Featured Articles

Chennai flood claims at Rs 5,000 crore for insurance sector

The massive flood in Chennai and adjoining areas in Tamil Nadu turned out to be costly for the insurance companies, saddled with claims touching close to Rs 5,000 crore.

"For the entire insurance industry, the losses are about Rs 5,000 crore. For National Insurance at gross it will be Rs 300 crore," company's chairman and managing director K Sanath Kumar said here today.

"At the company level, the net hit to us will be anywhere between Rs 80 and Rs 90 crore. The industry thought loss would not be more than Rs 500 crore after the November flood, but the second round of flood in December was severe causing the major damage," NIC Director & General manager M Vasantha Krishna said.

Besides loss of lives, according to estimates, some 80,000 vehicles, four and two-wheelers combined, are estimated to have been damaged in the deluge.

According to reports, 2015 was one of the worst in aviation losses for insurance companies in India. Eight private jets owned by corporate houses were damaged in the Chennai floods last December that could cost up to Rs 500 crore for the general insurance players.

Future Generali Life Insurance launches New Saral Anand; provides extended life cover

Future Generali India Life Insurance Company Limited (FGILI), a joint venture between Future Group, Assicurazioni Generali and IITL, announced the launch of New Saral Anand, which is a simple, regular pay, traditional participating plan.

FUTURE GENERALI
TOTAL INSURANCE SOLUTIONS

A key benefit of this plan is that it provides an extended life cover. The policyholder not only gets the sum assured along with bonuses at the end of the policy term but also gets an extended cover till the age of 100 years. The policyholder receives another lump sum equal to the Sum Assured on attaining the age of 100 years. In case of death during the extended benefit period, this amount is paid to the nominee. This product will also provide a whole life cover with a simplified underwriting process, thereby making it convenient for the customer.

At the end of each financial year the Company may declare a bonus expressed as a percentage of the Sum Assured and all previous bonuses declared. The bonus of each year is added to the sum assured and the next year's bonus is calculated on the enhanced amount.

The Company may declare a discretionary terminal bonus which is payable on death or maturity of the plan.

Motor insurance premium to be costly by 20% to 30% from April 1

Motor insurance premium is set to become more expensive, with Insurance Regulatory and Development Authority (IRDA) issuing a draft allowing up to 20%-30% increase in third party rates from April 1. As per the draft proposal, insurance premium of all vehicles will see a hike of about 20%-30% except two-wheelers.

From April 1, a six-wheeler's third party premium will witness an increase of about Rs 1,476 to Rs 2,229.

According to the proposal, small size three-wheelers including e-rickshaw will have premium hike of Rs 59 and Rs 400 for other three-wheelers. Three-wheelers with a sitting capacity of about 6 to 17 seats will see a premium increase of Rs 959 to Rs 2,059.

Similarly, proposal for commercial vehicles with sitting capacity more than 6 seats calls for Rs 2,060 hike in premium.

There is no increase in case of two-wheelers.

IRDA had dismantled the third party motor insurance pool from April 1, 2011 thereby linking premium rate with the prevailing market rate

New Insurance scheme for Small Tea Garden workers, backed by Indian Tea Board

Each one of around 1.5 lakh workers of all the small tea gardens (STG) in India are going to get an insurance cover of Rs 2 lakh against own payment of Rs 3.5 only per annum. Under direct support of Indian Tea Board (ITB), the accidental insurance scheme is likely to get introduced pan country from 1st April.

According to ITB officials, the Group Personal Accident Insurance scheme will provide compensation to STG workers within age group of 18 to 70 years in the event of bodily injuries or death caused by accident. Premium per worker per annum has been worked out as Rs. 14. Out of it, the board will bear 75% while the workers need to pay the rest 25% amounting to be Rs. 3.5.

The Master Policy will be issued by the Insurance Company in the name of Tea Board India on receipt of premium along with list of beneficiaries for whom premium has been paid.

According to him, it is difficult to assess the exact number of beneficiaries of the scheme at this moment as the national survey on workers profile of STGs is yet to be finished. But the number will be approximately around 1.5 lakh throughout the whole country.

