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# LIFE INSURANCE TODAY

The First Exclusive Monthly Journal on Life Insurance in India

बीमा सुरक्षा समृद्धि

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- **SUSTAINABILITY & FEASIBILITY OF COMMON SERVICE CENTERS IN INDIA**

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THE FIRST EXCLUSIVE MONTHLY JOURNAL ON LIFE INSURANCE IN INDIA

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# Editorial

*The Editorial Team of 'Life Insurance Today' wishes a very Happy Diwali and Dussehra to its readers, subscribers, authors, printers and vendors associated with us.*

*IRDAI has advised life insurers to maintain transparency in publishing death claim and avoid execrated claim ratio in death claims.*

*Aadhar linking in any life insurance policy will help life insurers in the long run for the single point KYC updation and avoid fraudulent policies.*

*ICICI Prudential was the first life insurer to be publically listed in September 2016 whereas SBI life and HDFC life are in the process of listing by December 2017. Other companies are also in fray for launching this IPOs. This seems to be the season of Insurance Companies to launch their maiden IPO.*

*GIC Re launched the IPO successfully recently which was subscribed 1.90 times where in LICI was the major buyer of the IPO of GIC Re. Postal Life Insurance a product of Indian Postal Department under Central Government has enhanced the scope of coverage under PLI and it is notable that PLI is the most profitable life insurance in the country.*

*Micro Insurance by the life Insurers along with non-life and health insurance may be huge platform to insure the large segment of the population.*

# Contents & Focus



**5** Life and non-life insurers are now marketing some categories of their retail products through common service centres network of CSC e-Governance Services India Ltd. The Insurance Regulatory and Development Authority (IRDA) has issued guidelines in this regard. CSC was created by the Department of Electronics and Information Technology on a public private partnership model as part of national e-governance plan. For marketing insurance products, CSC has to obtain a prior license from the insurance regulator which would be valid for three years.

**18** **ICICI Prudential Life has launched a health plan which covers heart ailments and cancer. Policies such as these that are targeted at specific ailments give a comprehensive life coverage. They cannot be compared with medi-claim (or hospitalisation) policies from a general or a health insurer. The advantage is that the sum assured is paid lumpsum on diagnosis of the illness and is not restricted to inpatient treatment in hospitals.**

**20** **ess than one-fourth of India's population is covered by public or private health insurance, creating a crying need for health cover. Moreover, since India also has a sizeable number of millennials who do not have health cover, insurance firms have increasingly begun using digital tools for easy accessibility and integrating health data with hospitals.**

# SUSTAINABILITY & FEASIBILITY OF COMMON SERVICE CENTERS IN INDIA


Life and non-life insurers are now marketing some categories of their retail products through common service centres network of CSC e-Governance Services India Ltd. The Insurance Regulatory and Development Authority (IRDA) has issued guidelines in this regard. CSC was created by the Department of Electronics and Information Technology on a public private partnership model as part of national e-governance plan.

For marketing insurance products, CSC has to obtain a prior license from the insurance regulator which would be valid for three years. It should also enter into a separate agreement with the insurers in a prescribed format. In order to increase insurance penetration in the country, IRDA has allowed insurance companies to use licensed Common Service Centres (CSCs) as a distribution network in rural areas.


*About the author*

Jagendra Kumar

Mr Jagendra Kumar is currently the Corporate Head (Training) at Shriram General Insurance Company. Mr Kumar is a prolific writer and has wide experience in the general insurance industry. Before joining SGI he was the Ex. CEO in Pearl Insurance brokers.


The facility has enabled both life and non-life insurers to market some categories of retail insurance policies through special purpose vehicle (SPV) network in the rural areas with the help of Rural Authorized Person (RAP) who will act as insurance agents. Marking the opening of a new sales channel aimed at increasing insurance penetration in rural areas, many insurance companies have launched sale and services through the common service centres (CSC) across India.

The CSC platform is currently being used by citizens to access and pay for the services offered by multiple government agencies and private sector players. An army of digitally trained individuals are leading a silent

**Some people like my advice so much that they frame it upon the wall instead of using it.**

entrepreneurship revolution in the heart of Indian villages. Through common service centres (CSC) or Jan Seva Kendras, many young people have enrolled to become Rural Authorised Persons (RAP) to solicit business. Through RAPs, the sale and procurement of general insurance products are extended among the vicinity of the village or town that they reside in.

Consequent upon promulgation of Insurance Laws (Amendment) Act, 2015, Common Service Centres are included in the definition of intermediary and insurance intermediary. As a result of the amendments in the Act the existing Guidelines on Common Service Centres were converted into Regulations. The IRDAI issued guidelines for utilising the CSC network to sell insurance products in September 2013 and granted licence to CSC SPV Limited in the same month. CSCs operate in rural areas where there is no access to internet.

It provides services like e-governance, education, health, issuance of birth certificates, death certificates, utility payments etc. in remote locations. It works on public-private partnership (PPP) model implemented by the Department of Electronics and Information Technology through National e-Governance Plan (NeGP) in 2006. The products being made available on the CSC platform are sold by rural authorised persons or village entrepreneurs. The regulation contains the Definition of CSC product, Code of Conduct for CSC-SPV, on boarding charges, Remuneration, Types, Procedure and conditions applicable for Life and General Insurance products etc.

These individuals need to undergo training and examination as specified by the IRDAI, in the subject of insurance products and other necessary topics. The online examination for RAPs is conducted by the National Institute of Electronics and Information Technology or any other institute as approved by IRDAI from time to time in their centre spread across India.

In India, CSCs are set up by CSC e-Governance Services India Ltd, which is a special purpose vehicle created specifically to monitor the implementation of the Common Service Centre scheme of the government and ensure a centralised collaborative framework for delivery of services to citizens. The procedure of grant of registration, validity and renewal of registration of CSC-SPV has been specified.

## What is Common Service Center?

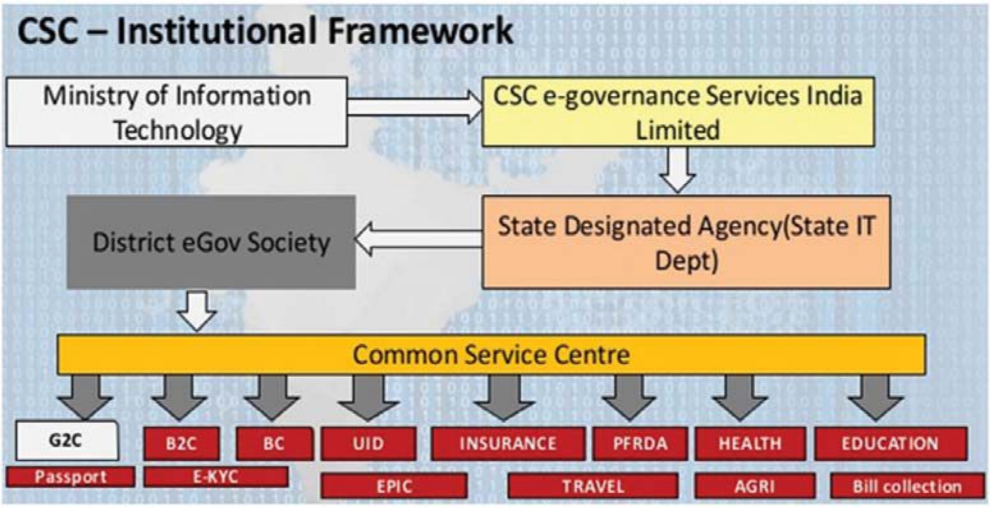
Common service centres (CSCs), are "a strategic cornerstone of the Digital India programme". They are the access points for delivery of various electronic services to villages in India, thereby contributing to a digitally and financially inclusive society. A CSC is a low-cost set up and distribution centre for government institutions to deliver e-governance services to the rural population.

The CSC-SPV (special purpose vehicle) has been established by the Indian government under the National e-Governance Plan. To monitor and supervise the progression of CSC-SPVs, a State Designated Agency (SDA) acts as a nodal agency, and the Service Centre Agency (SCA) becomes the implementing agency which provides the required investment budget and the functional specification of the CSC as identified by the SDA.

Keeping in mind the eligibility norms to operate a CSC, the principal officer, a person employed by the CSC-SPV, should have a clean history without involvement in financial forgery or criminal acts, and should have the requisite qualifications and experience. The government had revamped its scheme for CSCs by rebranding it as CSC 2.0. Under the new programme, at least one CSC is envisaged in each of the 2.5 lakh gram panchayats for delivery of various electronic services to citizens across rural India. This also include strengthening and integrating the existing 1,00,000 CSCs under the new CSC scheme and making operational an additional 1.5 lakh CSCs in gram panchayats

"CSC-SPV" means M/s CSC e-Governance Services India Limited, the Special Purpose Vehicle (SPV) incorporated to facilitate delivery of government, private and social sector services to citizens of India through the Common Services Centres (CSCs) network, and approved by the Authority under these Regulations, who for remuneration arranges insurance contracts with insurers on behalf of its clients and offers other insurance related services through CSC Network.

There are 2,50,000 Common Service Centre for the delivery of various G2C services to the rural citizens of India. This is the largest network in the world which utilized by both private and government agencies for the purpose of delivery of commodities and services to rural citizen of the country. The products developed for CSC model should not have the sum assured (per life or risk) exceeding Rs 2 lakh except for motor insurance. CSC-SPV is the CSC e-Governance Services Limited, Special Purpose Vehicle incorporated to facilitate delivery of government, private and social sector services to citizens of India through CSC network.




