलिसी के कुछ भाग का ही समनुदेशन करना हो तो उसे जाहिये कि वह अपनी पॉलिसी को आवश्यकता अनुसार दो भागों में बाँटकर उसकी दो पॉलिसीया जारी करा ले तथा उनमें से एक पॉलिसी को समनुदेशित करे।

इस सम्पूर्ण लेख का सारतत्व इस तथ्य में निहित है कि व्यक्ति, जिसने अपनी असामयिक मृत्यु की दशा में प्रियजनों की आर्थिक सुरक्षा के लिए पॉलिसी ली हो, समय रहते ऐसे कदम उठा ले जिससे आवश्यकता पड़ने पर क्लेम का भुगतान शीघ्र एवं अड़चन रहित होना सुनिश्चित हो जाये। और इसके लिए उपलब्ध विकल्पों - नामांकन अथवा समनुदेशन - में से कोई माध्यम चुनते समय इस का हर पहलू स्पष्ट हो। बीमा नियामक (आई. आर. डी. ए.) ने भी नामांकन एवं समनुदेशन के महत्व को उजागर किया है। "आई. आर. डी. ए. (बीमा अभिकर्ता लायसेंसीकरण) विनियम, 2000" के विनियम 8(i)(k) में प्रतिपादित अभिकर्ताओं के लिए 'आचार संहिता' में ये कहा गया है कि जीवन बीमा एजेन्ट "पॉलिसी धारक को नामांकन अथवा समनुदेशन निष्पादित करने के लिए समझायेगा....."।

संभाट - आठ एन आई एन

# बीमा में कितना अनुचित व्यवहार?

प्रमोद कुमार वर्मा का मत है कि ग्राहक की सन्तुष्टि एवं खुशी ही किसी भी बीमा कम्पनी की सफलता का प्रथम एवं अन्तिम उद्देश्य होता है।

**वि**पणन में अब तक जो भी परिवर्तन एवं विकास हुए हैं उन सभी के पीछे ग्राहक की सन्तुष्टि तथा ग्राहक को स्थायी रूप से अपना बनाये रखना, साथ ही साथ समाज का

कल्याण भी करना है। ग्राहक की सन्तुष्टि एवं खुशी ही किसी भी बीमा कम्पनी की सफलता का प्रथम एवं अन्तिम उद्देश्य होता है। भारत का बीमा उद्योग, बीमा विनियामक एवं विकास प्राधिकरण की स्थापना के बाद, अनेक परिवर्तनों को होते हुए देख रहा है सभी कम्पनियाँ अपने बीमा बाजार के विस्तार में लगी हुई हैं। इसके लिए वे तरह-तरह की रणनीतियों को भी अपना रही हैं किन्तु इस सेवा क्षेत्र में केवल वही बीमा कम्पनियाँ ही अपने ग्राहकों को सन्तुष्ट रख सकती हैं, जो ग्राहकों से पारदर्शी एवं उचित व्यवहार करती हो, जिससे ग्राहकों को लगे की बीमाकर्ता उनके हित के लिए कार्य करता है। ये बात सच है कि जितना विकास भारतीय बीमा उद्योग का प्राधिकरण की स्थापना के बाद हुआ उतना पहले कभी नहीं हुआ। जिस तरह कुल प्रतिशत बीमित लोगों की संख्या बढ़ रही है उसी अनुपात में बीमा क्षेत्र में ग्राहक असन्तुष्टि भी बढ़ रही है। इनके पीछे मुख्य कारण ग्राहकों से उचित व्यवहार न करना है जिसका शिकार उपभोक्ता (बीमापत्र-धारक) बीमा के सभी क्षेत्रों में हो रहा है।

शोध अध्ययन के दौरान कुछ बीमा उपभोक्ताओं के साक्षात्कार से प्राप्त अनुभव को इस लेख में प्रस्तुत किया है जो इस प्रकार है। बीमा 'परमसदभावना' के सिद्धान्त पर चलता है जिससे बीमाकर्ता और बीमित को एक दूसरे से उन सभी बातों को स्पष्ट रूप से एक दूसरे के सामने रखना होता है किन्तु यह बीमित के लिए अधिक जरूरी

