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Allahabad HC Orders IRDA To Scrutinise Policies Of SBI Life Insurance

The Allahabad high court, one of the first high courts to be established in India, has directed the Insurance Regulatory and Development Authority (IRDA) to scrutinise each and every policy sold by private sector SBI Life Insurance Company Limited. The court also asked the regulator to discontinue its policies and wind up its business if it detects any regulatory breaches.

The honourable high court pronounced this order hearing a petition filed by one 72-years old Virendra Pal Kapoor, who claimed he had invested Rs. 50,000 in year 2007 in SBI Life's Unit Plus II-Single, a unit-linked plan (ULIP) with an option of limited term of 5-years, on the basic sum assured for life at Rs. 3,12,500 (approximately 6-times of the investment), with a choice of investment in a growth fund. But on maturity, the insurer paid merely Rs. 248 to Mr. Kapoor.



The policy was sold to Mr. Kapoor by an agent on behalf of SBI Life Insurance Company on the basis of certain terms that didn't have necessary regulatory approval.

While the court found that the policy was sold to Kapoor in the premises of SBI Life, and was allegedly misled by an agent in breach of IRDA's norms, the court held an alongside inspection of SBI's directors (who are part of SBI Life's board) necessary to find out if any unlawful gain had been made from sale of such policies.

"The central government will do well to ensure that the investors are not cheated in a manner, as in the present case, in which the entire investment of the senior citizen has been lost on the pretext of the policy being in tune with Irda guidelines", the court said.

SBI Life Insurance is a joint venture between State Bank of India (SBI), country's leading public sector bank and BNP Paribas Cardif, the insurance arm of BNP Paribas of France. SBI holds 74% stake and BNP Paribas Cardif the remaining 26% in the JV.

Bajaj Allianz Unveiled All-Inclusive Health Plan

Bajaj Allianz General Insurance, a leading private sector insurance Services player on Monday said it has launched-Health Care Supreme, an all inclusive health insurance plan that covers all types of treatments.



The insurer, in a statement, has said that

this new offering of the company will provide comprehensive cover for maternity, OPD and dental treatments along with other hospitalisation expenses.

Health Care Supreme also covers all types of treatments including ayurveda and homoeopathy including a host of other benefits, the statement said.

The minimum sum insured under the policy is Rs 5 lac and the maximum can be opted up to Rs 50 lac.

Bajaj Allianz General Insurance Company Limited is a joint venture between Bajaj Finserv Limited (formerly part of Bajaj Auto Ltd.) and Germany's Allianz Group. In the joint venture, Allianz Group holds the maximum permissible limit of 26 % stake, and Bajaj Finserv, the remaining 74 %.

IRDA To Launch Pilot Project For Insurance Policy Digitisation

The Insurance Regulatory and Development Authority (IRDA) has decided to launch an Insurance Repository System on a pilot basis to move towards an electronic paperless environment.

According to the insurance watchdog, it will be mandatory for all the life Insurers and insurance repositories to participate in the pilot launch. The pilot project for digitisation of insurance policies would start from July 1 for duration of two months.

The regulator in a statement said, "During the pilot launch, each life insurer shall convert a minimum of 1000 or 5 percent of the existing individual policies (issued in hard form and currently in force) whichever is less for each of the Insurance Repositories (IRs) into electronic form."

This shall be, however, subject to a minimum of 250 policies per IR, IRDA said.

As per the IRDA, during the pilot launch, no insurer can deny any request for electronic policy both for conversion of existing policies and for issuance of new policies from any of the policyholders.



Andhra Bank Launches 'AB Arogyadaan'-An Improved Health Insurance Scheme

Andhra Bank, a public sector lender, in association with state-run general insurer United India Insurance Company Ltd, has launched an improved health insurance scheme named 'AB Arogyadaan' to take care of health and wealth of the entire family of account holders, sources.

The new plan entails lesser premium rates for a maximum coverage of medical expenses up to Rs. 20 lac, said Andhra Bank Deputy General Manager Mr. D. Surendra Rao.

AB Arogyadaan is a Floater Health Insurance scheme with options of Plan I and Plan II. Under Plan I, family of four members, including spouse and two dependent children of prime Account Holder would be covered. Whereas, a family of six members would be covered under Plan II.



The minimum age to enter into the policy is 3 months, and the maximum is 65 years. The can be renewed lifelong.

Premium paid under this policy would be eligible for tax deduction under Section 80D of the Income Tax Act.

LIC Seeks Regulatory Approval For New Products

Country's largest insurance firm the Life Insurance Corporation (LIC) of India is in constant communication with the insurance watchdog in India, the Insurance Regulatory and Development Authority (IRDA) for getting approval of some new products, according to LIC Managing Director Mr. S. B. Mainak.

At present, the 57-years old life insurance firm has about 10-12 products in its basket.

State-run insurer's market share increased to 82% in last fiscal which ended on March 31, 2014 from 76% in the previous fiscal, Mr. Mainak said.

Talking to reporters after a meeting on the Indian insurance industry-the road ahead, organised by the Bengal Chamber of Commerce and Industry, Mr. Mainak said, "Products require time to get market acceptance."



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