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LIC Launches 'e-Term', An Online Term Plan

Country's largest insurer the Life Insurance Corporation (LIC) of India has launched an online term insurance policy named, e-Term, that could prove to be a game changer in the segment.

Although, e-Term is slightly costlier than most online term plans offered from various private insurance companies, it is likely to become the preferred choice of most customers seeing the tremendous brand value of the insurance behemoth.



According to the Insurance Regulatory and Development Authority's (IRDA's) annual report for the fiscal year 2012-13, the claim settlement ratio of state-owned insurer was 97.73 per cent. While, among private sector insurers, only five insurers, including ICICI Prudential Life Insurance Company Limited, HDFC Standard Life Insurance Company Limited, SBI Life Insurance Company Limited, Max Life Insurance and Kotak Life Insurance, reported a claim settlement ratio of over 90% in 2012-13.

The minimum sum insured for non-tobacco user is Rs 50 lac and Rs 25 lac for tobacco user. To enter into the plan, the minimum age required is 18 years and the maximum age should not be more than 60 years.

Under the policy the minimum policy term is 10 years and the maximum is 35 years. And the premium paying frequency is annual.

IRDA Asked Insurers To Tie-Up With All Repositories

The Insurance Regulatory and Development Authority (IRDA) has asked insurance companies to tie-up with all repositories so that policyholders can keep their policies in electronic format.

In September 2013, then Finance Minister, Mr. P. Chidambaram had launched IRDA's Insurance Repository System (IRS), the first of its kind in the world. The sector regulator has provided insurance repository licence to five companies i.e. - Central Insurance Repository Limited, NSDL Database Management Limited, Karvy Insurance Repository Limited, CAMS Repository Services Limited and SHCIL Projects Limited.



Like shares and bonds, which are being kept in a demat account with a depository, now with IRS, the policyholders can be able to keep their insurance policies in an electronic insurance account with an insurance repository. With e-insurance account, policyholders will not require to keep traditional paper documents.

As of now, it is not mandatory for insurers to tie-up with all repositories; as a result paperless insurance has not yet taken off in the country.

"IRDA set up a committee in March 2014 for the review of e-insurance guidelines. The Committee has gone ahead and submitted its recommendations. Based on the modified guidelines, the goal is given to insurers for compulsory conversion of policies into digital form. They have also been asked to tie-up with all repositories", said Mr. S.V. Ramanan, CEO, CAMS Insurance Repository and Services.

Haryana Govt. Launches A New Insurance Scheme For The Poor

The Haryana state government has launched a new insurance scheme named Aam Aadmi Bima Yojana (AABY) for providing life insurance protection to people living below poverty line, marginally above poverty line and rural landless households.

Although the decision to launch AABY had been taken by the Bhupinder Singh Hooda-led government at a cabinet meeting in May last year, but the implementation was in limbo as the finance department had maintained that the state already had Rajiv Gandhi Parivar Bima Yojna for the same purpose.

AABY would provide an insurance cover of Rs 30,000 to the head of the family or an earning member of the family for natural death; whereas in case of death and permanent total disability in an accident, Rs 75,000 would be given to the diseased family.

People between 18 to 59 years of age can enrol themselves to avail the benefits of this scheme. Premium amount for this scheme is Rs 200 per annum, of which 50% will be paid by the Centre government and remaining by the state government.



Bajaj Allianz Gen Insurance Rolls Out A New Home Insurance Plan

Bajaj Allianz General Insurance Company Limited, a leading private sector insurer has announced the launch of 'My Home Insurance All Risk Policy', an 'all-encompassing' home insurance plan.

This new offering of Bajaj Allianz General Insurance will provide protection against perils other than those specifically excluded unlike the existing policies available in the market that cover only specified risks, according to the company.



On the launch, CEO of Bajaj Allianz General Insurance Mr. Tapan Singhel said, "Non-existence of essential benefits like covering precious household items, furniture, artworks or jewellery prompted us to bring in such an all-encompassing home insurance policy."

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 JV, Allianz Group holds the maximum permissible 26 per cent stake and Bajaj Finserv the remaining 74 per cent.

Unexpected Ailments Should Be Considered As Accidents: Human Rights Commission

The Kerala State Human Rights Commission (KSHRC) has directed insurance companies that claims related to unexpected ailments should be treated as accidents and cannot be repudiated.

The Commission was hearing a case in which a fisherman from Poonthura, Mr. Hridayadasan suffered a heart attack off the coast of Poonthura. Hridayadasan was insured with the New India Assurance, a state-run insurance company but he was denied the insurance amount saying that heart stroke was not eligible for getting any insurance claim.

The Commission headed by Mr. J B Koshy asked New India Assurance to reexamine its decision to reject claim. "Denying compensation after receiving premium is a violation of human rights," he said. Hridayadasan has been paying the premium for his health insurance policy for 7 years.



On June 2, 2013, the fisherman Mr. Hridayadasan had suffered heart attack and since then he been not able to move. The fisherman received a sum of Rs. 50,000 from the Kerala Chief Minister's Disaster Relief Fund, but according to the Commission, it was not sufficient for his treatment expenses.

The Commission cited the decisions of the Karnataka and the Odisha High Courts in which it had been ruled that unexpected ailments should be considered as accidents and compensations had to be paid.

The Commission asked the New India Assurance Company to respond to the Commission before June 10, 2014.

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