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IRDAI proposes norms for selling insurance through e-commerce

The IRDAI said promotion of e-commerce in insurance space will lower the cost of transacting insurance business and bring higher efficiencies and greater reach.

"E-commerce is seen as an effective medium to increase insurance penetration and bring financial inclusion in a cost-efficient manner," it said. The draft defines participants who can set up the Insurance Self-Network Platform. These include entities granted certificate of registration by IRDAI such as insurers, insurance intermediaries, insurance agents and any other entity recognized by the Authority. It also lays down the procedure for grant of permission for establishing an Insurance Self-Network Platform. The pricing of the product would be decided by the insurer. The exposure draft also covers the items to be displayed prominently on the internet web-site and the mobile app.



Further, it stipulate the features of the products that are disclosed on the web-site and the mobile app or both. Further, all products which are approved under the Product Approval Regulations / Guidelines and permitted by the respective regulations can be offered through the Insurance Self-Network Platform.

As regards privacy of personal information, the draft said the "onus is being placed" on the Insurance Self-Network Platform to keep the personal information collected during the course of the business transaction confidential and prevent its misuse. The Insurance Self-Network Platform may also provide for Display of online customer reviews, seller ratings. Also, the Insurance Self-Network Platform shall have a proactive fraud detection policy which is approved by the Board of Directors, the draft said on which public comments have been invited till June 20.

ICICI Prudential to unveil Rs 6,000 crore IPO soon



India's largest private sector life insurer may announce a Rs. 6,000-crore Initial Public Offering (IPO).

According to a report, the life insurance company has already picked arrangers for the IPO. At Rs 6,000 crore, this may be the sixth largest IPO in India in the last six years. Bank

of America Corp and ICICI Securities Ltd have been chosen to lead the offering scheduled for this year. The company's IPO may happen at the same time that rival HDFC Standard Life Insurance Company, is planning to list itself on the Indian bourses. These listings are among the first from the \$50 billion life insurance industry in India.

According to sources, Citic CLSA Capital Markets, UBS Group AG, Deutsche Bank AG, JM Financial Ltd, IIFL Holdings and Edelweiss Financial Services are also working on the share sale for the insurer, which is controlled by ICICI Bank. In the IPO, ICICI Bank will sell a part of its stake in the venture, while Prudential Plc hasn't made a decision yet.

BMW India Financial Services partners with ICICI Lombard General Insurance



BMW India Financial Services has partnered with ICICI Lombard General Insurance to offer premium motor insurance solutions for BMW customers. Dr. Stefan David Schlipf, MD and CEO at BMW India Financial Services said that motor insurance is a key aspect complementing vehicle purchase as it protects owners against unforeseen situations and ensures complete peace of mind.

A delightful customer experience is designed to exceed expectations with faster claim processing and turn-around time. Transparent guidelines and processes ensure that there are no unpleasant surprises in store. Motor insurance enjoyed by BMW customers covers an extensive range of parts to ensure that most of the damage is covered under claim and there is minimal burden on the customer. BMW India Financial Services values the safety of BMW customers and their loved ones above all and hence, damaged parts are not repaired but wholly replaced under cover. To ensure that a BMW delivers the same 'Sheer Driving Pleasure' as before, all repair work is carried out at authorised BMW dealerships as per international BMW standards, service costs for which are already covered under the contract.

BMW India Financial Services has also introduced 'My BMWFS' mobile app that is designed to provide comprehensive real-time updates to its users while on the move. Customers can use the app to access exclusive financial offers, contract history, confirmations and reminders for EMI, service requests etc. at the click of a button. BMW India Financial Services offers insurance solutions (as corporate agents) to its customers through its cooperation partners – Bajaj Allianz General Insurance and ICICI Lombard General Insurance.

Medical Insurance for critical diseases to be given in Jharkhand

The Jharkhand government will roll out medical insurance for critical diseases, Chief Minister Raghubar Das said recently. In a few months, the government will be starting medical insurance up to Rs 2.5 lakh for critical diseases. Medical insurance for non-critical illnesses of up to Rs 50,000 will also be started. As much as 80% of the total population will be brought under cover of the twin insurances, which will be launched soon. Primarily aimed at people living below poverty line and for those with annual household incomes less than Rs 72,000, the insurance will bring people from all economic backgrounds under its fold.



The CM also announced government plans of setting up seven new nursing colleges within the next financial year and hinted at long term plans of developing Jharkhand into a premier supplier of nursing force in India along the lines of Kerala. "Educated women from tribal communities have interest in the profession. We want to give them quality training," he said. The process of setting up nine new nursing colleges is already underway. Apart from that, three new colleges for general nurse midwifery are also slated to get off the ground.

