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Health Insurance raises 1 million from the HR Fund

Primary healthcare services provider Health Assure has announced raising a million dollars in pre-series A from The HR Fund. The latest fundraise was facilitated by Candle Advisors, a Mumbai based investment banking and advisory services firm. Health Assure founded in 2011 by Varun Gera, former CEO of United Healthcare and currently operates a network of 3100 primary care centers offering services such as dental, pediatric, ophthalmology and diagnostics across upwards of 1000 cities in India.



The company's technology platform helps discover centres and doctors in their vicinity, allows booking appointments and deliver medical reports online. Varun Gera, CEO and Founder, Health Assure said, "We will use the funds to expand our networks. The company also runs a B2B arm wherein it works with insurance companies and over 100 corporates including Apollo Munich, Max

Bupa, Cigna, ICICI Prudential, Royal Sundram, Loreal, FedEx, Deloitte, and Max Life Insurance among others.

The HR Fund is a Rs. 50 crore funds focused on investments in startups focused on solutions for workforce management. The fund has made six investments yet in businesses such as People Matters, Knolscape and Sheroes. Last year, the investment firm exited its investment in Gurgaon based People Strong with private equity firm Multiples Alternate Asset Management buying a majority stake in the company for \$61 million.

Azim Premji joins hands with Prudential for Star health stake

Global insurer Prudential Plc and Indian billionaire Azim Premji are joining forces to challenge a consortium of West Bridge Capital and Kedaara Capital, besides others, in the fight for a controlling stake in Star Health and Allied Insurance. Competition for the asset may intensify in the wake of the National Health Protection Scheme (NHPS) proposed in the budget. The Indian health insurance market is expected to quadruple to Rs 50,000 crore thanks to the social welfare scheme, experts said.

This could drive up the valuation of the insurer beyond the Rs 6,000 crore initially estimated, when the sale process was kicked off about six months ago, drawing about a dozen bidders, said people aware of the matter.

Star is the largest standalone health insurer in the country, with a 2.36% market share. "We have formed a consortium with Prudential and are involved in the process," said Rahul Garg, partner, Premji Invest, confirming the development. "However, it is too early to comment on a deal as a lot of other bidders are also there." Prudential is said to have been scouting for an Indian partner to bid for the health insurer. Garg said Star Health offered an attractive investment prospect in the fastest-growing segment of health insurance with a wide agency distribution network.



New Premium of Life Insurers up by 27%

Life insurance firms reported an increase of about 27% in its new premium collection in February at Rs 13,698.52 crore, data from insurance regulator IRDAI showed today. The Life insurance firms reported an increase of about 27 % in its new premium collection in February at Rs 13,698.52 crore, data from insurance regulator IRDAI showed today. Of all the 24 life insurance firms, country's only state-owned as well as the largest insurer LIC, the increase in new premium collection was up by 24% to Rs 8,476.73 crore during the month.



Rest of 23 private sector players had new premium collection of Rs 5,221.79 crore in February, up 32.4 % from a year ago, showed the Insurance Regulatory and Development Authority (IRDAI) data. Among the private sector life insurers, SBI Life reported new premium of Rs 709.72 crore in the 11th month of this fiscal, up 32 per cent; HDFC Standard Life witnessed a jump of 80.4% in new premium at Rs 1190.90 crore during the month.

Of the others, ICICI Prudential Life had new business worth Rs 780.79 crore, down 12% from a year ago, Bajaj Allianz Life was at 49 crore as against Rs 177.51 crore year ago and Birla Sun Life Rs 182.79 crore against Rs 142.43 crore. Cumulatively, all the 24 life insurance companies' new premium collection during April-February period of this fiscal rose to Rs 1,64,321.18 crore, from Rs 1,40,346.76 crore a year ago period.

LIC a big investor in many companies in bankruptcy process

At a time when state-owned banks are in the cross hairs for lending to companies that eventually failed to service the debts, not many would be aware that the Life Insurance Corporation of India (LIC), country's largest life insurance company, has made investments of significant magnitude in some of these companies.

LIC has been an investor in several companies which are in the list of applications admitted by National Company Law Tribunal (NCLT) under the Insolvency and Bankruptcy Code, 2016 (IBC). The list includes Alok Industries, ABG Shipyard, Amtek Auto, Mandhana Industries, Jaypee Infratech, Jyoti Structures, Rainbow Papers and Orchid Pharma.



Stocks of most of these companies have seen more than 95% value erosions from their peaks thereby denting the overall performance of the insurance provider. Commenting on the company's investments, Hemant Bhargava, managing director, LIC of India, said: "In the last three years, we have taken a conscious decision of investing only in the BSE200 companies. But you should know that LIC is an old institution and there are legacy investments about which there is nothing much we can do."

