Featured Articles

Future Generali India Achieves Break-Even In Sixth Year Of Operations

Private sector general insurance firm Future Generali India Insurance on Monday said that it achieved break-even in fiscal year 2013-14, sixth year of its operations, with profit of Rs 39.62 crore. It had registered a loss of Rs 19.7 crore in FY 2012-13.

The gross written premium for FY' 2013-14 increased by 13 %, to Rs 1,303 crore as against Rs 1,151 crore last year. The total direct premium of the company grew by 14% to Rs 1,263 crore as against Rs 1,105 crore in FY' 2012-13.

"This has been a difficult year considering the overall economic situation and decreasing auto sales. However, the prudent approach that we followed in building a healthy book helped the company to post profits", Chief Executive Officer of the company Mr. K.G. Krishnamoorthy Rao said.

During the period, the company sold more than 9.5 lac policies, a growth of 11% from last fiscal and settled over 1.66 lac claims.

The investment funds under management as on March 31, 2014 stood at Rs 1, 494 crore.

Future Generali India Insurance is a joint venture between Kishore Biyani's led India's leading retaile Future Group and Italy-based insurance giant Generali. Future Group holds 74% stake in the company, while the rest 26% is held by Generali.

ICICI Lombard To Tie-up With redBus.in To Offer Travel Insurance

Leading private sector insurer ICICI Lombard General Insurance Company has tied-up with online bus booking portal redBus.in to offer travel insurance policy for bus commuters travelling within India. All travellers can secure their bus travel by purchasing online tickets from redBus.in.

Hospitalisation expenses up to Rs 20,000, due to injury suffered during the travel, a personal accident cover of Rs 5 lac as well as daily allowance of Rs 500 (except for the first 24 hrs.) for hospitalisation for a maximum of 7-days. Apart from this, the insurer would also provide coverage to baggage loss up to Rs 2,000.

The premium to avail the benefits for one-way journey would be Rs 10 only irrespective of the ticket price or itinerary. To avail the insurance benefit, the

© 2013 InsuringIndia.com and Great Indian Marketing & Consulting Services Pvt. Ltd.
All Rights Reserved

customers would need to simply tick the 'Buy Bus Travel Ticket' option while booking ticket on redBus.in.

The online bus booking portal redBus.in is headquartered in Bangalore. It has more than 2000 private bus operators in India aggregating about 80,000 routes across India.

IRDA Allows Insurance Firms To Hedge Interest Rate Risk

Insurance watchdog, the Insurance Regulatory and Development Authority (IRDA) in its guidelines issued recently, has allowed insurance companies to hedge their interest risks by participating in interest rate derivatives of a longer tenure.

As per current norms, insurance firms are allowed to enter Forward Rate Agreements (FRAs), Interest Rate Swaps (IRS) and Exchange Traded Interest Rate Futures (IRF) with a maximum tenure of one year.

The fresh guidelines allows insurance firms to participate in interest rate derivatives over one year. However, there is no upper limit for maturities of such instruments. This move of the regulator would help insurers protecting their return due to fluctuation in the interest rates and protect financial health.

However, a participating insurer's dealings in interest rate derivatives would not exceed an outstanding notional principal amount equivalent to 100 % of the book value of the fixed income investments of the insurer under the policyholders' fund, the guidelines said.

This would exclude ULIP funds in case of life insurers and the shareholders funds taken together, it added.

Similarly, the mark-to market gain or loss arising out of the effective hedge would be borne by the respective fund only. Exposure limits pertaining to single issuer, group and industry will be applicable for the exposure through FRA and IRS contracts, it said.

No contracts shall be entered with promoter group entities either directly or indirectly, it added.

Insurance Cos Can't Offer Investment Plan, Claims PIL

The Gujarat High Court on Thursday issued notices to the Insurance Regulatory and Development Authority (IRDA), the Government of India, Finance Secretary and 19 major insurance companies, including insurance behemoth the Life Insurance Corporation (LIC) of India, over a public interest litigation (PIL) filed by a Ahmedabad-based chartered accountant Kailash Maheshwari, that questions the legality of investment based products floated by the life insurance companies.

Calling the practices 'corrupt', the petitioner had objected to insurance plans such as Pure Endowment, Endowment, Unit linked Plans and Term plan with Return of Premium.

A division bench of Chief Justice Bhaskar Bhattacharya and Justice J B Pardiwala posted the hearing to July 3, directing all the 22 respondents to file their replies.

The petitioner, Mr. Maheshwari has demanded action against insurance companies for duping customers and for criminal conspiracy and to book them under provisions of Prize Chits and Money Circulation Scheme (Banning) Act as well as under anti-corruption laws.

© 2013 InsuringIndia.com and Great Indian Marketing & Consulting Services Pvt. Ltd.
All Rights Reserved

The petition also demanded stay on collection of savings as well as investments by the life insurance companies and to declare endowment plans as illegal, and refund the premium.

"As per the law, life insurance business is only meant to be a business to compensate an amount to the beneficiaries in case of death of the policyholder. Payment on survival is not the business of the life insurance. Therefore, all the savings as well as investment plans are illegal as the insurance companies do not have licence to do business of collecting savings or investments," the petition reads.

IRDA Stiffens Replacement Norms For Life Insurance Policies

In order to protect long term interest of life insurance policyholders, the Insurance Regulatory and Development Authority (IRDA) has made it mandatory for agents to provide full details in a transparent manner before persuading policyholders to shift to another insurer.

The tightening of replacement norms would help retain the existing life insurance policy. It envisages full disclosure and transparent information to the policyholder to avoid a possible misrepresentation as to the factual position of financial consequences of replacing an existing life insurance policy.

As per the guidelines, no life insurance agent, insurance intermediary or an insurance company can replace a life insurance policy, except, if it is in the interest of the policyholder. It would require a written consent from the prospect for replacing existing policies.

The new norms discourage intermediaries from persuading lapsing, surrendering or making paid-up of an existing life insurance policy with the intent of canvassing or soliciting a new life insurance policy on the same life. The insurance watchdog, through tightened replacement norm, aims to encourage fair market conduct and fair business practices amongst life insurance players and intermediaries.

© 2013 InsuringIndia.com and Great Indian Marketing & Consulting Services Pvt. Ltd.
All Rights Reserved

This newsletter is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice to you.

Great Indian Marketing & Consulting Services Pvt Ltd. (hereinafter referred as GIMCS) is not soliciting any action based upon it.

The newsletter is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon such. GIMCS or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this newsletter. GIMCS or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

GIMCS and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the views mentioned in this report. This information is subject to change without any prior notice. GIMCS reserves the right to make modifications and alternations to this statement as may be required from time to time.

ABOUT US

InsuringIndia.com is India's first multilingual portal and one of the leading online insurance aggregators.
We provide an intelligent customer-centric online platform for our clients, in their language of choice, to compare and choose all types of insurance products.
www.insuringindia.com

CONTACT DETAILS

Corporate Office:
Plot-8, Sector-32, Urban Estate, Gurgaon-122001, Haryana, India
Phone: 0124 – 499 88 88
Email: research@insuringindia.com

© 2013 InsuringIndia.com and Great Indian Marketing & Consulting Services Pvt. Ltd.
All Rights Reserved