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**Life insurers tighten e-policy underwriting**

Online insurance, which has slowly become one of the fastest growing channels for life insurers, has also led to companies tightening underwriting policies around these products. With a rise in fraudulent claims, life insurance companies now ensure that the process weeds out any potentially fraudulent persons at the entry-stage itself.

Karthik Raman, chief marketing officer and head of products & strategy at IDBI Federal Life Insurance, said that being a late entrant, the company has had the advantage of learning from industry and reinsurer experience.

"We do not accept business from debarred geographical locations, which are fraud-prone. We continue to follow stringent underwriting processes. Ours is a 100 per cent medically underwritten product. Plus, we have additional checks in terms of location, occupation and educational qualification," said Raman.

In the past, certain pockets in north India and south India were identified as locations where fraud was most common. Since online policy purchase was simpler than the process offline, there have been several instances of people buying high-value covers without any intention to pay future premiums.

**Buy insurance for foreign currency payables**

The repayment of the special FCNR deposits is now underway. To recall, Indian rupee (INR) and our foreign exchange reserves (FX) dropped sharply from May 2013 onwards. In response, between September & November 2013, the Reserve Bank of India (RBI) offered a concessional USDINR swap window to banks, to raise fresh FCNR deposits. Prior to that, a 3-year USD FCNR deposit raised by a bank at 4% would effectively translate into INR at about 12%.



With the concessional swap window and reserve exemptions, the INR equivalent cost of the same FCNR deposit now dropped to 8.5%. Banks then routed their overseas funds via their NRI clients. The repayment of the FCNR deposits poses frictional challenges – compounded by the considerable amount of confusing commentary around this. For one, a significant chunk of bank deposits is maturing together. Second, to the extent the RBI provides USD for the FCNR repayment from its FX reserves, INR liquidity would reduce. Third, as the RBI takes delivery of its USD purchased in the forward market, there could be a temporary mismatch of USD in the market, leading the banks to borrow (not buy) short-term USD.

It is to RBI's credit that all these are non-issues so far – it is calibrating USD & INR liquidity very proactively. The overall market context does warrant caution. One would be well-advised to take advantage of falling USDINR forward premia, to buy insurance for their foreign currency payables

## Future Generali India Life Insurance launches Cancer Protect



Future Generali India Life Insurance Company Limited (FGILI), a joint venture between Future Group - the leading retailer of India and Assicurazioni Generali - a global insurance group and one of the world's 50 largest companies, today announced the launch of Future Generali Cancer Protect, a comprehensive and easy to buy insurance plan that provides complete financial security for all stages of cancer (minor or major). This is an extremely affordable plan which covers the customer up to 80 years of age and covers

minor lives too.

This policy can be bought anytime, anywhere and here, no medical examination required. It has a simple product structure with minimum exclusions (no restriction based on annual income, occupation or smoking habits). Only one simple online form to be filled with e-KYC integration.

Anyone in the family between the age group of 18-65 years can buy the policy including Smokers/Non-Smokers, homemakers and parents for their minor children (except individuals already suffering from cancer or those who have suffered from it in the past).

It is unique from other critical illness policies where you have the option of choosing your protection plan. In a Lump Sum Cover where you receive 100% of the sum assured on diagnosis for a major stage cancer, while for a minor stage, you receive 25% of the sum assured and your premiums are waived off for the next three years or till the end of the policy term whichever is earlier.

## Crop insurance to be compulsory on farm loans in Karnataka

As the Karnataka bears the pain of a second consecutive drought year, crop insurance is again in sharp focus. With the financial burden only set to increase, the Karnataka government is trying to minimise the burden on the state exchequer by disbursal of drought relief and the simplest way is to encourage crop insurance.



The much-touted insurance scheme, has been the Pradhan Mantri Fasal Bima Yojana (PMFBY), a flagship project of the Narendra Modi government. The Prime Minister himself launched the programme in Karnataka in January this year.

The scheme was launched on a nationwide 50:50 sharing basis between the Centre and state. In Karnataka, the Centre will provide Rs 675 crore and the same amount will be added to the corpus by the state government, taking the total to Rs 1,350 crore. But it has drawn only a minuscule number.

All farmers who procure loans from co-operative banks will now be given the loans after deducting the mandatory 2% for kharif crops, 1.5% for rabi crops, 2% for foodgrains and 5% for horticulture and cotton, which is kept with banks as premium towards insurance. With the co-operation department planning to increase its loan disbursal amount to Rs 11,600 crore to farmers, the scheme will also help keep their debt receivables in check.