है जिससे वह बीमा जोखिम सम्बन्धी तत्वों को बीमाकर्ता से न छुपाये और स्पष्ट करें, बीमाकर्ता का यह भी कर्तव्य होता है कि वह भी बीमा पालिसी से सम्बन्धी सभी तत्व जैसे - बीमा जोखिम कवर, जोखिम बिन्दु, प्रीमियम, राइडर, फण्डों में परिवर्तन का विकल्प, समर्पित मूल्य की दर, बोनस प्राप्ति, दावे प्राप्त हेतु विधि, तथा बीमापत्र सम्बन्धी अन्य आवश्यक तथ्य स्पष्ट करे, किन्तु व्यवहार में देखा गया है कि बीमापत्र विक्रयकर्ता की यह मानसिकता है कि शायद ही कोई व्यक्ति पालिसी सम्बन्धी नियम एवं शर्तों को समझता है। यदि उन्हें सभी शर्तें एवं नियम स्पष्ट रूप से सच-सच बता दिये जाए तो सम्भावित ग्राहक बीमापत्र नहीं लेगा। इसलिए पालिसी विक्रयकर्ता पालिसी के वियम एवं शर्तों को तोड़ कर अपने हिसाब, ग्राहक को आकर्षित लगने वाले नियम एवं शर्तें बताते हैं जो ग्राहकों के प्रति अनुचित है। अधिकांशतः देखा गया है कि बीमापत्र विक्रयकर्ता अपने लक्ष्य एवं इनाम की प्राप्ति के लिए अन्य दूसरे विक्रयकर्ताओं से आगे निकलने के लिए ग्राहकों को अपनी उनकी आवश्यकता की बीमापालिसी न देकर अपने मन से उसी पालिसी को बेचते हैं जिसे वह बेचना चाहते हैं। कभी-कभी तो बीमापत्र विक्रयकर्ता विक्रयकर्ता बीमापत्र की कमीशन राशि न लेने की शर्त पर ग्राहकों से पालिसी प्राप्त करते हैं। कुछ विक्रयकर्ता अपने लक्ष्यों की प्राप्ति के लिए अपने ग्राहकों से बात करके ही उनके नाम से पालिसी निगमित

ये बात सच है कि जितना विकास भारतीय बीमा उद्योग का प्राधिकरण की स्थापना के बाद हुआ उतना पहले कभी नहीं हुआ। जिस तरह कुल प्रतिशत बीमित लोगों की संख्या बढ़ रही है उसी अनुपात में बीमा क्षेत्र में ग्राहक असन्तुष्टि भी बढ़ रही है।



## बीमापत्र के विक्रयकर्ता अपने सम्भावित ग्राहक को बकरा या मुर्गा समझते हैं उसे अपना शिकार बनाने के लिए कई तरीका अपनाते हैं

करा देते हैं और कहते हैं कि इस पालिसी का पैसा में स्वयं (विक्रयकर्ता) जमा कर रहा हूँ आपके पास जब प्रीमियम होगा तो वापस कर दीजिएगा। कुछ बीमापत्र विक्रयकर्ता अपने लक्ष्य की प्राप्ति के चक्कर में ग्राहकों से तो एक पालिसी का प्रीमियम लेते हैं और दो फार्म पर हस्ताक्षर कराकर, कुछ हेर-फेर करके उनको दो छोटी-छोटी पालिसीयां निगमित करा देते हैं ऐसा करके वे उल्टा उन ग्राहकों पर ऐहसान की भी लाद देते हैं कि एक ही प्रीमियम में उन्हें दोहरी सुरक्षा प्रदान की जा रही है। ये घटना अधिकतर उन पालिसी धारकों के साथ हुआ है जो कम पढ़े लिखे या अनपढ़ हैं।

वर्तमान में एक नई रीति बीमा बाजार में देखने

को मिल रही है। सभी बीमा कम्पनियाँ केवल उन्हीं के पास पालिसी विक्रय हेतु जाती है जो सम्पन्न हैं। मध्यम परिवार एवं कम आय वाले परिवारों को बीमापत्र के प्रीमियम भुगतान करने में असमर्थ समझते हैं जबकि इनमें बचत करने की अच्छी आदत को देखी गयी है इस उपेक्षा के सबसे अधिकार शिकार ग्रामीण क्षेत्रों में रहने वाले होते चले आ रहे हैं।

