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Cabinet readies for listing of PSU insurance firms



The government's plan to list public sector general insurers is gaining momentum with additional details such as business numbers and financial projections being sought from these insurers. A note is currently being prepared for the listing proposal to be presented before the Cabinet.

In his Budget speech, Finance Minister Arun Jaitley said the general insurance companies owned by the government would be listed on stock exchanges. He had said public share-holding in government-owned firms was a means of ensuring higher levels of transparency and accountability.

Apart from the sole domestic reinsurer General Insurance Corporation of India (GIC Re), the four public-sector insurers are New India Assurance, United India Insurance, Oriental India Insurance, and National Insurance.

Details on our financial performances, business growth as well as future expectations from business have been sought by the ministry officials. They have also asked for information on any future areas of growth, said a senior public-sector general insurance official. Sources said the listing process and timeline would be finalized over the next few weeks. It is expected that the process will reach its advanced stages by the end of this financial year. New India Assurance could become one of the first candidates for listing, based on financial

Royal Sundaram Launches Lifeline Health Cover in Uttar Pradesh

Lifeline is Royal Sundaram's First Plan Serviced by Doctors, Offers the Widest Range of Sum Insured from Rs. 2 Lakh to Rs. 1.5 Crore - Company Envisions the State of Uttar Pradesh to be a Major Growth Market for Health



Royal Sundaram
General Insurance

Insurance Royal Sundaram General Insurance Co. Limited has launched Lifeline, its flagship health insurance product in Uttar Pradesh.

Lifeline will now be offered through the company's agency channel to the customers in the state. Lifeline, the company's most-celebrated and highly-reviewed health insurance product is the first to be serviced by doctors and offers the widest range of sum insured - from Rs. 2 lakh to Rs. 1.5 crore.

Commenting on the launch of the policy for customers in the state, M.S. Sreedhar, Managing Director, Royal Sundaram General Insurance Co. Limited said, At Royal Sundaram, we have always believed in offering superior products to our customers complemented with best-in-class service and customer experience. We are happy to launch Lifeline today in the state of Uttar Pradesh. We are working on improving our agency network in the city of Lucknow and state of UP.

In the last couple of months we have already recruited around 100+partners and will be on-boarding more in the coming months.

ESIC raises wage threshold to Rs 21,000



The Employees' State Insurance Corporation (ESIC) today raised the monthly wage threshold to Rs 21,000, from the current Rs 15,000, for coverage under its health insurance scheme.

In a meeting held today, the ESIC board also decided to give an option to existing insured persons to continue membership even if their wage breaches the ceiling of Rs

21,000 per month.

At present, all those insured under the ESIC scheme lose their membership of ESIC as well as that of the insurance cover if their wage overshoots the ceiling. ESIC has raised the threshold wage limit from Rs 15,000 to Rs 21,000, said Labour Minister Bandaru Dattatreya after the board meeting of ESIC. The Labour Minister hold the position of the Chairman of the ESIC Board. Both the decisions will be implemented from October 1.

Dattatreya added that the move of raising the threshold will help bring in an additional 50 lakh members to ESIC. At present, ESIC has 2.6 crore insured persons, which covers over 10 crore people, assuming four members of a family.

The minister also said there is a plan to increase the wage threshold for retirement fund body EPFO subscribers and it may be considered in the next meeting of the Central Board of Trustees (CBT).

Max Life Insurance-HDFC Standard merger seeks CCI approval

Taking one step closer to becoming one of the largest insurance amalgamations, the Max Life Insurance and HDFC Standard Life Insurance merger now seeks the Competition Commission of India (CCI) approval.

Max India said in a statement that the company has filed a joint application along with the aforesaid parties to the scheme with the CCI of India, seeking its approval. In a meeting held on August 8, the board of directors of HDFC Standard Life Insurance Company, Max Life Insurance Company, Max Financial Services and Max India, approved entering into definitive agreements for amalgamation of business between the entities.

