

Featured Articles

1. **New India Assurance issues India's first Nuclear Policy – Page 1**
2. **Implement EMRS for smooth claims: IRDA – Page 1**
3. **Insurers offer hope on air ambulance – Page 2**
4. **MS Dhoni becomes Exide Life Insurance's Brand Ambassador – Page 2**
5. **Transparency waves now cover insurance agents – Page 3**
6. **Bank of India sells 18% stake in Star Union Dai-Ichi Insurance – Page 3**

New India Assurance Issues India's 1st Nuclear Insurance Policy



New India Assurance has issued the much-awaited nuclear insurance policy to the Nuclear Power Corporation of India (NPCIL). The public sector insurer issued the cover for a premium of Rs 100 crore to 21 nuclear plants under the NPCIL. As the policy was issued three weeks ago, the Rs 1,500 crore nuclear insurance pool (NIP) will now kick off operations, thus enabling the nuclear sector in India to expand the operations.

The policy will cover the hot zones for these plants and there will be a separate cover for suppliers. The policy was issued on May 26. Earlier, NIA was providing property cover for the cold zone and hot zones separately. GIC Re, India's national reinsurer, is managing the Rs 1,500-crore pool, an arrangement to address exposure of nuclear operators and suppliers. Eleven other domestic insurers are part of the pool, the 27th NIP in the world, to cover the risks emanating from civil liability for Nuclear Damage Act 2010. The pool is now in a final stage to roll out the product for nuclear suppliers and will soon seek IRDAI approval.

There are 21 existing nuclear plants and five more are being added. NPCIL's mandate is to triple the nuclear energy generation by 2022 from the current level of 4,750 MW. The pool will address third party liability insurance under Civil Liability of Nuclear Damage Act (CLNDA) 2010 to begin with and later expand into property and other hot zone risk for which it will work in close co-ordination with nuclear power industry.

Implement EMRs for smooth claims: IRDAI

The absence of digitized records in a majority of hospitals in India is reported to have resulted in claims getting delayed more often than not. Those that do have electronic medical records (EMR), have no uniformity of coding, running claim settlements into difficulties. To tackle this, the Ministry of Health and the IRDA have been promoting the use of ICD-10, an international system for medical coding.



The proposal is yet to take off. Further adding to the issue is that, though having been made mandatory by the Indian Medical Council for Research, only a few corporate units have taken it on. This is because though there is a regulator for insurance, none exist in the health care domain. ICD-10, which allows for more than 14,000 codes for diseases, symptoms, abnormal findings and injury will speed up the insurance claim process considerably. Both state government hospitals and charitable institutions are yet to implement ICD-10.

According to observations, claims gets held up due to ambiguity on coding and treatment procedures, despite initial promises of instant cashless settlements. Doctors, paramedics, hospital staff are not familiar with coding. So if there's a patient with kidney problems, high levels of creatinine and inflammation of the skin - what could happen is that the doctor knowing the code for renal problems will jot that down, but leave out the inflammation of skin, if he does not know the code. The inflammation of skin could have medical significance later, but gets missed.

Insurers offer hope on air ambulance

Directorate General of Civil Aviation (DGCA) is considering the approval of a chopper ambulance service to land on roads and highways. However, pricing of the air ambulance service remains a key concern in Maharashtra where the State government signed a memorandum of understanding (MoU) with city-based MAB Aviation Pvt. Ltd. during the Make in India week.



Even as hospitals battle the dilemma of whether or not to use the ambulance service, the cost of which could range from Rs 2.5 lakh to up to Rs 18 lakh depending on the distance, there is hope. Insurance firms might just cover transport of patients to hospitals in their health insurance policies, an MAB official said. MAB has been in talks with three major insurance companies, both government and private, and things are looking positive. Once the insurance kicks in, price will not be a concern.

Unlike developed nations such as Australia, UK and Canada where the patient's transport to the hospital is covered by the insurance company, it is not so in India as insurance firms pertinently ask about the infrastructure in place to justify the cost. The need for an air ambulance is acutely felt in Mumbai, particularly after the number of organ transplants in the city has gone up. City doctors have been air-dashing to various cities within and outside Maharashtra to harvest organs and then flying back to transplant them, ensuring minimum loss of time. The cost of the air ambulance, however, remained contentious with different aviation firms quoting varying rates.

MS Dhoni becomes Exide Life Insurance's Brand Ambassador



Exide Life Insurance has roped in Mahendra Singh Dhoni as its brand ambassador. Dhoni, who represents the aspirations of millions, has a strong mass appeal and followership compared to any other sporting icon in India.

The brand finds Dhoni the perfect brand ambassador as he embodies the brand values of Exide life Insurance such as Dependable, Dynamic,

Responsive and Foresighted. "Dhoni represents a unique blend of skill, commitment and stability which are all personality traits that are relevant to the life insurance category" stated, Mohit Goel, Director-Marketing, Exide Life Insurance. "As a life insurance company, we believe that long term relationships build trust, and Mahendra Singh Dhoni is a perfect embodiment of that belief. Dhoni has appeal that cuts across geography, gender and age groups. He is one of India's most celebrated cricketers, and the most successful captain of the Indian team and we are extremely excited to be associated with him."

Speaking about his partnership with Exide Life Insurance, Dhoni said, "This is my first endorsement deal in the insurance category. I am pleased to be associated with Exide Life Insurance, a company that helps Indians prepare financially for their long and happy life. Long term relationships build trust and I have always planned for the long term in all aspects of my life. Exide Life Insurance is a brand that resonates well with me and I look forward to working with them very closely."