एक पालिसीधारक ने बताया कि बीमापत्र विक्रयकर्ता ने उन्हें यह कहकर पालिसी बेचा कि इस पालिसी के प्रीमियम का भुगतान आपको एक बार करना है। उस समय बीमापत्रधारक ने उस पालिसी के प्रीमियम का भुगतान कर दिया किन्तु कुछ समय बाद मुझे फिर से पालिसी के प्रीमियम के भुगतान करने हेतु कहा गया और कहा गया कि आपने नियमित प्रीमियम वाली पालिसी ले रखी है, किन्तु पालिसीधारक ने विक्रयकर्ता को कहा था कि मेरी आय कम है और बार-बार प्रीमियम नहीं दे सकता मैंने कुछ जमा किये हुए धन को सिंगल प्रीमियम में लगाने के लिए कहा था। इस घटना से लाभ विक्रयकर्ता को अपने कमीशन के रूप में हो गयी किन्तु हानि पालिसीधारक को हुआ। उसकी पालिसी खण्डित हो गयी और उसका विश्वास बीमा करने वाले एवं बीमा कम्पनी दोनों से चला गया। जब बीमाधारक से पूछा गया कि आपको इसकी शिकायत करनी चाहिए वो जवाब मिला, कि कोशिश किया वो लेकिन इसका कोई लाभ नहीं मिला शिकायत की प्रक्रिया इतनी लम्बी होती है कि कौन अपना सामान्य काम छोड़कर इसके पीछे दौड़े।

कुछ पालिसी विक्रयकर्ता तो 10 या 15 वर्षों वाली पालिसी को उपभोक्ता से यह कहकर बेचते हैं कि आप केवल तीन वर्ष तक नियमित प्रीमियम का भुगतान करके आप अपने नियमित जोखिम कवर का लाभ उठा सकते हैं - तथा पाँच वर्ष

बाद उस पालिसी की बीमित राशि निकाल सकते हैं यदि आपकी इच्छा आगे बीमापत्र चलाने की न हो, तो आप इस रास्ते (विकल्प) को अपना सकते हैं किन्तु बीमापत्र-विक्रयकर्ता, बीमापत्र धारक से यह नहीं बताते की पाँच वर्ष बाद जब आप पालिसी का पैसा वापस लेंगे तो केवल समर्पित मूल्य ही मिलेगा न की बीमित राशि। इ प्रकार विक्रयकर्ता 10 या 15 वर्ष की बीमा पालिसी को उसे पाँच वर्ष तक ही चलाने के लिए प्रेरित करते हैं जो बीमित एवं कम्पनी दोनों के लिए हितकर नहीं है।

बीमापत्र के विक्रयकर्ता अपने सम्भावित ग्राहक को बकरा या मुर्गा समझते हैं उसे अपना शिकार बनाने के लिए कई तरीका अपनाते हैं - जबकि बीमापत्र का विक्रय करना एक सामाजिक कार्य है जिसमें बीमाकर्ता दूसरे के भले हेतु अर्थात् ग्राहक की सुरक्षा व आकस्मिक आर्थिक हानि से सुरक्षा हेतु कार्य करता है जिसके माध्यम से अपनी भी जीविका चलाता है। वर्तमान में पालिसी विक्रयकर्ता इस मानसिकता से कार्य नहीं करते, बल्कि इस मानसिकता से कार्य करते हैं कि बीमा में आप ग्राहक को जितना बेवकूफ बनायेंगे, उतना सफल होंगे। कुछ विक्रयकर्ताओं का तो यह भी कहना है कि बीमा के कार्य में यदि 'झूठ' न बोला जाए तो आप विक्रय कर ही नहीं सकते, (जो कि बिल्कुल गलत है) जबकि कुछ बीमाकर्ता अपनी इमानदारी के साथ कार्य करते हुए अपनी एक साख एवं छवि को इस क्षेत्र में बनाये हुए हैं।

इन सभी के साथ बीमा क्षेत्र सबसे अधिक प्रभावित अपनी बीमा सम्बन्धित सेवाओं के कारण होता है। बीमापत्र विक्रयकर्ता, पालिसी विक्रय करने से पूर्व ग्राहक के सामने तो बड़े-बड़े वायदे करते हैं किन्तु उनमें से कुछ ही पर खरे उतरते हैं। सबसे अधिक समस्या बीमा प्रीमियम जमा करने एवं रसीद प्राप्त करने, परिपक्वता पर तथा