As a part of the proposed transaction, the life insurance business of Max Financial Services, currently held in Max Life, would demerge into HDFC Life. While the relative valuation and exchange ratio of HDFC Life and Max Life would be 69% and 31% respectively. For the merger of Max Life into Max Financial Services, shareholders of Max Life will get one share of Max Financial Services for approximately five shares of Max Life.



Quick News

ICICI Prudential IPO likely in week beginning 19 September

ICICI Prudential Life Insurance Co. is likely to launch its share sale to raise at least Rs.5,000 crore in the week of 19 September. The company, which filed the initial share sale documents with the SEBI on 18 July, received the regulator's approval on 2 September. The insurer is a venture between ICICI Bank Ltd and UK's Prudential Corp. Holdings.

HMSI, HDFC Ergo tie up for 2-wheeler insurance

Honda Motorcycle & Scooter India (HMSI) and HDFC ERGO General Insurance today joined hands to offer discounted motor insurance policies to two-wheeler buyers across the country. The tie-up comes ahead of the festival season that begins in October as both the companies want to leverage on the high demand around this time of the year. "Our partnership will give our valued customers 40 per cent saving on insurance premium and near-cashless claim settlement with the convenient digital interface," Yadvinder Singh Guleria, Senior VP, Sales & Marketing, HMSI said.

Home insurance on an uptick after Chennai floods

After the 2015 Chennai floods, insurers have seen a lot more interest from people on buying home insurance. Bajaj Allianz General Insurance Co says it seen a rise in home insurance sale in Chennai and its neighboring districts after the floods. The number of policies sold in the city has gone up by 30% and the premium generated has shot by a stunning 124%. During the floods that ravaged Chennai in November and December, the city witnessed losses upward of Rs 14,709 crore.

Insurance major all set to begin international ops from GIFT City



New India Assurance is set to become the first insurance sector player to start its international operations from the International Financial Services Centre (IFSC) in GIFT City. India's largest non-life insurance company has recently received a go-ahead from the insurance regulator to set up its insurance and reinsurance office in the GIFT City.

The Insurance Regulatory and Development Authority (IRDA) has accorded its approval to New India Assurance. Soon, the company will launch its operations, probably within a month's time, sources close to the development said. IRDA approval enables New India Assurance to provide insurance services to international companies from India.

At present, the company provides insurance and re-insurance through its branches in other countries. Now, it will be able to provide insurance, that too in dollar denomination, to its overseas clients from GIFT IFSC office, sources added.

New India Assurance has already inked an agreement with GIFT City for office space and has also identified people to run its operations from IFSC Gandhinagar. The company will become the first insurer to start its international operations from IFSC.

According to sources, LIC is likely to invest in building a tower in GIFT and New India is likely to set up its office in the building. The advantage of setting up a reinsurance office in an international finance center is that the money raised by way of premium can be retained in foreign currency accounts, which eliminates currency risks when claims are paid.

Aditya Birla health insurance gets approval

Aditya Birla Health Insurance Company, the health insurance arm of the Aditya Birla Financial Services Group (ABFSG), has received final regulatory approval from the Insurance Regulatory and Development Authority of India (IRDAI) to provide health insurance solutions in the Indian market.

Aditya Birla Health Insurance Company has received Certificate of Registration - Form R3 dated July 11, 2016 issued by Insurance Regulatory and Development Authority of India for Health Insurance business, said BSE filing.

With its registration, the number of health insurers registered with the Authority has gone up to six.

This is the first health insurance company to be issued a Certificate of Registration, after the amendment of the Insurance Act, 1938, which recognizes health insurance as a separate class of business, IRDAI said in a release.

ABHICL, a JV between the Aditya Birla Group and MMI Holdings (MMI) of South Africa, is gearing up to begin operations in the last quarter of 2016.

ABHICL will be steered by Mayank Bathwal as its chief executive officer (CEO). Mayank Bathwal was most recently the deputy CEO of Birla Sun Life Insurance until his appointment as CEO of ABHICL.

This is an important milestone for MMI and we look forward to extending our health insurance solutions to the Indian market, said MMI Holdings group CEO Nicolaas Kruger.



ADITYA BIRLA GROUP

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