Quick News

3.53 Lakh Yavatmal (Maharashtra) farmers to get insurance money in Goa

Approximately 3.53 lakh farmers out of the total of 4.17 lakh in the drought-hit district are set to get the benefits of National Agriculture Insurance and Weather-based Insurance Schemes. A sum of Rs 191 crore, Rs 117 crore under National Agriculture Insurance Scheme against Kharif crop and Rs 74 crore under Weather-based Insurance Scheme, has been sanctioned by insurance companies and the amount is reportedly received by the district administration. The amount would be credited to the bank accounts of the farmers before the beginning of the Kharif sowing.

Ships get relief from piracy related insurance premium at Indian ports

Ships entering or leaving Indian ports are not required to pay a piracy related additional insurance premium now, a move that would help thousands of vessels. The development has come after seas near the country's western coast were removed from the list of the High Risk Areas for piracy. About 22,000 ships that called on Indian ports between 2010 and 2015 paid an estimated additional war risk premium (AWRP) of about Rs. 8,500 crore. The ministry took up the issue of redrawing of the HRA Line back to 65 Degrees E (from 78 Degrees E) in the International Maritime Organization.

Exide Life Insurance Launches #IncomeKaTopUp

Exide Life Insurance recently launched its new digital campaign #IncomeKaTopUp across social media. The video-led campaign, centered on the recently launched Exide Life Income Advantage Plan, projects the need for a second income. The campaign shows two sets of friends planning a much longed for holiday, banking on their annual salary increment. And when that increment isn't satisfactory, the videos show there is still a way to make that holiday happen with #IncomeKaTopUp without being subjected to the ups and downs of annual increments.

HDFC Ergo buys L&T General for Rs 551 Crore



HDFC Ergo General Insurance - the non-life arm of the country's largest home finance company—has agreed to acquire L&T General Insurance for Rs 551 crore in an all-cash deal. The deal was announced shortly after HDFC's joint venture partner Ergo bought an additional 23% stake in the non-life company from HDFC for Rs 1,122 crore, increasing its holding to almost 49%.

L&T group's exit from the general insurance business marks the beginning of consolidation in the sector. The group had pumped in Rs 705 crore in the non-life business which was set up in 2010. L&T General Insurance continued to report a loss in FY16 as margins continued to remain thin.

For the additional stake in the non-life company, German insurer Ergo (part of the Munich Re group) has paid Rs 1,122 crore. HDFC stands to gain Rs 922 crore pre-tax from the deal. Both HDFC and Ergo have agreed to infuse additional capital into the joint venture to fund the acquisition.

HDFC Ergo's marketshare as of March 31, 2016, was 3.47%, and L&T 0.48%. The leaders in the private insurance market are ICICI Lombard (8.31%), Bajaj Allianz General (5.99%), IFFCO-Tokio General Insurance (3.79%) and Tata AIG General Insurance Co (3.04%). With the merger, HDFC Ergo's market share will go up to 3.95%, shooting ahead of IFFCO-Tokio General, making it the third largest private insurer in India. L&T General Insurance Company's CEO G C Rangan and a couple of other senior executives on deputation from L&T will revert to the group. Kumar said that the company will retain all 800 employees at L&T General Insurance.

Foreign banks, insurance firms keen to set up shop at GIFT City

At least five foreign banks, two Indian insurance companies and many other financial institutions have approached the state-promoted Gujarat International Fin-Tec City (GIFT) City to set up shop in the country's first International Financial Services Centre (IFSC) being established here.

"Two of these foreign banks are in an advanced stage of discussions. Once they take a decision, they will approach Indian regulators, including the RBI, for a final approval. We expect some action in the next six months, by the time the Vibrant Gujarat Summit is held here in January 2017," Ajay Pandey, Managing Director and Group CEO, GIFT City.

On the reasons for an increasing interest evinced by Indian and international financial institutions at GIFT-IFSC, he said, besides being early birds to derive the benefits of being in an emerging global business centre, some of these entities will also save 25-30 per cent in their operational costs, have lower compliance costs, enjoy the best infrastructure in India and a favourable cultural milieu.

The IFSC's business transaction mark, which was over \$100 million in February 2016, is expected to cross the \$1-billion mark in the next few weeks. The banks that have started operations at GIFT IFSC include ICICI Bank, IDBI Bank, YES Bank, Federal Bank and Kotak Bank. India's largest lender SBI and IndusInd Bank are also expected to start their operations soon.



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