दावे की क्षतिपूर्ति की राशि का सही समय पर भुगतान प्राप्त होने की है। पालिसी विक्रय के बाद विक्रयकर्ता अपने कर्तव्यों को भूल जाते हैं कि उन्हें समय-समय पर प्रीमियम की राशि के बारे

**पालिसीधारकों का पूरा ध्यान रखा जाता है, दावा, परिपक्वता की राशि समय से भुगतान की जाती है तथा पालिसीधारकों को अन्धेरे में नहीं रखा जाता किन्तु वास्तविक क्या है ये कहने की नहीं स्वयं से पूछने की जरूरत है।**

में पालिसीधारक को सूचित करना एवं प्रीमियम जमा भी करना है। प्रीमियम की राशि जमा करने सम्बन्धी सबसे बड़ी समस्या पालिसीधारक के सम्मुख होती है, कभी-कभी विक्रयकर्ता पदोन्नति के कारण भी पालिसी जमा करने के कार्य को अपना अपमान समझते हैं, कुछ विक्रयकर्ता तो पालिसीधारक को प्रीमियम रकम को अपने पास ही रखे रहते हैं या अपने ही व्यक्तिगत कार्यों में लगा देते हैं जिसके कारण धारक की प्रीमियम समय से जमा नहीं हो पाती, इन्हीं सब कारणों से पालिसी भी खण्डित होने की सम्भावनायें बनी रहती है।

प्राधिकरण द्वारा परिपक्वता की तिथि से आवश्यक प्रपत्र जमा करने के 30 दिनों के अन्दर भुगतान करना अनिवार्य है किन्तु ऐसा देखने को नहीं मिलता तथा पालिसीधारक को भी इसकी जानकारी नहीं होती है। एक महिला पालिसीधारक से ज्ञात हुआ कि उनकी पालिसी परिपक्वता होने के तीन-माह बाद प्राप्त हुआ। परिपक्वता तिथि को ध्यान में रखते हुए उन्होंने (महिला पालिसीधारक) अपने घर के निर्माण का कार्य आरम्भ किया किन्तु देरी से बीमा राशि प्राप्त होने के कारण उन्हें अन्य से ऋण लेना पड़ा। इसके लिए उन्होंने अपने अभिकर्ता से कई बार कहा किन्तु अभिकर्ता ने कहा मैंने अपनी ओर से सभी कार्य कर दिया है बीमा कम्पनी से भुगतान में देरी हो रही है। विलम्ब किसी के भी कारण से हो किन्तु पालिसीधारक

को समय से बीमा राशि प्राप्त न हो सकी जिस उद्देश्य से बीमा कराया गया था। वर्तमान में सभी बीमा कम्पनियां दावा करती हैं कि मेरे यहाँ सबसे तेज बीमा सेवा बीमापत्र-धारकों को प्रदान की जाती है, पालिसीधारकों का पूरा ध्यान रखा जाता है, दावा, परिपक्वता की राशि समय से भुगतान की जाती है तथा पालिसीधारकों को अन्धेरे में नहीं रखा जाता किन्तु वास्तविक क्या है ये कहने की नहीं स्वयं से पूछने की जरूरत है। न कि सात दिनों या पाँच दिनों में दावे या परिपक्वता का भुगतान करके समाचार पत्रों में अपनी बड़ाई करे व खबर बनाकर अपना प्रचार-प्रसार करे, ये ठीक है और ऐसा करना भी चाहिए साथ ही साथ ये भी जानना चाहिए कि कौन सा पालिसीधारक कम्पनी से असन्तुष्ट है, सबसे ज्यादा विलम्ब से दावे एवं परिपक्वता का भुगतान क्यों हुआ और इस समस्या को तत्काल हल करना चाहिए। बीमा का व्यवसाय उचित व्यवहार पर निर्भर व्यवसाय है और इसे उचित व्यवहार द्वारा ही बढ़ाया जा सकता है।

*लेखक शोध छात्र, वाणिज्य संकाय, काशी हिन्दू विश्वविद्यालय, वाराणसी, उ.प्र।*

# जीवन बीमा विक्रय की शब्दावली A से Z तक

**कि** सी भी विषय का अध्ययन करने हेतु जरूरी है कि उसकी वर्णमाला का ज्ञान हमें हो। वर्णमाला को समझे बिना या उसका अध्ययन किए बगैर किसी भी विषय के अध्ययन में निपुणता नहीं आ सकती।