## CSC Insurance Products:

CSC-SPV will have to deploy RAP for the selling insurance policies. RAPs must have minimum educational qualification of matriculation with basic computer knowledge. Also, they should complete 20 hours training from any recognized institute and pass the exam with at least 35% marks. Except for motor insurance, the coverage provided under life and non-life offered through CSCs should not exceed Rs 2 lakh. These products come at premiums ranging from Rs 100 to Rs 1,000.

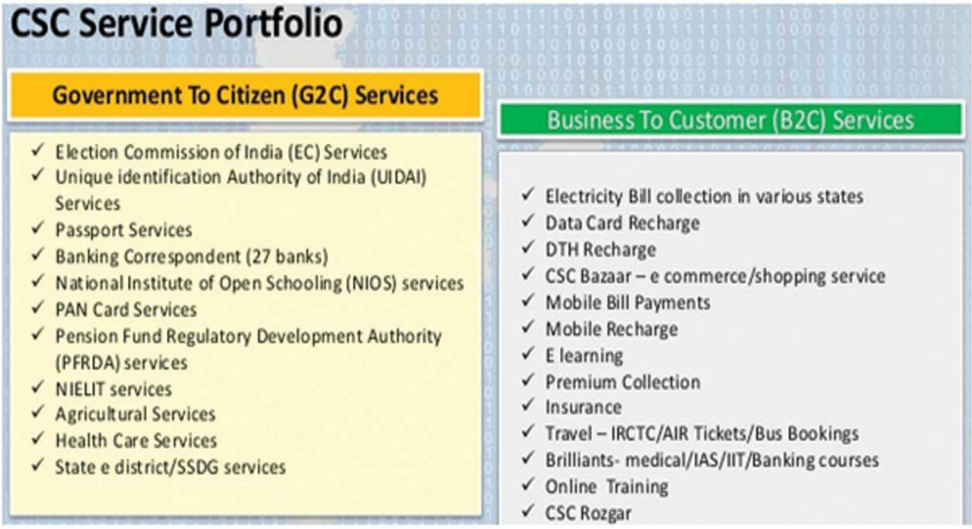
The CSC-SPV shall market exclusive products under this channel which will be pre-fixed with the words "CSC". Currently non-participating non linked variable insurance products with regular premium payment and pure term insurance products with regular premium payment of life insurers have been approved by the Authority under the file & use guidelines. Like-wise motor insurance, personal accident insurance, cattle/ livestock insurance, farmer's package policy and fire & allied peril dwellings insurance of general insurance have been approved by the Authority.

Within the CSC framework there are Service partner Agency which includes the State Designated Agency or the Service Centre Agency or any other agency under the CSC Scheme who will train, guide and mentor the VLEs. The CSC-SPV markets insurance products and also offer other insurance related services through the CSC network of those insurance companies who have entered into an agreement with the CSC-SPV.

Currently non-participating non linked variable insurance products with regular premium payment and pure term insurance products with regular premium payment of life insurers have been approved by the Authority under the file & use guidelines. Like-wise motor insurance, personal accident insurance, cattle/ livestock insurance, farmer's package policy and fire & allied peril dwellings insurance of general insurance have been approved by the Authority.

The CSC-SPV shall market exclusive products under this channel which will be pre-fixed with the words "CSC". The maximum sum assured/ insured allowed these policies is Rs 2 lakhs excluding the sum insured under motor insurance. Currently non-participating non linked variable insurance products with regular premium payment and pure term insurance products with regular premium payment of life insurers have been approved by the Authority under the file & use guidelines. Like-wise motor insurance, personal accident insurance, cattle/ livestock insurance, farmer's package policy and fire & allied peril dwellings insurance of general insurance have been approved by the Authority.

**Advice is what we ask for when we already know the answer but wish we didn't.**




## Sustainability of CSCs:

A Common Service Center (CSC) is an information and communication technology (ICT) access point created under the National e-Governance Project of the Indian government. The project plan includes the creation of a network of over 100,000 CSCs throughout the country. The purpose of the project is to provide much-needed information and services to underserved Indians in rural areas. To get the licence in insurance sector, the CSC operators have to pay an application processing fee of Rs 5,000 to IRDA for three years.


For its renewal, they will have to pay Rs 1000. According to the guidelines, the RAPs should have completed 20 hours of theoretical (online) training and pass an exam conducted by national institute of electronics and information technology (NIELIT). As guidelines state, the CSC SPV will distribute 80 percent of the remuneration from insurers to the RAP, 12 percent to the SCA, agency which appoints the CSC operators and manage the CSC network in states and rest of 8 percent will go to the SPV.

All VLEs who qualify as RAP will be provided with a monthly income of Rs 2000. This income is apart from what they receive as remuneration from selling and managing policies. The move is expected to boost the viability of the CSCs which have been struggling for viability since their inception. Some of the SCAs, however, are not happy with the move, as it is "eating into their margins". CSCs enable the three vision areas of the Digital India programme:

In India, CSCs are set up by CSC e-Governance Services India Ltd, which is a special purpose vehicle created specifically to monitor the implementation of the Common Service Centre scheme of the government and ensure a centralised collaborative framework for delivery of services to citizens. CSCs also collect Rs. 1 crore premium a day as agents for insurance companies. This has led to a higher renewal for insurance firms and a better commission for the local entrepreneurs who run the CSC. The CSC SPV is a private organization - the government holds just 49 percent equity - and so it can't get preferential treatment from the IRDA and act as insurance aggregator.

The margins have been cut in cases of other services being offered through the CSCs. The relationship between SCA and VLE has to be symbiotic. And as time goes, the participation of the intermediaries will get leaner and thinner. The statistics regarding the CSC-SPV channel for the period 1.4.2016 till 31.8.2016 is as under:

a. No. of RAP who have undergone training & passed exam/issued certificates - 11,621

b. Total premium collected (New & renewal) - Rs. 117.42 crores

c. Total New Insurance premium - Rs. 6.62 crores (General) + Rs. 0.28 crores (Life)

d. Total Renewal Premium - Rs. 110.52 crores (Life)

e. Total no. of customers serviced - 3.78 lakhs

f. No of insurers with whom agreement signed: General - 16; Health - 3; Life - 18 (14(Renewal) + 4(Fresh & Renewal

g. No of policies sold -

  i) Motor Third Party - 56,484;

  ii) PA - 4,521;

  iii) Life Insurance - 2,622;

  iv) Crop - 1,187;

  v) others - 223

h. Added new products such as motor comprehensive, travel insurance, crop insurance and Government Insurance Schemes to the list of approved products.

## Agreement Timeline:

The major challenge for the industry is to design specific products for the new distribution channel. Non-life products like agriculture or crop insurance, insurance of animals etc. will now take off in a big way through CSC. Insurance companies enter into an agreement with CSC-SPVs for distribution of its products through these centres. The timeline for such an agreement is fixed for three years. Insurance companies at their end, amalgamate their technology portals with the interface used by CSC-SPVs.

A RAP within the contours of the village is authorised to solicit insurance business on completion of the necessary training and examination as specified by the authority. A RAP sells and procures general insurance products. The essential paper work and identification of the insured are seamlessly carried out at the CSC with the help of technology tools. Premiums are collected by CSC-SPV centres in cash, which is later remitted to the insurer.

The policy contract, too, is submitted to the prospect through the RAPs. Such personal touch points through RAPs have given those in villages' access to simple-to-understand products to mitigate the risk to life, motor, agriculture pump sets, personal accident insurance and farmers' package policies. By limiting the sum insured of these products to Rs.2 lakh (other than for motor insurance), insurers are able to extend such micro-covers and obviate the risk emerging from such groups. Further, insurers have consciously decided to keep away complex products which require specialised knowledge on premium computation for RAPs' to solicit and service products.

Earlier, general insurance covers including personal accident Insurance and cattle/livestock Insurance were permitted to be solicited and marketed under the CSC scheme. For life insurance, it has been stipulated that products developed for CSC Model shall not have the sum assured (per life or risk) exceeding rupees two lakhs, except for motor insurance. Such products approved by the Authority for the CSC Model shall be marketed only through the CSC model.

The insurance regulator has said that the inclusion of new product lines under CSC-SPV was done after receiving request from insurers to expand the list of products. However, it has specified that the word CSC should be prefixed to the products sold through the CSC-SPV channel. The procedure for disciplinary proceedings against the CSC-SPV and the RAP has also been specified in the proposed regulations.

The regulations also specify reports to be submitted by the insurers and CSC-SPV to the Authority. Common service centres (CSCs), according the government, are "a strategic cornerstone of the Digital India programme". They are the access points for delivery of various electronic services to villages in India, thereby contributing to a digitally and financially inclusive society.

## Selling Crop Insurance through CSC:

The existing platforms -- banks, insurance companies and cooperatives -- are not sufficient for the last mile connectivity to non-loanee farmers. Moreover, banks are not that keen to sell crop insurance policies to non-loanee farmers, while insurance companies and cooperatives have limited reach in villages. So, Government has decided to use CSC infrastructure and post offices. There are 1.75 lakh CSCs which can be used for collection and uploading of crop insurance documents at a nominal rate. Insurance regulator IRDA has already given permission to agents and intermediaries to access the CSC portal for crop insurance.