Other well-known names which have been great value destroyers but can be found in LIC's portfolio include Reliance Communications, GTL Infra, Electro steel Castings, Zylog Systems, Rolta India, Aban Offshore, Shree Renuka Sugars and Monnet Industries. At the end of December 2017, LIC held more than 1 per cent in 378 companies. Of these, 68 companies, or nearly one in every five companies, have a market capitalization of less than Rs 100 crore.

Quick News

SBI Appoints PK Gupta as Nominee Director on SBI Life Board

AI SBI Life Insurance Company Ltd. Has appointed PK Gupta as the Nominee Director on its board. "The nomination remains subject to ratification by the Nomination and Remuneration committee of the board of directors of our company," the filing said.

Telangana proposes Rs. 5L insurance cover Rs. 12000 Crore support scheme for farmers.

The Telangana government today proposed a Rs 1,74,453.84 crore budget for 2018-19 with major focus on agriculture as it unveiled a Rs 8,000 per acre investment support scheme and a Rs 5 lakh insurance cover for farmers.

Canara HSBC OBC Life Insurance partners can finance homes to sell policies

Canara HSBC Oriental Bank of Commerce Life Insurance has joined hands with Can Fin Homes for a three-year corporate agency tie up to sell its policies to potential home buyers. All the life insurance products of the company would be made available to customers of Can Fin Homes, Canara HSBC Oriental Bank of Commerce said in a release today.

Both the companies aim to provide long term value creation for its customers, it said. "Life insurance is part of wider portfolio of financial products. Our aim is to provide customers with a range of life insurance products backed by excellent customer service. Together both the companies will bring in convenience for customers with assurance of quality service," said Anuj Mathur, CEO, Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited. S K Hota, MD & CEO, Can Fin Homes said: "With this tie up, our customers will get access to a bouquet of life insurance products that will help indemnify their loan liability in case of an unfortunate eventuality."



Availing of Life Insurance solution would safeguard and secure the future of the customer's family, and hence in the context, the tie up is extremely important from a customer value perspective, Hota said. Canara HSBC Oriental Bank of Commerce Life Insurance has a pure bancassurance model and has access to around 11.5 crore customers and a pan-India network of over 10,000 branches of its partner banks. Can Fin Homes, the housing finance subsidiary of Canara Bank has a pan India network of 132 branches, 20 Affordable Housing Loan Centres (AHLs) and 20 satellite offices with customer base of over 1.2 lakh.

IRDAI is set to release these new norms for Brokers

Insurance Regulatory and Development Authority of India (IRDAI) will soon be releasing new regulations for brokers as the demand for insurance broking is growing steadily with 428 brokers in the industry as on today. Insurance Regulatory and Development Authority of India (IRDAI) will soon be releasing new regulations for brokers as the demand for insurance broking is growing steadily with 428 brokers in the industry as on today, according to TS Vijayan, IRDAI chairman. He said that the insurance industry is active and is growing in double digits across segments and the growth is being fuelled by increasing adoption of technology and digitization of insurance processes for the benefit of the customers.

Addressing the 14th Insurance Brokers Association Summit (IBAI), he said, "We have sent the new broker regulations for the Gazette notification with some changes. It will be out soon. The redrafted regulations will help in governing the brokers and maximize value for the policy holders." He said that brokers must make claim settlements more transparent by adopting technology and asked them to improve insurance penetration across cities. Life insurance has not even touched 4% and general insurance is much lower, he said. He emphasized on the role of technology push in the insurance sector. "Digital push is required. Lead the industry with cutting-edge technology, develop apps and reach out to more customers," he told the insurance broking community. The growth of Indian insurance industry is encouraging after opening up the sector and insurance penetration reaching around 4%. However, the sector can see more growth coming from areas such as motor, health and life insurance going forward, he said. Besides, GST and demonetization have led to formalization of economy. When formalization happens, it helps industry like insurance, he added. Sanjay Kedia, president of Insurance Brokers' Association of India (IBAI), said that the role of the broker was increasing in a range of transactions in the insurance market.

The non-life insurance premium crossed Rs 1,28,129 crore in FY17 with a growth of 32.9% over FY16. Of this, Rs 30,000 was placed by the brokers. Insurance penetration for non-life industry in the country stood at 0.77% in 2016. The total gross domestic premium contribution by insurance brokers for non-life was at Rs 30,442 crore during FY 2016-17. The demand for insurance broking has been growing with 428 brokers in the industry as of today. The projected growth of non-life insurance in terms of GDP is 17% around Rs 400,000 crore. Insurance broking to contribute around Rs 160,000 crore, Kedia said. "An insurance broker is the only distribution channel representing policyholders. Technology, data analytics and brokers' role in claim distribution (which is not present in India today) would be game-changers, going forward."

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