## Quick News

### Sebi issues disclosure norms for listed insurance companies

Markets regulator Sebi today came out with norms for listed insurance companies in disclosing their quarterly results, less than a month after the first-ever listing of an insurer. The decision was taken in consultation with Insurance Regulatory and Development Authority of India (IRDAI). ICICI Prudential Life Insurance made its stock market debut on September 29 and becoming the first insurer to list on the Indian bourses. The company raised over Rs 6,000 crore through its initial public offering. In a circular, Sebi said that insurance companies will have to submit disclosures pertaining to financial results, segment-wise revenue, results and capital employed for quarters ending September 30, 2016 and December 31, 2016.

### IRDAI gives second-round clearances to five foreign reinsurers

Insurance regulator IRDAI on Monday gave second round clearances, or R2, to five top foreign reinsurers and the local private sector ITI Reinsurer. However, UK-based reinsurer XL Catlin has been given first round of regulatory clearance, known as R1. IRDAI in its board meeting which was held at Hyderabad on Monday has cleared five global reinsurers including Munich Re, Swiss Re, Hannover Re, French major SCOR and world's largest life reinsurer Reinsurance Group of America (RGA) whereas XL Catlin has been given R1 licence, said a senior IRDAI official.

### HDFC ERGO, Maruti Insurance to offer insurance to Maruti Suzuki buyers

HDFC ERGO General Insurance Company, India's leading private sector non-life insurance provider, announced the tie-up with Maruti Insurance Broking Private Limited, India's largest provider of motor insurance brokerage services, to offer motor insurance products to buyers of Maruti Suzuki cars. This strategic alliance will now enable instant policy issuance and efficient claims settlement services to Maruti car owners. The customers of Maruti Suzuki will also get the benefits of cashless accidental repairs, seamless services across the country, hassle free claim settlement.

## Don't reject mediclaims on whimsical grounds: Consumer Forum



A consumer forum in New Delhi has asked insurance companies not to reject claims on "whimsical and technical grounds" as people buy mediclaims to cover medical exigencies.

Consumers purchase mediclaim policies to cover medical emergencies and exigencies and the insurance company should not reject claims on whimsical and technical grounds, the North Delhi District Consumer Disputes Redressal Forum said.

The forum, headed by its President K S Mohi, directed the Oriental Insurance Co Ltd to pay Rs 90,879 along with a sum of Rs 10,000, to Saket resident

Keshav Saran Sharma, holding that the company had rejected his claims on frivolous grounds.

It rejected the company's claim that the patient's insurance cover had expired and held that there was no delay in renewal of the policy.

In this case, there is not even a single hour break in the 2nd policy. Therefore, taking into view the totality of facts and circumstances of the case and especially the fact that the patient was discharged on January 30, 2012 i.e. well within the currency of the insurance policy, the repudiation by the insurance company was illegal and unjustified, it said.

In his complaint, Sharma had said he taken a mediclaim policy valid from January 27, 2011, till midnight of January 26, 2012, and the sum insured was Rs 2,50,000. He said that his wife was admitted for treatment of breast cancer on January 26, 2012 at Max Super Specialty Hospital in Saket and discharged within four days.

## Insurance claims study stresses importance of hand hygiene

Maximum number of claims received by private sector general insurer SBI General Insurance from hand hygiene-related diseases were made by those in 21-30 years age group last fiscal.

People in this age-group accounted for 29 per cent of the total claims received for diseases like typhoid, paratyphoid, and gastroenteritis, a company statement said. The company had conducted a study on claims data relating to these diseases on the occasion of Global Handwashing Day, which falls on October 15.

According to the study, one of the reasons for spread of these diseases is not maintaining hygiene, especially having contaminated hands that can set off feco-oral diseases. Simple behavioural changes such as hand-washing with soap actually reduced the childhood mortality rates related to respiratory and diarrhoeal diseases by almost 25 and 50 per cent, respectively, it said. More claims were made by males (57 per cent) for these diseases than females (43 per cent). Around 73 per cent of total claims were received by non-metro cities.

There is a significant difference between the claims made by non-Metro cities as compared to Metro cities. This is an alarming situation for all of us and we need to create awareness for hygiene in smaller towns and cities," said SBI General Insurance senior vice president - claims Mick Miller.

Often people don't realise the importance of hygiene, as basic as washing hands which could prevent a lot of infectious diseases. Having an adequate health insurance policy could also provide financial assistance arising out of medical emergencies which otherwise will burn a hole in the pocket, he added.



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