जीवन बीमा के विक्रय हेतु भी उसकी वर्णमाला का ज्ञान होना जरूरी है जो कि बाजार में जीवन बीमा के विक्रय को सफलता प्रदान कर सकती है। यहाँ जीवन बीमा को संदर्भित करते हुए अभिकर्ताओं के लिए A से Z तक की वर्णमाला दी जा रही है:-

- A - (एप्रिसिएट) ग्राहकों के प्रश्नों को बढ़ावा देना, चूँकि वे बढ़ावा देना, चूँकि वे बातचीत को विक्रय की ओर ले जाते हैं न कि टालते हैं।
- B - (विल्ड) ग्राहकों के साथ एक सुदृढ़ एवं सुव्यवस्थित छवि तैयार करना।
- C - (कॉन्सेचुलेशन) ग्राहकों को प्रस्ताव प्रपत्र पर हस्ताक्षर करने पर बधाई देना।
- D - (ड्रेस) बीमा समझाने हेतु जब भी ग्राहक के मिलने जाएँ तो आपका पहनावा व्यवस्थित होना चाहिए।
- E - (एक्स्ट्रा) अतिरिक्त स्वास्थ्य हितलाभ एवं अन्य अनुपूरक विक्रय हेतु कामगार साबित होते हैं अर्थात विक्रय प्रक्रिया को समझाते समय इसका प्रयोग करना उचित है।
- F - (फोरगोट) अपवादों को भूलकर 10 इंकारों में से 1 हॉ को ज्यादा फायदेमंद मानना चाहिए।
- G - (ग्रीटिंग) अपने ग्राहकों को त्योंहारों और विशेष तिथियों पर बधाई पत्र देकर उन्हें सम्मान देना चाहिए।
- H - (हेसल) आपके ग्राहक का मेडिकल परीक्षण होते समय कोई दिक्कत या अड़चन न आए, इसकी जिम्मेदारी अभिकर्ता की होती है।
- I - (इनकम टैक्स) आयकर के समस्त विवरणों स्लेब की जानकारी अभिकर्ता को होनी चाहिए और पॉलिसी बेचते समय इनका उपयोग बड़ी सावधानी से करना चाहिए।
- J - (जारगन) विशिष्ट शब्दावली को टालने के प्रयास करने चाहिए।
- K - (कॉलेज) आपको बीमा विक्रय का संपूर्ण ज्ञान होना चाहिए अर्थात आप भी पूरी तरह से बाजार ज्ञान एवं विषय ज्ञान से परिपक्व होने चाहिए।
- L - (लिसन) यदि आप एक सफल बीमा अभिकर्ता बनना चाहते हैं तो आप में धैर्य से सुनने की कला होनी चाहिए।
- M - (मोर काल्स) ज्यादा से ज्यादा कॉल्स विक्रय को बढ़ाने के लिए आवश्यक हैं।
- N - ('ना' या 'नहीं') शब्द को सफलता की सीढ़ी के रूप में लेना चाहिए।
- O - (ओवर सेलिंग) केवल कुछ ही ग्राहकों को बारबार उत्पाद नहीं बेचने चाहिए अन्य लोगों को भी ढूँढना चाहिए।
- P - (पंच्युअलिटी) समय की पाबंदी आपकी विक्रय की बातचीत को रोक सकती है अथवा समाप्त कर सकती है।
- Q - (क्वश्चन्स) ग्राहकों के प्रश्नों को अपनी योग्यता एवं तर्क शक्ति से समझाना और उन्हें संतुष्ट करना आपकी जिम्मेदारी है।
- R - (रिफरेंस) संतुष्ट ग्राहक ही अपने संबंधियों या परिचितों को संदर्भित करते हैं अतः अपने ग्राहकों के दिलों को जीत लेना चाहिए।
- S - (स्माईल) मुस्कुराहट आपकी विक्रय प्रक्रिया को सफल बनाने के प्रतिशत को बढ़ा देती है।
- T - (थैंक्स नोट) शुक्रिया पत्र लिखकर ग्राहकों को भेजने से ग्राहक हर्षित होते हैं साथ ही नई पॉलिसी हेतु भी विचार करते हैं।
- U - (अंडरराइटिंग) आपके द्वारा दी गई जानकारी कंपनी की जोखिमांकन प्रक्रिया को आसान और व्यवस्थित बना देती है।
- V - (विज्युअल) लिखित एवं चित्रों द्वारा समझाना आपकी विक्रय कला का एक भाग होता है जो कि प्रभावशाली होना चाहिए।
- W - (रॉग) आपके द्वारा ग्राहकों को दिए गए झूठे/गलत वादे आपको परेशानियों में ला सकते हैं, इन्हें टालने के प्रयास करें।
- X - (एक्स्ट्रा) प्रीमियम दर के कारण ग्राहक के स्वास्थ्य और अन्य चीजों से संबंधित महत्वपूर्ण तथ्य नहीं छुपाए जाने चाहिए क्योंकि यह उसके लिए परेशानी बन सकते हैं।
- Y - (यू) किसी विक्रय की बातचीत में 'मैं' से ज्यादा महत्वपूर्ण 'यू' आप हैं।
- Z - (जीरो) शून्य शिकायतों का होना आपके नियंत्रण में नहीं है लेकिन ग्राहकों की शिकायतों को विनम्रता एवं संतुष्टतापूर्वक सुलझाना आपके हाथ में है।