This is being tested at present. CSCs, set up under the Ministry of Electronics and Information Technology, till now were being utilised for booking railway tickets, providing Aadhaar numbers and passport applications. At present, it is mandatory for loanee farmers to take the crop insurance policy. The government wants both loanee and non-loanee to take advantage of Pradhan Mantri Fasal

Bima Yojana (PMFBY) as well as weather-based crop insurance scheme. Non-loanee farmers who have taken the crop insurance policy at present are only 22 per cent.

The government has decided to use 1.75 lakh Common Service Centres (CSC) and post offices in a big way to encourage more non-loanee farmers to take up crop insurance schemes such as PMFBY in 2017-18 crop year beginning July. The government has empanelled 13 insurance companies for 2017-18 crop year (July-June) to sell crop insurance policies -- PMFBY and WBCIS. More insurance companies are enrolled to provide competition in the market.

CSC is providing Insurance products and services through Authorised Village Level Entrepreneur (VLE). In addition services for Life Insurance, Health Insurance, Crop Insurance, Personal Accident, Motor Insurance etc. is provided. The freshly-created category of over-the-counter products is not only easy to comprehend for the village-level entrepreneur, but also the right entry-level product for the rural population.

The other insurance allowed to be solicited and marketing through this platform include crop insurance (Government insurance schemes such as Pradhan Mantri Fasal Bima Yojana (PMFBY), weather-based crop insurance scheme (WBCIS) & Coconut Palm Insurance Scheme (CPIS) without any limit on Sum Insured). One can now purchase travel and home insurance from common service centre-special purpose vehicles (CSC-SPV).

Also, included in the list are government insurance schemes such as Pradhan Mantri Jeevan Suraksha Bima Yojana (PMJSBY) without any limit on Sum Insured. The Common Services Center (CSC) Scheme is a part of the ambitious National e-Governance Plan (NeGP). The Village Level Entrepreneur (VLE) can register and get detailed information on how to avail online government services offered by the Central and State Governments.

IRDA in order to expand the penetration of insurance products and services market in the rural India through CSCs had appointed CSC SPV as an intermediary. In the guidelines issued, IRDA permitted both Life and Non Life Insurers in India to market certain categories of Retail Insurance Policies and services through the network of CSCs. CSC SPV has been issued a license for soliciting insurance business through the CSC Network. CSCs are more than service delivery points in rural India.

They are positioned as change agents, promoting rural entrepreneurship and building rural capacities and livelihoods. They are enablers of community participation and collective action for engendering social change through a bottom-up approach with key focus on the rural citizen. In creating the digital infrastructure, common service centres (CSCs) are the second limb. The common service centres are those which provide digital services, banking, insurance, making of passports, facilitation of e-ticketing etc in those areas where digital connectivity is not available.

CSCs are slowly but surely bringing about an e-governance revolution in rural India Digitisation of India Post transforms the traditional ways of banking by replacing the need for bank branch in the area for core banking services, giving access to 24/7 ATM facility in under banked areas, enabling access to insurance services and enabling online tracking of posts etc. The vast network of India post has made it possible for Indian citizens residing in areas with no banks to easily access core banking, insurance and e-Commerce services. As leading insurance companies rollout out insurance products and services through CSC network; the rural insurance market gets ready to be redefined.

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# Postal Life Insurance (PLI)

***Postal Life Insurance (PLI)*** was introduced on 1st February 1884 with the express approval of the Secretary of State (for India) to Her Majesty, the Queen Empress of India. It was essentially a scheme of State Insurance mooted by the then Director General of Post Offices, Mr. F.R. Hogg in 1881 as a welfare scheme for the benefit of Postal employees and later extended to the employees of Telegraph department in 1888. In 1894, PLI extended insurance cover to female employees of P & T Department at a time when no other insurance company covered female lives. It is the oldest Life insurer in this country.

In the beginning, the upper limit of life insurance was only Rs 4000/- which has now increased to Rs 50 lacs (Rupees Fifty Lacs) and it will be effective as and when notified through a Gazette notification for all schemes combined - Endowment Assurance and Whole Life Assurance. Over the years, PLI has grown substantially from a few hundred policies in 1884 to more than 6.4 millions policies as on 31.03.2015.

It now covers employees of Central and State Governments, Central and State Public Sector Undertakings, Universities, Government aided Educational institutions, Nationalized Banks, Local bodies, autonomous bodies, joint ventures having a minimum of 10% Govt./PSU stake, credit co-operative societies etc. PLI also extends the facility of insurance to the officers and staff of the Defence services and Para-Military forces. Apart from single insurance policies, Postal Life Insurance also manages a Group Insurance scheme for the Extra Departmental Employees (Gramin Dak Sevaks) of the Department of Posts.

PLI is an exempted insurer under Section 118 (c) of the Insurance Act of 1938. It is also exempted under Section 44 (d) of LIC Act, 1956.

## PLI offers 6 (Six) types of plans:

1. Whole Life Assurance (SURAKSHA)
2. Convertible Whole Life Assurance (SUVIDHA)
3. Endowment Assurance (SANTOSH)
4. Anticipated Endowment Assurance (SUMANGAL)
5. Joint Life Assurance (YUGAL SURAKSHA)
6. Children Policy(BAL JEEVAN BIMA)

## Whole Life Assurance:

This is a scheme where the assured amount with accrued bonus is payable to the assignee, nominee or the legal heir after death of the insurant or to the insurant himself/herself after attaining the age of 80 years. Minimum Age at entry is 19 years and the maximum Age at entry is 55 years. The minimum Sum Assured is Rs 20,000 and the maximum Sum Assured is Rs 50 lacs.

The policy can be converted into an Endowment Assurance Policy after completion of one year and before 57 years of age of the insurant. Loan facility is available after completion of four years and policy can also be surrendered after completion of three years. The policy is not eligible for bonus if surrendered or assigned for loan before completion of 5 years. Proportionate bonus on the reduced sum assured is accrued if the policy is surrendered or assigned for loan.

**The cure for boredom is curiosity. There is no cure for curiosity.**

## Endowment Assurance:

Under this scheme, the proponent is given an assurance to the extent of the Sum Assured and accrued bonus till he/she attains the pre-determined age of maturity. In case of unexpected death of the insurant, the assignee, nominee or the legal heir is paid the full Sum Assured together with the accrued bonus.

The minimum age at entry is 19 years and the maximum Age at entry is 55 years. The minimum Sum Assured is Rs 20,000 and the maximum Sum Assured is Rs 50 lacs. Loan facility is available and policy can also be surrendered after completion of three years. The policy is not eligible for bonus if surrendered or assigned for loan before completion of 5 years. Proportionate bonus on the reduced sum assured is accrued if the policy is surrendered or assigned for loan.

## Convertible whole Life Assurance:

The features of this scheme are more or less same as Endowment assurance. Policy can be converted into Endowment Assurance after five years. Age on the date of conversion must not exceed 55 years. If option for conversion is not exercised within 6 years, the policy will be treated as Whole Life Assurance. Loan facility is available. The policy can also be surrendered after completion of three years.

The policy is not eligible for bonus if surrendered or assigned for loan before completion of 5 years. Proportionate bonus on the reduced sum assured is accrued if the policy is surrendered or assigned for loan. The policy is not eligible for bonus if surrendered or assigned for loan before completion of 5 years. Proportionate bonus on the reduced sum assured is accrued if the policy is surrendered or assigned for loan.

## Anticipated Endowment Assurance:

It is a Money Back Policy with maximum Sum Assured of Rs 50 lacs. Best suited to those who need periodical returns. Survival benefit is paid to the insurant periodically. Two types of policies are available - 15 years term and 20 years term. For the 15 years term policy, the benefits are paid after 6 years (20%), 9 years (20%), 12 years (20%) and 15 years (40% and the accrued bonus). For the 20 years term policy, the benefits are paid after 8 years (20%), 12 years (20%), 16 years (20%) and 20 years (40% and the accrued bonus). Such payments will not be taken into consideration in the event of unexpected death of the insurant and the full sum assured with accrued bonus is payable to the assignee or legal heir.

## Joint Life Assurance:

It is a joint-life Endowment Assurance in which one of the spouses should be eligible for PLI policies. Life insurance coverage is provided to both the spouses to the extent of sum assured with accrued bonus with only one premium. All other features are same as an Endowment policy.

All the above schemes have compulsory medical examination. For the non-medical policy of any category (except AEA and Joint Life Assurance for which Medical Examination is compulsory), the maximum Sum Assured is Rs 1 lac.

## Limits of Sum Assured in Postal Life Insurance:

Any person who is eligible to the benefit of Post Office Life Insurance Fund under Rule 6, may effect an insurance-Whole Life Assurance, Endowment Assurance, Convertible Whole Assurance, Anticipated Endowment Assurance and Yugal Suraksha Policy or all of them on his life for a sum not less than Rs. 20,000 in each class but not more than an aggregate of Rs. Fifty Lac (Rs. 50,00,000/-) in respect of one class/all classes of insurance policy (s) taken together. The value of policy shall be taken in multiples of Rs. 10,000/- after minimum limit of Rs.20,000/- i.e. Rs. 20,000/-, Rs.30,000/-,Rs. 50,000/- and so on.

## Children Policy

The Department has introduced Children Policy under PLI/RPLI, with effect form 20th Jan 2006. The salient features of this scheme are as under:-

❖ The Scheme is envisaged to provide Insurance cover to the children of PLI/RPLI policy holders.

❖ Maximum two children in family will be eligible to take children policy.

