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IRDAI mulls introducing Title Insurance, sets up panel



Aiming to provide cover to people in case of defective property titles and related issues, IRDAI today proposed introducing a new product in India, 'Title Insurance'. IRDA today said it has decided to constitute a 7-member working group to study the scope of 'Title Insurance' in the Indian market. IRDA's Senior Joint Director Suresh Mathur has been appointed Chairman of the group and has been asked to submit his report in two months.

The group will study the need and scope for such a product in the domestic market vis-à-vis the existing practices in the international market and identify the insurable risk and define the compensation structure. It has also been asked to suggest the design of the product and the framework for assessment of risk, pricing, reserving and accounting with actuarial inputs keeping in mind the long term sustainability of the product on standalone basis.

Other tasks assigned to the group include assessing the availability and accessibility of local revenue records, ascertaining the status of digitization of land records in various states and availability of legal expertise to support the underwriting and claims management efforts of the insurer.

The terms of reference also seek policy wordings in line with Indian conditions, both from content and from legal perspective, and suggesting the mechanism for policy servicing and ascertaining the availability of reinsurance support in the domestic and international markets. Title insurance products are designed to protect financial interest of real estate owners as well as lenders against defect in the title to a property, liens or other related issues.

Future Generali launches travel insurance policy to be sold online only

Future Generali India Insurance has launched a travel insurance which can be customized to suit individual needs and preferences and will be sold online only. This is the first insurance product from the company to be sold exclusively online.

A big chunk of life has moved comes to travelling, the or a business trip abroad exploring the places-to-visit in booking hotels and flights. insurance policy can be



online these days. When it experience of a family vacation initiates on the web, from the destination country to Even buying a travel done entirely online.

Future Generali's online Future Easy Travel Schengen. The age criteria 6 months to 70 years old single proposal. As both are exclusively available online, it can be expected to be much more comprehensive. The insurer claims that they have customized the plans under each product to suit individual needs and preferences. Further, being online products they have the ease of buying and faster processing.

travel insurance products are: Worldwide and Future Easy Travel for purchasing the policies range from thus encompassing the entire family in a

UK reinsurer Lloyd's to launch India operations in 2017



Lloyd's will launch its India operations by early next year after the IRDA released a circular that enables Lloyd's to set up shop here. Reinsurance is a business that provides cover to insurance players. While currently only General Insurance Corp. of India (GIC Re) provides domestic reinsurance within the country, Lloyd's reinsures offshore insurance transactions of Indian companies.

Unlike other reinsurers, Lloyd's operates through a market model wherein a set of members collectively come together to underwrite and provide reinsurance. In March, IRDA allowed Lloyd's to operate in India through its market model and said that the constituents of Lloyd's India will include members, also called syndicates, who delegate authority to service companies, located within Lloyd's India. At present the size of offshore reinsurance that Lloyd's provides to Indian transactions is around \$200 million.

This offshore reinsurance will come onshore to India. Lloyd's will not go aggressive on syndicates and initially have only a couple. China was a market where Lloyd's started off with two syndicates and increased it to 30, similarly Indian operations would be scaled up over time. The Indian non-life insurance market is estimated to be around \$12.5 billion.

More, tighter norms proposed for web aggregators in insurance

Web aggregators might have to face tighter norms for operating in the insurance sector. In proposed rules, the IRDA has suggested the capital requirement would be increased from a minimum of Rs 10 lakh to Rs 25 lakh. Further, aggregators would be treated as insurance intermediaries. If an application for registration is rejected by IRDA or has been withdrawn, the applicant may apply afresh after a financial year has gone by. However, if a foreign promoter or foreign investor has exited for any reason during the preceding two financial years, they would be ineligible to apply.



With respect to investments, IRDA has proposed that where there are one or more investors in a web aggregator, no investor shall hold shares exceeding 10% of the paid-up equity capital. Further, all investors jointly cannot hold more than 25%. Also, while an investor in a web aggregator may be an investor in other such entities, he cannot be a promoter in more than one of these. On display of product comparisons on a website, IRDA has proposed extending these to unit-linked insurance products. Also, the limit of premium per risk / per life of products sold on a web aggregator would be revised from Rs 50,000 to Rs 1.5 lakh.

