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**After the floods, a boom in the insurance sector**

In the aftermath of the December floods, insurance firms have witnessed a 40-50 % increase in policy sales in Chennai and the surrounding areas. "Call it 'fear psychosis' or 'being extra cautious', Chennaiites have become more alert when it comes to protecting assets.

If you rewind back to a few months ago, the insurance claims touched Rs 5,000 crore after the floods, an insurance analyst pointed out.

The total losses due to the floods were estimated to be at least \$2 billion. Insured losses were \$0.8 billion, making the floods the second costliest insurance event in India on sigma records. A large part of the losses originated from commercial lines as Chennai is home to many manufacturing companies, particularly in the motor industry, according to an analysis by Swiss Re on natural catastrophes and manmade disasters in 2015.

While individuals are opting for household insurance and motor insurance, industries are covering their properties under fire policy, machinery insurance and motor insurance. According to Bajaj Allianz General Insurance, their home insurance portfolio has grown by 30 per cent since the floods.

**Policies cheaper than annual-renewal plans**

Multi-year policies seem to be the new norm for two-wheeler motor insurance. As many as six insurers, including ICICI Lombard, New India, HDFC Ergo, Bajaj Allianz General, now offer multi-year policies that are cheaper than annual-renewal plans. Insurers give discounts ranging from 2%-6% on own-damage insurance for such plans.

Apart from the convenience, another added advantage is that multi-year motor policies will be exempt from Insurance Regulatory and Development Authority of India's (IRDAI) annual premium hikes, which on average could be between 10% and 15%. The regulator has been pushing for multi-year insurance policies as many two-wheeler owners buy insurance only at the time of buying the vehicle.



Many vehicles are insured only for a year; renewals are low and there high lapse ratios in the motor portfolio. This move was aimed at increasing insurance penetration, says a United India official. According to data with the Union ministry of road transport and highways, two-wheelers account for a large number of fatal road accidents -60-70% of the vehicles involved in these accidents are uninsured. ICICI Lombard, which was the first private insurer to offer multi-year motor policies, saw 5.14 policyholders opt for its long-term two-wheeler policy. Gross written premium of multi-year policies stood at Rs 133 crore as of April 2016.

## Zumba your way to cheaper health insurance



If you had been thinking that taking steps toward physical fitness would just help you melt off fat, then health insurance providers in India are here to prove you wrong. They are incentivising you to stay healthy by doling out rewards that will help you save some money in the bargain.

While an insurer is planning to offer tracking devices to its customers, Cigna TTK Health Insurance has

announced an elaborate plan to incentivise active behaviour. Universal Sompo General Insurance would offer premium and other discounts on health services and products based on the calorie meter.

Health Reward points are earned on the basis of the physical activity. These Health Reward points translate into lower health insurance premiums, says Sandeep Patel, CEO of Cigna TTK Health Insurance.

The steps come in the wake of the insurance regulator Irdia asking companies to introduce rewards for policyholders who take care of their health and alter lifestyle to stay healthy and fit.

General insurers and health insurers may devise mechanisms or incentives to reward policyholders for early entry, continued renewals (wherever applicable), favourable claims experience, preventive and wellness habits, states the Health Insurance Regulations, 2016, notified recently.

## Multi-year policies new norm for 2wheeler motor insurance

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## Quick News

### LIC unveils schemes for BPL families

Insurance schemes to benefit families below poverty line (BPL) were highlighted at the inaugural of the social security month celebrations of the Life Insurance Corporation (LIC) of India. The zonal manager of LIC - South, R Thamodaran, said October is celebrated as social security month every year to create awareness and popularize life insurance covers among socially, economically backward classes and rural poor. The other 100 is also paid by the State government/nodal agencies in some cases. He urged one earning member per family, aged between 18 and 59.