❖ Children between the age of 5 and 20 years are eli-

**I am patient with stupidity but not with those who are proud of it.**

gible and maximum sum assured is Rs 3 lakh or equivalent to the sum assured of the main policy holder which ever is less.

- The main policy holder should not have attained the age of 45 years.
- No premium is required to be paid on the children policy on the death of the main policy holder and full sum assured with the accrued bonus shall be paid to the child after the completion of the term of the children policy. On the death of the child/children, full sum assured with the accrued bonus shall be payable to the main policy holder.
- Main policy holder shall be responsible for payments for the Children Policy. No loan shall be admissible on Children Policy. However, the policy shall have facility for making it paid up provided the premia are paid continuously for 5 years.
- No Medical examination of the Child is necessary. However, the child should be healthy on the day of proposal and the risk shall start from the date of acceptance of proposal.
- The policy shall attract bonus at the rate applicable to Endowment Policy. The POIF Rules amended from time to time shall be applicable to Children Policy.

## PLI Benefits

PLI is the only insurer in the Indian Life Insurance market today, which gives the highest return (bonus) with the lowest premium charged for any product in the market.

***A PLI/RPLI policy holder also gets following facilities :***

- Change of nomination.
- The insurant can take loan by pledging his/her policy to Heads of the Circle/Region on behalf of President of India, provided the policy has completed 3 years in case of Endowment Assurance and 4 years in case of Whole Life Assurance. The facility of assignment is also available.
- Assignment of Policy to any Financial Institution for taking loan.
- Revival of his/her lapsed policy. Policy lapses after 6 unpaid premiums if it remained in force for less than 3 years and after 12 unpaid premiums if it remained in force for more than 3 years.
- Issue of Duplicate Policy Bond in case of the original Policy Bond is lost, burnt/torn/mutilation.
- Conversion from Whole Life Assurance to Endowment Assurance and from Endowment Assurance to other Endowment Assurance as per rules.

## Statistics

| YEAR | Postal Life Insurance (PLI) | | |
|---|---|---|---|
| | No. of Policies in force | Sum Assured (in Rs. Crore) | Corpus of Fund (in Rs. Crore) |
| 2007-2008 | 35,50,084 | 31,459.00 | 12,081.71 |
| 2008-2009 | 38,41,539 | 38,403.00 | 14,152.59 |
| 2009-2010 | 42,83,302 | 51,209.91 | 16,656.02 |
| 2010-2011 | 46,86,245 | 64,077.00 | 19,801.91 |
| 2011-2012 | 50,06,060 | 76,591.33 | 23,010.55 |
| 2012-2013 | 52,19,326 | 88,896.96 | 26,131.34 |
| 2013-2014 | 54,06,093 | 1,02,276.05 | 32,716.26 |
| 2014-2015 | 64,61,413 | 1,30,745.00 | 37,571.77 |

# Frequently Asked Questions on Conventional Life Insurance

***Q. What should I look for before I decide to buy a policy?***

A. You must check and see whether or not there is availability of guarantee of return, what the lock in period is, details of premium to be paid, what would be implications of premium default, what the revival conditions are what the policy terms are, what are the charges that would be deducted, would loan be available etc.

***Q. What is the importance of a proposal and the disclosures made therein?***

A. The disclosures made in a proposal are the basis for underwriting a policy and therefore any wrong statements or disclosures can lead to denial of a claim.

***Q. What are special medical reports required to be submitted in Life insurance?***

A. In case of certain proposals, depending upon the age of entry, age at maturity, sum assured, family history and personal history, special medical reports may be necessary for consideration of a risk. E.g. if the proposer is overweight, special reports like Electro Cardiogram, Glucose Tolerance test etc could be required, while for underweight proposers, X-ray of the chest and lungs with reports could be required.

***Q. What is meant by Paid-up Value in Conventional Life Insurance Policy?***

A. After premiums are paid for a certain defined period or beyond and if subsequent premiums are not paid, the sum assured is reduced to a proportionate sum, which bears the same ratio to the full sum assured as the number of premiums actually paid bears to the total number originally stipulated in the policy. For example, if sum assured is 1 lakh and the total number of premiums is payable is 20 (20 years policy, mode of premium is assumed yearly) and default occurs after 10 yearly premiums are paid, the policy acquires the paid up value of 50,000/-.

Paid up Value = No. of Premiums Paid / No. of Premiums Payable X S.A=10/ 20 X 100000 = 50000/-. This means that the policy is effective as before except that from the date the 11th premium was due, the sum assured is 50,000/- instead of original 1,00,000/- . To this sum assured the bonus already vested (accrued) before the policy lapsed, is also added. Example if the bonus accrued up to the date of lapse is 35,000/-, the total paid up value is 50000 + 35000 = 85000.

***Q. How is Surrender Value calculated in Conventional Life Insurance Policy?***

A. Surrender Value is allowed as a percentage of this paid up value. Surrender value is calculated as per the surrender value factor, which depends on the premiums paid and elapsed duration.

***Q. How is the Loan on Policy calculated under Conventional Life Insurance Policies?***

A. If the policy conditions permit grant of loan, loan is sanctioned as a percentage of the Surrender Value.

***Q. What are the requirements to be submitted in case of a Maturity Claim?***

A. Usually the Insurance Company will send intimation attaching the discharge voucher to the policy holder at

***Continued in Page 23***

**Never be afraid to laugh at yourself, after all, you could be missing out on the joke of the century.**

# DHFL Pramerica Aajeevan Samriddhi

***from* DHFL Pramerica Life Insurance Company Limited**

## Introduction

DHFL Pramerica Aajeevan Samriddhi is a whole life participating insurance cum savings plan. It provides financial protection till your 99th year of age along with a corpus at age 65, so that you can provision for your post retirement expenses.

## Key Features

***Whole Life Cover*** till you are 99 years of age, irrespective of your age at the time of policy inception

***Increasing Protection*** where death benefit increases to keep pace with your age to account for increasing family responsibilities

***Wealth Accumulation:***

***Guaranteed Additions*** are accrued for initial 5 years of the policy

***Bonus*** accrue from the 6th year of the policy till Policyholder attains age 65

***Survival Benefit*** comprising of Accrued Reversionary Bonuses and accrued Annual Guaranteed Additions are paid at age 65

***Maturity Benefit*** comprising Basic Sum Assured and Final Bonus payable at age 99.

Convenient Premium payment option of 15 or 20 years for a protection till age 99.

## Benefits

The following benefits will be paid in case of death, survival or maturity, provided the policy is in force for full risk benefits as on the date of benefit payment.

***Death Benefit:*** The benefit will be paid on the unfortunate demise of the life insured

| | Demise within 5 policy year | Demise after 5th policy year till attaining age 65* | Demise after age 65 till age 99* |
|---|---|---|---|
| Basic Death Benefit | YES | YES | YES |
| Accrued Guaranteed Additions | YES | YES | |
| Accrued Reversionary Bonuses plus | | YES | |
| Final Bonus (If any) | | YES | YES |

*Age as on last birthday as on last Policy anniversary.

where basic death benefit is:

| Policy Year | Basic Death Benefit (For PPT 15 years) | Basic Death Benefit (For PPT 20 years) |
|---|---|---|
| 1 - 10 | Max of (11 * Annual Premium) or Basic Sum Assured | Max of (11 * Annual Premium) or Basic Sum Assured |
| 11 – 15 | Max of (16 * Annual Premium) or Basic Sum Assured | Max of (16 * Annual Premium) or Basic Sum Assured |
| 16 + | Max of (16 * Annual Premium) or Basic Sum Assured | Max of (22 * Annual Premium) or Basic Sum Assured |

The Annual premium shall be the premium payable in a year chosen by the policyholder, excluding the underwriting extra premiums and loadings for modal premiums, if any

***Survival Benefit:*** This benefit will be paid when the life insured attains age 65 years (as on the last birthday)

- Accrued Reversionary Bonuses
- Accrued Guaranteed Additions

***Maturity Benefit:*** The benefit will be paid at the end of the policy term i.e. when the life insured attains age 99 years (as on the last birthday)

- Basic Sum Assured plus
- Final Bonus, if any

## Guaranteed Additions

The Policyholder will be eligible for Guaranteed Additions of 40 per 1000 of Sum Assured for the initial 5 years of the policy (for each completed policy year), and will accrue at the end of the Policy Year. These additions will be paid either on death or on attaining age 65, whichever is earlier.

## Bonuses payable

The Company will carry out an annual valuation (as per the current IRDA regulations) at the end of each financial year starting from 6th policy year onwards and may declare Compounded reversionary bonuses . In addition to this, Interim and Final Bonuses may also be declared. The Bonuses are not guaranteed and depend upon the performance on the relevant participating fund

# Title insurance, a must for home buyers

Indian real estate market has been grappling with lack of transparency for decades which has given rise to litigation, some for decades due to disputed ownership of the property. Land records in India are not easily accessible due to lack of digital infrastructure. Moreover, the risk of faulty land records has grown quite high as cost of land across the country has grown exponentially in the last few decades. The more common, possible title problems with newly-built homes are related to the legal ownership of the land on which they are built.

## Safeguards needed

Given the risks, there is need for Title insurance to safeguard the interests of buyers. It provides the owners protection against any property loss or damage they might experience because of instances of liens, mortgages or any such encumbrances in the title to the property. For example, there are cases of family members claiming to have share in the land even when their names are not in the land records. They make a claim at a later date and entangle the property in litigation.