Quick News

IT-enabled Health Insurance plan in 2017

The Health Ministry has prepared a Rs. 15,000-crore action plan to launch a National Health Protection Scheme that will offer insurance coverage of up to Rs. 1 lakh to economically and socially backward people. J P Nadda, Health Minister said that though the Budget allocation for the health insurance scheme was Rs. 1,500 crore, the annual spending for it could be Rs. 4,500 crore. The scheme would be rolled out in 2017 and the initial corpus of funds allocated would be used for setting up an IT-enabled platform.

A new insurance scheme for plantations in pipeline

The government of India is in the process of launching an insurance scheme for the plantation sector, including rubber which would cover price fluctuations among other perils, with premium shared by central government, state governments and beneficiaries. Other possible supportive measures could consist of fiscal concessions, developmental assistance and regulatory simplification. Government of India is keen on the overall development of the rubber industry value chain starting from rubber growers to consumers of end products.

Life insurance scores over ULIPs

A majority (64%) of Indians is still risk averse and prefer traditional insurance covers over ULIPs (19%), a study has revealed. In line with the study's findings that only one-fifth of people go for ULIPs over traditional policies - the study also found that Indians are predominantly risk averse and they invest more in bank deposits, gold, real estate and less on equity products. About 59% of respondents were unclear as to what benefits their families would receive on the death of the policyholder. And as many as 68% of policyholders were unclear as to what benefits they'd receive on maturity of the policy.

Less than 1 in 4 parents financially preparing for their child's career aspirations: Aviva survey

A survey by Aviva Life Insurance as a part of its 'Early Starters' initiative revealed that while young India has big dreams, parents are not planning adequately financially. The report, based on answers from over 11,300 parents across seven cities (Mumbai, Pune, Bangalore, Kolkata, New Delhi, Hyderabad and Chennai), revealed a huge gap between the big dreams of today's children and the financial preparedness of parents towards supporting them.

According to the survey, only 24% of parents are financially preparing for their child's career aspirations, which range from traditional choices like medicine and engineering to unconventional ones like fashion designing and chef.

The initiative also revealed several interesting trends about young India's dreams. While conventional choices such as doctor and engineer continued to be dominant, the affinity towards these choices has declined somewhat. The most popular career choice continues to be medicine, with 23% children aspiring to become doctors. This figure has, however, declined from 29% in 2013. There is also a rise in choice for unconventional professions. Not surprisingly, cricket and other sports (19%) continue to remain a favourite choice. The liberal arts are also a popular field, with 14% children opting for it.

SBI Life launches insurance plan for women

To commemorate International Women's Day, SBI Life Insurance launched 'SBI Life - Smart Women Advantage' plan that provides for life cover, savings and female-specific critical illness benefits.

SBI Life
INSURANCE
With Us, You're Sure

It's a participating individual traditional endowment plan which also provides optional benefits of additional pregnancy complication, congenital anomalies (APC & CA) and child birth-related abnormalities, apart from covering other illnesses. The plan has an in-built premium waiver benefit which would waive all the future premiums in case the life assured is diagnosed with any of the covered 'major stage critical illnesses'.

The plan comes with two basic options - Gold Plan and Platinum Plan. One can also avail tax benefits u/s 80D and 80C of the Income Tax Act for premiums paid towards health benefits and life cover, respectively, under the policy.

LIC hikes stake in ICICI Bank, cuts in many PSBs

Life Insurance Corporation of India (LIC) has reduced its stake in six public sector banks namely, Bank of Baroda, Bank of Maharashtra, Oriental Bank of Commerce, Punjab National Bank, State Bank of Mysore and Vijaya Bank during October-December 2015 quarter, reports a financial newspaper.

LIC
भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

At the same time, this largest domestic institutional investor raised stake in Corporation Bank and IDBI Bank during the third quarter. Among the private banks, LIC sold shares of Yes Bank and IndusInd Bank while it raised stake in ICICI Bank and HDFC Bank.

The banks where LIC raised stake during the December quarter were Corporation Bank (from 18.99% to 21.22%) and IDBI Bank (7% to 7.25%).

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-8, Sector-32, Urban Estate, Gurgaon-122001, Haryana, India
Phone: 0124 – 4745000
Email: research@insuringindia.com