### Ashish Vohra appointed CEO of Reliance Nippon Life Insurance

Ashish Vohra has been appointed as the head of Reliance Nippon Life Insurance . "The Board of Directors of Reliance Nippon Life Insurance (RNLI), a part of Reliance CapitalBSE 1.84 %, has announced the appointment of Ashish Vohra as the new CEO of the company," it said in a release. Before this, Vohra spent eight years with Max Life Insurance, serving as Senior Director and Chief Distribution Officer. Nippon Life Insurance, is a strategic partner in Reliance Nippon Life Insurance with 49 per cent stake. The company said it envisions to accelerate its pace of growth and profitability

### Tata AIA in discussions to get its policies sold through HDFC Bank

Tata AIA, the struggling life insurance unit of the eponymous conglomerate, believes that HDFC Bank can deliver a future for it. It is seeking a bancassurance tie-up with the most valuable lender which has an impeccable track record in consumer lending as well as selling financial products to individuals. HDFC Bank may join the likes of Axis Bank, Saraswat Bank and Indian Overseas Bank that are in the process of adopting open architecture to sell products of more than one insurance company. Tata is in talks with HDFC Bank to sell its life insurance policies through HDFC Bank.

## Pravasi Bharatiya Bima Yojna Policy By New India Assurance Mediclaim



There are many Indians who need to reside in foreign land due to their work or studies. It is really very hard to leave everything behind and live in faraway lands, away from entire family and friends. Even if they live in foreign land, but their heart and mind are always full of worries and care for their family who are away from them. So, if you are also planning to go abroad either due to work or other purposes, it is the right time to have something to rely on that can ensure security and safety of your family when you are not close to them. This is where the Pravasi Bharatiya Bima.

As the name suggest, Pravasi Bharatiya Bima Yojana is the insurance plan that is specifically designed for Indian citizens that are living in foreign countries for employment purpose. The entry age of this plan is 18 and higher age limit for entry is 60 years and it takes care of health of the family and their security when insured is not close to them.

The family and the insured get a sum assured of 2 Lakhs in case of death or permanent disability in tragic accident. Under Pravasi Bharatiya Bima Yojana, all the expenses of repatriation from foreign country to India will be covered, in case of termination of contract, ailment or sudden death. Economic class fare will be provided to insured.

If the insured has any ailment while staying in foreign country, all the hospitalization and treatment cost will be covered under this insurance plan. But, the cost must not exceed 50000 in Indian currency. Hospitalization cost up to 10,000 will be covered under this plan for the family members of the insured in their absence. The family members include 2 dependable kids and the spouse residing in India. Day care treatment is also covered under this insurance scheme like eye surgery, radiotherapy, Chemotherapy and more where no hospitalization is required and treatment is offered within 24 hours.

## Life Insurance Corporation of India fined

Virudhunagar District Consumer Dispute Redressal Forum on Tuesday imposed a fine of Rs. 10,000 on Life Insurance Corporation of India, Srivilliputtur Branch, for non-payment of compensation to a woman, P. Pandilakshmi, following the death of her husband A. Palpandi, whose life was covered for Rs. 5 lakh.

When the 35-year-old woman approached the branch, she was denied the claim form and was told that she was not eligible to get compensation, though she was the nominee in all the five policies. Subsequently, she sent a legal notice to the branch. Palpandi, who was a clerk in a cooperative society, had taken five policies covering his life for an insured amount of Rs. one lakh each in March 2015. After he had paid the annual premium for all the policies, he died on August 30, 2015, due to jaundice.



Responding to the legal notice, the insurance company claimed that the woman had not made any representation seeking claim form. When the case came up for hearing, the president, V. Balasundarakumar, said that the branch should have treated the legal notice as the claim form and settled the compensation to the rural woman.

Mr. Balasundara kumar ordered that the compensation of Rs.5.14 lakh should be paid within one month from the date of verdict, failing which the insurance company should pay it with an interest of 6 per cent. He also ordered the company to pay a compensation of Rs. 10,000 to the widow for her mental agony and Rs. 3,000 towards legal expenses.

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