Title insurance is a form of indemnity insurance which insures against financial loss from claims in title to real property. While other form of insurance provides protection against future loss, this provides cover for an event in the past which has resulted in disputes. Hence this policy is a retrospective one, where the insured is protected against losses arising from the events that occurred prior to the date of issuing the policy. This is not an altogether new idea. It is very common in the US and Europe. Most developed countries follow the system of Conclusive Titles which allows for certainty of title to the land in question. Registration of title gives a definiteness and indefeasible right to the owner. Moreover, the availability of title insurance offers an additional layer of protection to the title ownership of the buyer.

## Improving eco-system

The recent development of Real Estate Regulation & Development Act (RERA) is a welcome move to bring a systematic approach and enhance transparency. It safeguards buyers' interests and ensures accountability and timely completion of projects. Under RERA, the developer has to provide a written affidavit to the buyer stating that the legal title to the land on which the construction is planned contains legitimate documents of ownership.

## Widespread benefits

Having Title insurance can lead to renewed confidence among buyers and will certainly impact the real estate market favourably. Buyers will no longer have to depend solely on the developer's assurances with regard to the title's legal sanctity. The availability of title insurance products will also boost private equity investment in Indian real estate. There will be increased interest in the sector which will ensure a win-win situation for all the stakeholders in the sector.

# LIC's New Money Back Plan-20 years

## *from* Life Insurance Corporation of India


***LIC's New Money Back Plan-20 years*** is a participating non-linked plan which offers an attractive combination of protection against death throughout the term of the plan along with the periodic payment on survival at specified durations during the term. This unique combination provides financial support for the family of the deceased policyholder any time before maturity and lump sum amount at the time of maturity for the surviving policyholders. This plan also takes care of liquidity needs through its loan facility.

### 1.Benefits:

***Death benefit:*** On death during the policy term provided the policy is in full force, death benefit, defined as sum of "Sum Assured on Death" and vested Simple Reversionary Bonuses and Final Additional Bonus, if any, shall be payable. Where, "Sum Assured on Death" is defined as higher of 125% of the Basic Sum Assured or 10 times of annualized premium. This death benefit shall not be less than 105% of the total premiums paid as on date of death.

The premiums mentioned above exclude tax, extra premium and rider premium, if any.

***Survival Benefits:*** In case of Life Assured surviving to the end of the specified durations 20% of the Basic Sum Assured at the end of each of 5th, 10th & 15th policy year.

***Maturity Benefit:*** In case of Life Assured surviving the stipulated date of maturity, 40% of the Basic Sum Assured along with vested Simple Reversionary Bonuses and Final Additional Bonus, if any, shall be payable.

***Participation in Profits:*** The policy shall participate in profits of the Corporation and shall be entitled to receive Simple Reversionary Bonuses declared as per the experience of the Corporation, provided the policy is in full force.

Final Additional Bonus may also be declared under the policy in the year when the policy results into a claim either by death or maturity, provided the policy has run for certain minimum term.

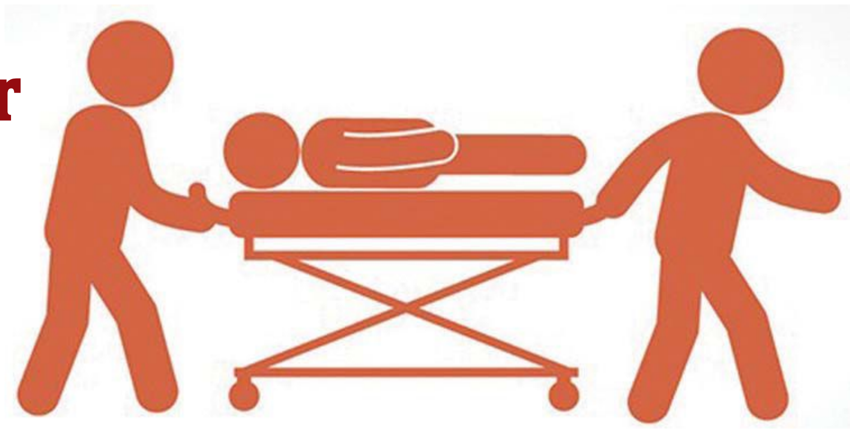
### 2.Optional Benefit:

***LIC's Accidental Death and Disability Benefit Rider:***
LIC's Accidental Death and Disability Benefit Rider can be opted for under an inforce policy at any time within the premium paying term by payment of additional premium and the cover will be available throughout the policy term provided the Policy is inforce for the full Sum Assured as on date of accident. In case of accidental death, the Accident Benefit Sum Assured will be payable as lumpsum along with the death benefit under the basic plan.

In case of accidental permanent disability arising due to accident (within 180 days from the date of accident), an amount equal to the Accident Benefit Sum Assured will be paid in equal monthly instalments spread over 10 years and future premiums for Accident Benefit Sum Assured as well as premiums for the portion of Basic Sum Assured which is equal to Accident Benefit Sum Assured under the policy, shall be waived.

However, on surrender of an inforce basic policy (which has acquired Surrender Value) to which this rider is attached, a proportion of additional premium charged in respect of cover after premium paying term shall be refunded.

# A Cover for Critical Ailments



ICICI Prudential Life has launched a health plan which covers heart ailments and cancer. Policies such as these that are targeted at specific ailments give a comprehensive life coverage. They cannot be compared with medi-claim (or hospitalisation) policies from a general or a health insurer. The advantage is that the sum assured is paid lumpsum on diagnosis of the illness and is not restricted to inpatient treatment in hospitals.

Critical illness (CI) policies from general insurers too promise lumpsum payment at the time of the first diagnosis of the disease, but the drawback is that they do not cover early stage cancers and minor heart conditions that require angioplasty. The other disadvantage is that in CI policies, there is always a condition that the patient should survive at least 30 days from the diagnosis of the disease for the insurer to pay for the claim.

With increasing lifestyle disorders and risk of cancer and heart ailments, it makes sense to buy a policy with a comprehensive coverage so that you are not financially stressed out when you have to pay for the treatment.

## Product features

ICICI Pru Heart/Cancer Protect covers individuals of 18-65 years and allows renewal till 75 years. However, the maximum policy term allowed is only 40 years. Individuals who have been receiving treatment for any heart ailment or cancer in the preceding 48 months of buying the policy will not be covered under this plan. But others can sign up without a medical check-up. The initial waiting period is six months. If the ailment is diagnosed in the early stage, the policy will pay 25 per cent of sum assured and waive all future premiums, though the risk cover will continue. The balance sum assured will be paid whenever there is next claim for a minor or major condition in a new or already existing ailment.

In the case of cancer, there is no minimum survival period. In heart ailments, however, there is a condition that the policyholder has to survive for at least seven days after the diagnosis of the ailment for the claim to be accepted.

The policy offers three benefits as add-on benefits for additional premium. One, there is a no-claim benefit which can take care of inflation in medical costs. The sum assured under the policy increases by 10 per cent every year of noclaim up to 200 per cent of the cover chosen at inception. The cover keeps rising till the first claim is made.

The second is the 'hospital cash' benefit, where for every day of hospitalisation, the insurer will give Rs. 5000. The third is income benefit, where the policy tries to substitute for loss in income after you are diagnosed with a major heart ailment/cancer and cannot do your regular job. The income benefit is 1 per cent of sum assured and is given every month for five years.

## Our take

The one other player in the market which combines heart care and cancer is PNB Met Life. It has a product called Mera Heart and Cancer Care. ICICI Pru Heart/Cancer Protect is a better plan as it waives off premium for the rest of the policy term once an initial stage claim under cancer or a heart ailment

**Better to write for yourself and have no public, than to write for the public and have no self.**

is filed. PNB Met Life's product waives premiums only for the first five policy years in such a case. However, note that in PNB Met Life's plan, there is an inbuilt term insurance cover too. The sum assured under the policy will be paid even if the individual dies due to reasons other than the ailments covered under the policy.

A 35 year-old female will get a maximum 40- year term policy with ICICI Pru Heart/ Cancer Protect. If she takes a Rs. 20 lakh sum assured policy, with ICICI Pru, the premium would be Rs. 5,819 (for the base plan).

But, if she opts to go with PNB Met Life's Mera Heart and Cancer Care, the maximum term that she will get is only 20 years and the premium would be Rs. 10,332 (base plan). The premium is higher because of in-built term cover. But if you are young and buying the policy when you are 35/40 years old, you can't renew the cover after 55/ 60 years, which is actually the time you will need the cover.

There are many standalone cancer policies in the market; popular among them are— Max Life's Cancer Insurance Plan, Aegon Life's iCancer and HDFC Life's Cancer Care. But all these plans offer a maximum sum assured of only Rs. 4050 lakh. ICICI Pru Heart/ Cancer Protect offers cover up to Rs. 75 lakh (you can opt to take cover for cancer alone for Rs. 75 lakh and not opt for a cover for heart ailments). Also, while in MAX Life's Cancer Insurance Plan, the entry age is 25, in ICICI Pru Heart/Cancer Protect, it is 18 years.

The disadvantage with HDFC Life's Cancer Care is that the maximum term is only 20 years, though the maximum maturity age is 75 years. In ICICI Pru's and Max Life's cancer policy, the maximum term offered is 40 years and the maturity age is 75 years.

If you are looking for a cancer policy, consider either Max Life's Cancer Plan or ICICI Pru Heart/Cancer Protect. Both of them are similar on most parameters.