संभार - इंडियोटेस आपके लिए, भोपाल

# Report Card: General

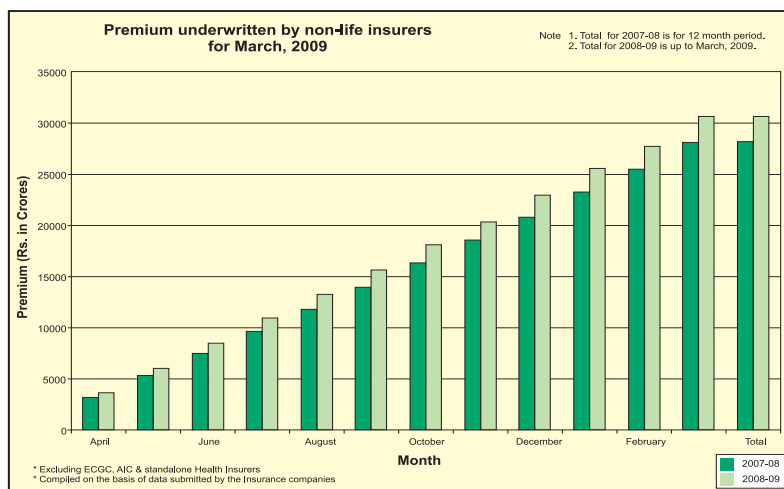
GROSS PREMIUM UNDERWRITTEN FOR AND UP TO THE MONTH OF MARCH, 2009

(Rs.in Crores)

INSURER	MARCH		APRIL - MARCH		GROWTH OVER THE CORRESPONDING PERIOD OF PREVIOUS YEAR
	2008-09	2007-08 *	2008-09	2007-08 *	
Royal Sundaram	78.12	68.89	806.22	696.63	15.73
Tata-AIG	69.74	76.35	882.93	816.62	8.12
Reliance General	138.24	136.68	1914.87	1946.42	-1.62
IFFCO-Tokio	257.81	207.53	1515.52	1235.83	22.63
ICICI-Hombard	164.28	201.81	3419.84	3344.69	2.25
Bajaj Allianz	232.99	253.82	2640.49	2404.34	9.82
HDFC ERGO General ***	41.05	37.84	339.48	239.69	41.63
Cholamandalam ***	41.46	44.88	685.44	524.26	30.74
Future Generali \$	24.40	2.25	194.85	10.64	1730.84
Universal Sampo #	10.69	0.00	30.03	0.00	
Shriram General @	6.21	0.00	113.59	0.00	
Bharti AXA General @	7.75	0.00	28.50	0.00	
New India	529.99	517.35	5516.62	5277.60	4.53
National	408.91	366.24	4276.81	4007.23	6.73
United India	467.36	372.46	4275.44	3739.56	14.33
Oriental	386.72	341.25	3960.57	3808.14	4.00
<b>PRIVATE TOTAL</b>	<b>1072.74</b>	<b>1030.05</b>	<b>12571.76</b>	<b>11219.12</b>	12.06
<b>PUBLIC TOTAL</b>	<b>1792.98</b>	<b>1597.30</b>	<b>18029.44</b>	<b>16832.53</b>	7.11
<b>GRAND TOTAL</b>	<b>2865.72</b>	<b>2627.35</b>	<b>30601.20</b>	<b>28051.65</b>	9.09
<b>SPECIALISED INSTITUTIONS</b>					
<b>1.Credit Insurance</b>					
ECGC	79.14	78.98	744.67	669.39	11.25
<b>2.Health Insurance</b>					
Star Health & Allied Insurance	17.44	5.96	511.93	168.19	204.38
Apollo DKV	6.22	2.04	48.95	2.98	1542.11
<b>Health Total</b>	<b>23.66</b>	<b>8.00</b>	<b>560.88</b>	<b>171.17</b>	227.67
<b>3.Agriculture Insurance</b>					
AIC	72.21	52.70	805.74	828.66	-2.77