Quick News

HDFC Life in talks to buy Max Life in India insurance consolidation

India's HDFC Standard Life has begun talks to acquire smaller rival Max Life Insurance Co Ltd in an all-stock deal to create the nation's top private-sector life insurer, kicking off consolidation in the \$50 billion sector. The companies approved entering into a "confidentiality, exclusivity and standstill agreement" to evaluate a potential combination through a merger of Max Life and its parent Max Financial Services into HDFC Life by way of a scheme of arrangement. The talks could continue for about 60 days and the merger process could take a year to complete. As part of the deal, Max Life will be merged into parent Max Financial Services, which in turn will merge with HDFC Life, making it a publicly traded company. Britain's Standard Life Plc owns a stake in HDFC Life, whose biggest shareholder is Indian mortgage lender Housing Development Finance Corp.

Consumer forum imposes Rs 5K penalty on MCD

A consumer forum has imposed a penalty of Rs 5,000 on MCD for not paying monthly installments of an LIC policy of one of its employees, holding it guilty of "deficiency in service". A bench of North District Consumer Disputes Redressal Forum, presided by K S Mohi, held that MCD was negligent in deducting the monthly installments from the employee's salary due to which the insurance policy of Ghaziabad resident Bhajan Lal had lapsed. "The documents placed on record by the parties clearly demonstrate that Opposite Party 1 (MCD) was negligent in not deducting the monthly installments from the salary of complainant (Lal) for the purpose of depositing the same with Opposite Party 2 (LIC) resulting in 23 gaps of installment."

Transparency waves now cover insurance agents



Those looking to buy a life insurance policy can now ask agents how much commission will be paid from the premium and the agent will have to disclose this. Earlier, this was applicable only for unit-linked insurance plans (ULIPs). In addition, customers can ask agents for their identity card or appointment letter to verify their authenticity. Agents will now have to inform the policyholder upfront about the chances of the policy being rejected or approved. Agents will also not be able to hide information about whether the policyholder is a smoker or non-smoker, from insurance companies as this will affect underwriting. In the past, agents used to withhold such information to ensure the policy is approved. These are the main features of the codes of conduct prescribed for insurance agents in the Regulations for Appointment of Insurance Agents notified by the IRDA recently.

While some of these codes were already in place, the latest notification has to be implemented by all insurance companies. Importantly, the regulations also say that agents should not offer different rates, advantages, terms and conditions other than those offered by the insurance company, demand or receive a share of proceeds from the beneficiary under an insurance contract or force a policyholder to terminate the existing policy and buy a new policy from him within three years. If an agent's license is cancelled, he cannot apply for fresh agency appointment before five years. An agent who does not comply with the code of conduct can be penalized up to Rs 10,000. Even insurance companies can face penalty as they have fiduciary responsibility for agents.

The first year commission for traditional policies can be as high as 40%, which customers might consider too high. But, if the product meets the customer's requirements, he would be willing to buy it despite knowing how much commission is paid to the agent. So, agents will have to sell the right product to customers. Now, customers can ask the insurance agent to demonstrate how the product satisfies his or her insurance needs. To verify the authenticity of the product features, customers can ask for a copy of the product brochure supplied by the insurance company to the agent. Further, the details of insurance premium charged, including extra premiums, if any, the mode of payment of premium, benefits, nomination facility, exclusions (circumstances when the benefits are not paid) etc., are required to be disclosed at the point of sale. The IRDA maintains a centralized list of blacklisted agents. Customers can verify if the agent is blacklisted or not by entering the agent's name, license number, type of insurance, name of the insurance company, state and district, etc. Some insurance companies also publish a list of blacklisted agents on their website. Customers can lodge a complaint directly with the insurance company or through the IRDA portal about blacklisted agents.

Bank of India sells 18% stake in Star Union Dai-Ichi Insurance

Bank of India has announced that upon change in law, Bank of India has sold its 18% stake in Star Union Dai-Ichi Life Insurance Company Ltd (SUD) to Dai-ichi Life Insurance Company Limited (DILIC). Hence, the Shareholding of DILIC will be 44% up from 26% upon completion of the transaction after receiving necessary statutory / regulatory approvals. Shareholding of Bank of India will be 30% down from 48%. Union Bank will continue to hold 26%.



Bank of India is currently trading at Rs. 97.45, up by Rs. 0.75 or 0.78% from its previous closing of Rs. 96.7 on the BSE.

The scrip opened at Rs. 97 and has touched a high and low of Rs. 98 and Rs. 96.5 respectively. So far 5982730(NSE+BSE) shares were traded on the counter. The current market cap of the company is Rs. 9032.12 crore.

The BSE group 'A' stock of face value Rs. 10 has touched a 52 week high of Rs. 187.75 on 17-Aug-2015 and a 52 week low of Rs. 78.6 on 25-May-2016. Last one week high and low of the scrip stood at Rs. 97.4 and Rs. 88.1 respectively. The promoters holding in the company stood at 70.32 % while Institutions and Non-Institutions held 21.09 % and 8.59 % respectively. The stock is currently trading above its 200 DMA.

DISCLAIMER

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 Insurance Web Aggregators Pvt. Ltd. (hereinafter referred as GIIWA) 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 as such. GIIWA 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. GIIWA 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.

GIIWA 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. GIIWA reserves the right to make modifications and alterations 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 122, Sector 6, IMT Manesar, Gurgaon-122050, Haryana, India
Email: research@insuringindia.com