In PNB Met Life's plan and HDFC Life's plan, the premium waiver after diagnosis of an illness in its initial stage is limited to three-five years. Whereas, in Max Life's and ICICI Pru's plan, premiums are waived till the end of the policy term.

For a 35-year female, a policy under Max Life's Cancer Insurance Plan where the NCB benefit (goes up to 150 per cent of sum assured) is inbuilt in the policy, the premium works out to Rs. 11,454.

If she wishes to take a cancer cover for Rs. 20 lakh, the premium in ICICI Pru Heart/ Cancer Protect for a 40-year term, assuming she also opts for the no-claim benefit, comes to Rs. 13,722. *(Source : Business Line)*



**Normal is getting dressed in clothes that you buy for work and driving through traffic in a car that you are still paying for – in order to get to the job you need to pay for the clothes and the car, and the house you leave vacant all day so you can afford to live in it.**

# Aditya Birla Health Insurance targeting young Indians through its digital strategy

Less than one-fourth of India's population is covered by public or private health insurance, creating a crying need for health cover. Moreover, since India also has a sizeable number of millennials who do not have health cover, insurance firms have increasingly begun using digital tools for easy accessibility and integrating health data with hospitals.

"There is a huge need for health insurance but relatively very low penetration in India," acknowledged Mayank Bathwal, CEO of Aditya Birla Health Insurance Co. Ltd (ABHI), in an interview in Mumbai. One of the reasons for this low penetration, according to him, is the way a typical health insurance product is sold, which mainly gives the coverage benefit for hospitalization claims. "Healthcare expenditure is much more than just hospitalization, including medical check-ups and doctor's fee, so more than half the population of the country does not believe in health insurance," Bathwal added.

ABHI is one of the newest entrants in a sector which includes firms such as Apollo Munich Health Insurance Co. Ltd, Star Health and Allied Insurance Co. Ltd, Max Bupa Health Insurance Co. Ltd, and ICICI Lombard General Insurance Co. Ltd.

*Aditya Birla Health Insurance CEO Mayank Bathwal*

ABHI, according to Bathwal, is primarily targeting more than half of India's population that is below 35 years of age with its digital push. The company, which now has around 60 branches and a presence in 34 cities, is relying on tools such as mobile apps, cloud computing, wearable devices and data integration with other entities in the healthcare ecosystem—in addition to products that give insurance cover "beyond hospitalization"—to carve out a niche for itself.

"We want to make sure that health insurance expands to cover many more segments and becomes relevant for many more customers than it is today," Bathwal said.

Identifying digital as a differentiating factor in health insurance, Bathwal pointed out that most people in India "unfortunately continue to talk the language of insurance rather than health". He, however, believes that with digital tools, the situation could change for the better. ABHI, for instance, has launched an Activ Health app. It counts the number of days a customer has been physically active in a month, takes note of their healthy habits and "rewards them based on this behaviour". According to Bathwal, the app does so in several ways—through integration with wearable devices such as Fitbit as well as with other health apps like Apple Health, the company's partnership with around 1,300 gyms and even health

**Asking a working writer what he thinks about critics is like asking a lamppost how it feels about dogs.**

assessments based on yoga routines. The idea is to initially assign health levels ranging from one to five (five being the highest) and then monitor physical activity by counting steps walked or calories burned so that 'Health Rewards' can be given to customers from time to time. The maximum reward comprises 2.5% premium value per month or 30% of premium being given back in a year.

Bathwal asserted that ABHI approached health insurance with a "fresh perspective" right from the start and laid a lot of emphasis on technology usage and integration. To begin with, ABHI launched mutliple ways to reach customers—including a website, mobile app, tie-up with five banks, an agent network of 9,000 and a tele-sales team— and integrated them through technology for "better customer experience."

According to Bathwal, 80% the policy sales through these multiple modes happen on the company's "technology platform".

What the company has done is put together a core tech team of about 20 people who work with several specialist information technology (IT) solution providers to constantly integrate the additional solutions provided by them into its "core application". "The base digital platform is ours. We have bought some technology products but integrated them internally or in-house. For instance, our core health insurance application is a product called HealthBuzz, which we bought from a solution provider. Similarly, we have bought products for customer relationship management (CRM), business process management (BPM) and distributor management," Bathwal explained. He added that the company also has a customized knowledge management system (KMS) deployed on the cloud for agile sales training, so that the agents do not need to carry any physical paper or brochures for sales visits. The KMS includes audios and videos about the products, frequently asked questions and other material to help them sell.

While ABHI tries to "digitize every piece of information" about customers and policies, one area where challenges exist is the still low level of digitization in hospitals—particularly small and medium ones— and the lack of an intermediary "health data exchange or switch" between hospitals and insurers, unlike in the West. "There are some initiatives like Remedinet," Bathwal said, but it might take "five years or so" for the level of data integration between hospitals and insurers to make a substantial impact.

"Data integration is clearly a problem area in the Indian healthcare ecosystem at the moment," opined Ashwin Moduga, research manager for health insights in the Asia Pacific, International Data Corp. (IDC). He also believes that health insurance companies in India "will continue to face for some time" the challenge of how to get millennials to buy health insurance. "If you look at millennials buying health insurance, it is not showing the growth it should be showing," he pointed out.

As such, according to Moduga, more and more insurers will start "investing in digital tools to make the process of buying insurance easy" for this segment. He cited the example of US-based Oscar Insurance Corp. as a good digital model for Indian firms to study. "That company is famous for really trying to capture the millennial mindset through a simple, easy-to-use and transparent app interface geared to attract young people," he noted.

Furthermore, while use of wearables and incentivizing customers for their physical activities or healthy habits in the insurance sector is "popular in countries such as Singapore, USA and parts of Europe," the problem in India, besides low penetration of these devices, according to Moduga, is that there is no significant platform that allows this data to be easily transferred to the insurance database. What most health insurers are currently busy with is to reduce operational costs by using technologies such as robotic process automation, he concluded.

ABHI, meanwhile, is also focusing on reducing the procedural pain associated with hospitalization in India, especially in terms of patients and their relatives running from pillar to post for different tests, medicines, paperwork, etc. The company has introduced virtual care managers—assistants available on call from Monday to Saturday, from 9am to 7pm—to "create a better claim experience for the policyholders and their families. This "first-of-kind initiative", concluded Bathwal, makes the whole process convenient for customers. *(Source : Mint)*

**An inventor is simply a fellow who doesn't take his education too seriously.**

# Don't rely on insurance for wealth creation

Whole life insurance policies are becoming popular. They are being sold to individuals who wish to leave a legacy for their children. But unless you are an ultraconservative investor, there are better options than insurance policies for wealth creation.

The attraction of whole life plan is that the risk cover is for the entire life, and the policyholder gets the sum assured for sure. However, the returns are low and the annual financial commitment is high.

Here we look at why endowments plans, particularly whole life plans, are an unattractive option for wealth creation.

## What are whole life plans

In pure protection plans, that is, term life policies, the risk cover is till 70-75 years, as this is assumed to be the maximum age till when an individual will contribute financially to the family. But in whole life insurance plans, the risk cover is for the entire life and the policy maturity is usually at 100 years.

These plans have a premium payment term (10/15/20 years) that is shorter than the policy term.

So, once, at the end of the premium term, and then at the time of death (or maturity of the policy), the policyholder gets the sum assured.

While at the end of the premium payment, the benefit will be sum assured plus bonus, if any, at the time of death (or maturity of the policy), it will be just the policy's sum assured that will be paid.

HDFC Life's Sampoorn Samridhi Plus, SBI Life's Shubh Nivesh, Max Life Whole Life Super and LIC's New Jeevan Anand are some prominent whole life endowment plans.

For instance, consider an individual aged 40, who has taken a whole life plan for a sum assured of Rs. 50 lakh and has to pay premium for 20 years.

If he survives the next 20 years, he will get the sum assured of Rs. 50 lakh and bonuses, if any (if it is a participating plan). Then, if he passes away, say at the age of 80, his nominee will be paid Rs. 50 lakh again and the policy will terminate.

Getting the sum assured twice makes the product look wonderful, isn't it? But if you work out the return (IRR), you will realise that the longer you live, the lower the return; the closer you get to hitting a century, the returns will drop to as low as 4-5 per cent.

## Disadvantages

Whole life plans are expensive. If you are young, say in your mid-30s, and looking to buy a whole life plan instead of a pure risk cover, you must be sure about paying the premium till the end of the premium term.

Premium for Rs. 50 lakh sum assured policy for a 30-year male for a premium payment term of 20 years can be about Rs. 1.25-1.35 lakh. If you have crossed your 50s, the policy's premium will be even more expensive.

**Don't ever wrestle with a pig. You'll both get dirty, but the pig will enjoy it.**

Suppose at 55 you buy a whole life cover for Rs. 50 lakh sum assured and the premium payment term is 10 years, you will have to shell out Rs. 3.5-4 lakh every year. For 5-6 per cent return, the financial commitment in these polices is too high.

Returns are poor in whole life plans because they are basically endowment products where the funds are invested in government securities and bonds. While this ensures that the risk is lower, the returns are also lower.

What also pulls down the returns in endowment products is that they are traditional policies and the agent commission and other costs are high.

On a gross return of 8 per cent, the IRR of whole life endowment policies works out to 4.5-5.5 per cent because of their high cost structure. The other flaw in traditional policies, including whole life plans, is the very low surrender value.

If you stop paying premium in the first three years, you may not get anything back.

Surrendering at the end of the third year will fetch you 30 per cent of total premium paid.