An aggregator will be allowed to charge a flat fee of Rs 50,000 per product and undertake outsourcing activities. Similar to other intermediaries, web aggregators are to be asked to have a policy approved by their board of directors on the manner of soliciting and servicing insurance products.

Quick News

Future Generali eyes Rs 3,000 crore business in 3 years

General insurer Future Generali India aims at a business of Rs 3,000 crore in the next three years with an expected growth rate of 15-20%. Riding high on the economic growth, the company expects gross domestic product (GDP) to expand at a higher rate which will create demand for insurance products. Growth in general insurance is usually related to how the GDP is growing. The company is looking at 15-20% growth annually over the next three years and therefore aiming to reach close to the Rs 3,000 crore mark. In the previous financial year, general insurance grew at 7.6%. Movement in infrastructure projects is also a positive sign for general insurers.

Magicbricks partners SBI for 'Home Buying Festival'

Realty portal Magicbricks has partnered with State Bank of India (SBI) to organize an online home-buying festival. Magicbricks and State Bank of India (SBI) have launched India's biggest property festival, Home Buying Festival (HBF) the portal said in a statement. The three-week long online festival will kick start from June 10-30.

Star Health Insurance ties up with Bank of India

This tie-up will enable Star Health to leverage Bank of India's network of all branches and huge customer base across the country. "We attempt to make our products and services easily accessible to customers, while trying to address the issue of low health insurance penetration in the country. The bancassurance channel has the potential to reach out to untapped sections of the market, which is the need of the hour" said Insurance Senior Executive Director S Prakash. "With the alignment of our brands, people and processes, we hope to create huge value for all our customers on a long term basis." Star Health has collected premium of Rs 2,007 crore in the last financial year 2015-2016.

Bupa completes share purchase from Max India to increase stake in Max Bupa to 49%



Max India Ltd., has announced the completion of the transaction to increase Bupa's shareholding in their health insurance joint venture Max Bupa from 26% to 49%.

The application to increase Bupa's shareholding was submitted following changes to India's foreign direct investment (FDI) rules to allow up to 49% ownership of insurance companies by foreign investors. Bupa is one of the first foreign investors in India's health insurance sector to have its application to increase its shareholding approved by Indian regulatory authorities and complete the transaction with its joint venture partner. Bupa has paid Rs 207 crore to Max India, in an all cash transaction, for the stake increase. The

transaction was concluded after receiving regulatory clearances from IRDAI.

Launched in 2010, Max Bupa is already the 7th largest private health insurer in India. With a base of more than two million customers across India, it continues to be amongst the fastest growing stand-alone health insurers. The company has focused on building a retail customer and product portfolio via multiple sales channels including agency, bancassurance, telesales and online.

IRDAI on Insurance claims: Don't sign discharge vouchers under threat

The next time any insurance company forces you against your will to sign their discharge voucher (DV), which acts as the full and final payment at the time of claims settlement, just refuse to do so. The IRDA has recently issued clear instructions to insurance companies that under no circumstances the Discharge Vouchers shall be collected under duress, by coercion, by force or compulsion.

Discharge vouchers, which are often referred to as Settlement Intimation Voucher, indicate that a claim has been settled amicably between the insurer and the insured. It has been used as proof of settlement indicating that insurer's liability is over and that the insured is satisfied with the claim amount offered by the insurer for a particular incident.

However, Discharge Vouchers have been a major cause of disputes. Insurance companies have often been accused of taking advantage of the weak spot the policyholders found themselves in at the time of a loss and getting the vouchers signed at a disputed amount thereby trying to absolve themselves of higher payment. Many such disputed cases have gone to higher courts.

"This is a positive step from the IRDAI to protect the interest of the policyholders. This will make insurance companies accountable towards claim in cases where the claim is rejected or claim is not paid in full," Naval Goel, CEO & Founder of PolicyX said.

IRDAI directive says if the amount offered is disputed by the insured or claimant, insurers would take steps to pay the amount assessed without waiting for the voucher discharged by the insured or claimant. However, the regulator has said wherever there are no disputes by the insured or claimant to the amount offered by the insurer towards settlement of a claim, the present system of obtaining the discharge voucher may be continued. However, the insurers must ensure that the vouchers collected must be dated and complete in all respects while obtaining the signature of the insured or claimant.



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