Note: \$ Commenced operations in November, 2007.  
# Commenced operations in February, 2008.  
@ Commenced operations in July, 2008.

\* Figures revised by insurance companies  
\*\*\* Erroneous reporting by the insurer in March 2008



14 - 15 May 2009  
Venue: Singapore

**10<sup>th</sup> Asian Conference on Bancassurance & Alternative Distribution Channels**  
By *Asia Insurance Review, Singapore*

18 - 20 May 2009  
Venue: NIA, Pune

**Management of Change**  
By *National Insurance Academy*

25 - 27 May 2009  
Venue: Hong Kong

**3<sup>rd</sup> Asian Insurance CFO Summit**  
By *Asia Insurance Review, Singapore*

27 - 29 May 2009  
Venue: Istanbul, Turkey

**13<sup>th</sup> International Congress on Insurance: Mathematics and Economics**  
By *Ankara University, Turkey*

07 - 10 Jun 2009  
Venue: Amman, Jordan

**45<sup>th</sup> Annual Seminar on Insurance**  
By *International Insurance Society, Jordan*

11 - 13 Jun 2009  
Venue: NIA, Pune

**Financial Awareness**  
By *National Insurance Academy*

17 - 18 Jun 2009  
Venue: Dubai, UAE

**1<sup>st</sup> Middle East Conference on Training and HR Development in Insurance**  
By *Asia Insurance Review, Singapore*

21 - 23 Jun 2009  
Venue: Kuala Lumpur, Malaysia

**17<sup>th</sup> Annual Strategic Issues Conference**  
By *LOMA/LIMRA*

25 - 26 Jun 2009  
Venue: NIA, Pune

**Ethical Values in Human Capital**  
By *National Insurance Academy*

02 - 03 Jul 2009  
Venue: Taipei, Taiwan

**8<sup>th</sup> Conference on Catastrophe Insurance in Asia**  
By *Asia Insurance Review, Singapore*



# view point

As the IAIS develops further papers on group-wide supervision, we will continue to remain vigilant and consider the lessons learnt from the financial crisis.

**Mr Peter Braumuller**

*Chair of the IAIS Executive Committee*

State insurance regulators believe it is important to ensure that affordable, sufficient health coverage is available to small business owners, their employees and individuals.

**Ms Sandy Praeger**

*Kansas Insurance Commissioner and*

*Chair of the NAIC Health Insurance and Managed Care Committee*

As an economy develops on various fronts, the awareness levels of its people in financial services like insurance are bound to go up.

**Mr J Hari Narayan**

*Chairman, Insurance Regulatory and Development Authority (India)*

In all financial activity, a certain degree of risk is inevitable and cannot be avoided - despite the best efforts of prudential regulators at risk reduction.

**Mr David Lewis**

*General Manager, Australian Prudential Regulation Authority*

It is premature to ascertain how the new financial landscape, post-crisis, is going to look like. However, we can infer this somewhat from key agendas being debated by policy-makers, regulators and industry players.

**Mr NG Nam Sin**

*Executive Director, Monetary Authority of Singapore*

The current global financial crisis is centred in the advanced economies; and the severe financial instability and the resultant economic downturns has affected and infected the developing world as well.

**Mr Dato' Zamani Abdul Ghani**

*Deputy Governor, Bank Negara Malaysia*