If you do so between the fourth and the seventh year, you will get 50 per cent of total premium paid. The percentage of surrender value increases with time and becomes 70 per cent after 21 years.

## What you can do

There are several financial instruments today that can generate good returns on commitment of a long-term investment.

Based on your risk appetite, you can choose between mutual funds — equity, balanced and debt.

If you are looking for a product that can give higher returns than FDs or pure debts funds, but at the same time, you do not want risk with higher equity exposure, you can even consider equity savings funds — a fairly recently introduced category in MFs. They invest in equities, debt and arbitrage opportunities (basically equity derivatives).

The funds' exposure in arbitrage opportunities is about 30-35 per cent, which is to reduce the volatility in returns from equity.

If you are ultra conservative, you can even look at post office schemes — may be PPF.

But if you can stomach some risk, you can consider corporate FDs. Tax-free bonds can be a good option, but at present there are no issues open.

So, if you intend leaving a legacy, invest that amount elsewhere and write a will, making your loved ones legal heirs. *(Source : Business Line)*

***Frequently Asked Questions on Conventional Life Insurance _*** ***Continued from page 14***

least 2 to 3 months in advance of the date of maturity of the policy intimating the claim amount payable.

The policy bond and the discharge voucher duly signed and witnessed are to be returned to the insurance company immediately so that the insurance company will be able to make payment. If the policy is assigned in favour of any other person the claim amount will be paid only to the assignee who will give the discharge.

***Q. What is meant by settlement options?***

A. Settlement option means the facility made available to the policy holder to receive the maturity proceeds in a defined manner (the terms and conditions are specified in advance at the inception of the contract).

***Q. What documents are generally required to be submitted in case of death of life assured while the policy is in force?***

A. The basic documents that are generally required are death certificate, claim form and policy bond, Other documents such as medical attendant's certificate, hospital certificate, employer's certificate, police inquest report, post mortem report etc could be called for, as applicable. The claim requirements are usually disclosed in the policy bond.

*Courtesy IRDA*

# Studying abroad? Buy adequate travel cover

Most of us have relatives who are either already studying abroad or preparing to do so. Getting into one's dream university is a long-drawn process: Preparing for admissions, financing the education, organising important documents such as passports, visa, tickets, foreign currency, and so on. The drill is cumbersome and there's one thing that gets the least attention in the process — a good student travel insurance. And it's among the most important decisions.

## Importance of student travel insurance

For one, it is mandatory in most international universities. So, one cannot be lax about the product one is buying. Even if it is not mandatory in some universities, it is strongly recommended to have one while studying abroad. While most overseas universities offer their own registered insurances, they also allow students to buy cover from their home country.

Graph These policies are customised policies, which cover the trip abroad, as well as take care of the health-related financial needs during the stay.

We all know that getting medical treatment in foreign countries can burn a big hole in your pocket. Consider this, treatment costs in the US for a fracture cast can be around Rs 1.65 lakh and in case of admission to an intensive care unit (ICU), the charges are around Rs 1.75 lakh a day. Such huge expenses can be easily taken care of with a student travel insurance plan.

## Coverage

Indian student travel insurance plans provide a good mix of health, liability, travel cover and student specific benefits. Listed below are the covers most plans will offer:

- ***Emergency medical expenses:*** Medical expenses incurred due to an accident or an unexpected sickness are reimbursed.
- ***Medical evacuation:*** Covers expenses for getting back to the country in case of medical emergencies.
- ***Emergency dental treatment:*** Reimbursement of emergency dental expenses due to injury or acute pain.
- ***Accidental death:*** Payout is made in the case of death due to an accident.
- ***Permanent disablement:*** Compensation is paid on permanent disability caused during an accident
- ***Repatriation of mortal remains:*** Coverage for funeral expenses or expenses related to bringing the mortal remains back to the country.
- ***Personal liability:*** Covers damages that an insured is liable to pay for property damage or medical expenses due to an accident.
- ***Loss of passport:*** Reimbursement of expenses for obtaining a duplicate or fresh passport.
- ***Loss of checked baggage:*** Reimbursement of replacement cost incurred for any damaged or lost articles.
- ***Delay of checked baggage:*** An amount is paid for making emergency purchases due to delay in getting baggage.
- ***Study interruption:*** Reimbursement of remaining part of the current school semester fee, if studies are interrupted due to health reasons or death of a family member.

**We learn something every day, and lots of times it's that what we learned the day before was wrong.**

- ***Sponsor protection:*** Pays tuition fees in the event of accidental death of sponsoring person who was paying for studies.
- ***Bail bond:*** Pays the bail amount on arrest or detention by police for a bailable offence.
- ***Compassionate visit:*** On hospitalisation of student or a family member, where a family member is required to visit student or the student is required to visit a family member. Accommodation for the family member visiting abroad and round-trip economy class tickets for the student or family member are reimbursed.
- ***Psychological coverage:*** Treatment of mental and nervous disorders, including alcoholism and drug dependency are covered.

## How much is sufficient?

The university you are enrolled in will suggest the amount of travel insurance you should get. If they do not, then it is ideal for you to go for the highest cover amount you can afford. However, you should not settle for anything less than $100,000 if you are going to the US/Canada. In fact, since the medical treatment costs are higher in these countries, it is recommended to have a cover for around $250,000.

For studying in a European country, 50,000 euros insurance cover is recommended; for countries like Australia and New Zealand $50,000 is advised. Remember, these are just sample minimum figures. You should always consider your needs and medical fitness before deciding the right coverage amount.

## Product options

You can buy a student travel insurance plan from any of the following places:

- An Indian insurance company
- University you are enrolled with
- Insurance provider in the country you are visiting

Buying student travel insurance in India is a much cheaper option as premiums are significantly lower than most international university student insurance plans. For example, where a US university plan cost close to $2,000, the Indian student travel insurance plan would range from $300 to $500 for the same coverage amount.

The only situation in which buying travel insurance from an overseas insurer makes more sense is if you have a pre-existing disease.

## Buying tips

Confirm beforehand whether the university you have enrolled in insists on a mandatory insurance cover. It is important as some universities like in the UK, do not accept insurance policies other than state-prescribed NHS (National Health Service).

If the university offers the flexibility of buying insurance from home country, it is advisable to check whether the benefits offered match the university's requirements. Avail appropriate health covers from India with better benefits to be well protected. Some insurers provide a list of universities that accept their insurance and also give a 30-day free-look period to return the insurance if the university does not accept it.

Also, ensure the chosen plan provides complete medical protection as discussed earlier along with these three key student specific benefits – study interruption, sponsor protection and bail bond.

As a thumb rule, the lower the policy deductible and co-payment, the higher would be the premium. Deductible is the expense which a student bears before availing the benefits of health insurance. Co-payment is the amount that one has to pay for each time one visits the hospital. The co-payment amount is over and above the policy deductible. Needless to say you must pick an insurance cover that has the right balance of the two.

Carefully scan the sub-limits which is the upper limit applied on room rent, ICU expenses, diagnostic tests or ambulance charges by the insurance companies. Choose a plan either without a sub-limit or one that has a higher sub-limit. Similarly insurers do not cover pre-existing ailments, but if required by the university, the insurance company may provide this coverage. *(Source : Business Standard)*

**I have made this letter longer than usual because I lack the time to make it shorter.**

# Implications of the surge in Insurance IPO

Insurance companies are tapping the market in droves. To be sure, the regulatory compulsion was always there to divest promoter holdings in a time-bound manner. But look at what is happening now.

The first ever insurance issue, that of ICICI Pru IPO, happened a year back. The debutant listed below par but now is riding high in in the stock market. ICICI Lombard hit the market last month, followed by SBI Life. GIC Re's issue managed to draw subscriptions around 1.4 times but did not receive an encouraging response from retail investors.

This may be followed by New India and Reliance General .Not in the distant future will be HDFC Life. And then there will be several PSU issuers.

Apart from four new GI companies entering the market, there is the news of Shriram group's insurance companies likely to be subsumed by IDFC merger. Star Health is not left behind in reportedly seeking a billion dollar value realisation. Insurers are now in the menu card of capital markets.

This sort of thing hasn't happened before. There are some interesting aspects to it.

## Tapping markets for what?

Almost a decade and half after the insurance market opened up to private players, the realisation has now dawned that many of these hold embedded value, which they are attempting to release to the original promoters.

However, the capital market rush gives rise to questions.

Does it cater to a real need to lift capital adequacy levels or fund expansion costs? Many of the (re) insurers are underutilising their existing net worth with a less than ideal capital gearing, primarily because they are operating in a still emerging market.

So, will expanding the capital base lead to sub- optimal capital servicing? Paradoxically, many could face solvency margin adequacy issues as their topline grows.

What is in it for retail investors? It remains to be seen if insurance stocks themselves become a standalone segment with sufficient trading volume and market cap, forcing bourses to track their performances through an NSE or BSE insurance index?

As for listing of public sector companies, this could usher in transparency and efficiency. One would hope that the experience of PSB banks is not repeated here. The whopping NPAs point to less than professional boards.

Life insurers have come full circle from aggressive promotion of linked products to active pursuit of protection products. But in the case of general insurers, the common anxiety is whether can they continue to ride piggyback on investment income, abandoning the surplus in the core business. None of the general insurers, save one, makes money in core insurance/reinsurance operations.

## Relying on investment income

For many of the institutional investors overseas, insurance presents as "an

**I'd rather live with a good question than a bad answer.**

uncorrelated asset class"— not swayed by capital market volatility. But if there is extreme dependence among Indian insurers on investment income "to make up technical losses", this asset class cannot be detached from the rest. It would present the same risk reward profile.

Refreshingly, there are green shoots in the pricing of general insurance products, of late.

The IPO s can also turn out to be the best way to acquire capital at a dream cost and arbitrage the same against yield in the investment portfolio. In a tangential manner, this will be very convenient for some PSU insurers who are on the cusp of capital adequacy and who resorted to Tier II capital to salvage the situation.

If the issues are subscribed well, the Government may infuse less fresh capital into them. This is because the Ministry of Finance is struggling with the capital adequacy issues of PSU banks.

There is an expectation that these issues bring about better awareness regarding insurance services among the investing public. That may translate into increase in insurance penetration (percentage of insurance premiums to GDP), in respect of which India's level is one of the lowest in Asia. In a lighter vein, will someone who buys shares of Eicher Motors also eventually buy a Royal Enfield motorcycle?

Both, ICICI Lombard and SBI Life have been subscribed well and have listed decently over their issue prices. It will be interesting to see if their success is replicated by subsequent issues. *(Source : Business Line)*

# IRDAI Circular

## Publishing of Death Claims data / Death Claims paid ratios in "Insurance Advertisements"

**Ref. No: IRDAI/LIFE/CIR/MISC/215/09/2017**

*Date: 15-09-2017*

It has been observed that insurers are following different methods to arrive at Death Claims paid data (i.e. Death Claims paid ratios), while publishing them in "Insurance Advertisements" [as defined in IRDA (Insurance Advertisements and Disclosure) Regulation, 2000]. In order to have uniformity across the industry, instructions are hereby given to the life insurers to use/publish only "Annual Figures" of Death Claims paid ratios, based on the number of policies alone.

These figures shall reflect the entire financial year and shall be based upon:

- ❖ Latest IRDAI Annual Report (or)
- ❖ Latest Annual Audited final figures submitted to the Authority

If an Insurance Advertisement contains Death Claims paid ratio, then the data for individual and group polices shall not be clubbed together. The Insurance Advertisements for group products shall reflect only group Death Claims paid ratio and individual products shall reflect only individual Death Claims paid ratio. In case of advertisements' promoting the Company's brand without reference to products, only individual death claims paid ratio be used. The method of calculation for arrival of Death Claims paid ratios for a financial year shall be as followed for reporting in statements 6 & 7 of IRDAI Annual Report of 2015-16.

Further, no other information related to death claim payments, other than what is specified above shall be used as part of any Insurance Advertisement/s.

The provisions of this circular come in to immediate effect.

***Chief General Manager (Life)***

## Compliance on Guidelines related to Information and Cyber Security

**Ref. No: IRDA/IT/CIR/MISC/232/10/2017**

*Date: 12-10-2017*

We draw your attention to IRDAI Circular Ref: IRDA/IT/GDL/MISC/082/04/2017 dated 7th April, 2017 setting out guidelines on Information and Cyber Security for Insurers. From the feedback/ updates received from Insurers, it is observed that many of the insurers still have not finalised their Gap Analysis report, Cyber Crisis Management Plan and Board approved Information & Cyber Security Policy. Ensuring that Information and Computer Technology (ICT) infrastructure of insurers are fully secured is of paramount importance. Any Vulnerabilities to ICT may result in compromise on confidentiality of policyholder related information and exposure to sensitive information of the insurance sector and the financial markets in general. This would have serious repercussions not only for the Insurance sector but for the financial system of the country as a whole.

Therefore, Insurers are advised to take immediate steps for conducting Security Audit for their ICT infrastructures including Vulnerability Assessment and Penetration Tests (VAPT) through Cert-in empanelled Auditors, identify the gaps and ensure that audit findings are rectified swiftly. Insurers are also requested to firm-up their Cyber Crisis Management Plan (CCMP) for handling cyber incidents more effectively. The recently registered insurers and Reinsurers also must ensure that steps are taken for implementation of the Guidelines. In case CISOs have not yet been appointed by the recently registered entities, they are advised to ensure that they are appointed immediately. Further, in case of insurers who have not kept up the timelines given in the Guidelines referred above, they are advised to ensure to scale up their activities to comply with them.

Confirmation of having noted the above and plan of action proposed may be submitted to it@irda.gov.in by 17th October, 2017.

***(Dr. Maruthi Prasad Tangirala)***
Executive Director (IT)

# LEGAL

## Legal Case Studies on Maturity Claim


### Bhubaneswar Ombudsman Centre

**Complaint No-24-001-1135**

**Sri Sudhakar Mohapatra**

**Vs.**

**Life Insurance Corporation of India**

*(Bhubaneswar BO:II of Bhubaneswar D.O.)*

***FACT :-***

The Complainant had taken six policies from LICI under the latter's salary savings schemes. The policies matured but claims were not settled. In case of some policies, survival benefit due was not settled and the complainant contended that Bolangir B.O. of the O.P. should transfer the premium amount to its Bhubaneswar BO-II to enable payment of his dues. In its Self-Contained Note, the O.P.-insurer stated that as all the policies were under salary saving scheme, the premiums were remitted to different branch offices of it. In some cases also, inappropriate amounts were remitted. However, the insurer presented a detailed chart in policy-wise in the Self-Contained Note where it had reconciled the position and made payments to the complainant.

***AWARD:-***

At hearing, both parties attended and the Insurer's representative handed over the cheques to the complainant in respect of the payable cases mentioned in the SCN. The complainant also confirmed receipt of the cheques.

The Hon'ble Ombudsman observed that as the Insurer has settled the claims of the Complainant under different policies along with interest for delay wherever applicable, the grievance of the complainant has thus redressed and in the result, the complaint is treated as allowed for statistical purpose.

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### Bhubaneswar Ombudsman Centre

**Complaint No-24-001-1142**

**Sri R. Shaktidharan**

**Vs.**

**Life Insurance Corporation of India**

*(Rourkela BO of Sambalpur D.O.)*

***FACT:-***

The Complainant had taken one LICI policy bearing no-590049547 from the LICI (inured) with date of commencement as 28.03.1990 for sum assured of Rs.40,000/- under convertible whole life plan for 20 years term. The initial premium was fixed for Rs.63.30/- monthly. As per the terms of the policy, premium needed to be re-fixed on completion of five years of the commencement. But, this was not done. When the policy matured, he was paid Rs.14,907/- as net maturity value as against his payment of Rs.15,912/- during the term.

On the other hand, the insurer in their Self-Contained Note informed that as per the terms & conditions of the policy in question, the monthly premium had to be revised to Rs.220.80 after five years, but the monthly payment of premium till maturity was Rs.63.30. So, they recovered the differential premium amount with 9% interest

**It is the mark of an educated mind to be able to entertain a thought without accepting it.**

compounded half-yearly from the maturity claim. But, due to dissatisfaction of the claimant, they had intimated their higher office for waiver of interest. After getting clearance from their higher office, the insurer refunded the interest amount of Rs.32,136/- to the complainant which was deducted from the maturity claim.

***AWARD:-***

The Hon'ble Ombudsman observed that through an e-mail the complainant expressed his satisfaction on refund of the amount by the LICI and his desire for closure of the complaint which he lodged in this forum.

In view of the above, the complaint is closed. For statistical purposes, the complaint is treated as allowed.

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## Bhubaneswar Ombudsman Centre

### Complaint No-24-001-1169

### Sri Kulamani Barik Ram

### Vs.

### Life Ins. Corporation of India

*(Puri BO of Bhubaneswar D.O.)*

***FACT:-***

The Complainant had taken one policy bearing no-580239982 for Rs.12,000/- sum assured under salary savings scheme from LICI (Insurer) which was matured on 16.01.2010. He had sent the policy bond and discharge voucher to the servicing branch of the insurer on 19.01.2010. After his several queries and written reminder he received his maturity value. But, being aggrieved by the inaction of the insurer he claimed that he was entitled to receive some more amounts like the difference amount between discharge voucher and cheque amount, interest on maturity claim for six month @ 10.5% etc.

However, the insurer in their Self-Contained Note stated that they have stttled the maturity claim for Rs.27140/- on 21.07.2010 and they had paid the interest for delay for the period @8%.

***AWARD:-***

After careful perusal of documents made available, the Hon'ble Ombudsman observed that an amount of Rs.110/- was deducted from the gross maturity claim amount towards the dues of November and December 2009. While signing the discharge voucher, the complainant has endorsed the same. Secondly, for delay in settlement of claim, the insurer paid interest at the prevailing rate, i.e. 8%. The complainant claimed postal expenditure of Rs.200/- and compensation of Rs.10,000/- for mental agony for non-receipt of claim in time. Rule 16(2) of the Redressal of Public Grievances Rules, 1998 limits the award to the loss suffered as a direct consequence of the insured peril and no more. Thus, it is impermissible on the part of the Hon'ble Ombudsman to accede to the complainant's request.

In the result, the complaint is dismissed without any relief.

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## Bhubaneswar Ombudsman Centre

### Complaint No-24-001-1185

### Sri Bijaya Chandra Sabat

### Vs.

### Life Ins. Corporation of India

(Koraput BO of Berhampur D.O.)

***FACT:-***

The Complainant had taken one policy bearing number 76300461 issued by the Life insurance Corporation of India (insurer) with commencement date 20.8.1984 for Rs.25,000/- sum assured with Table and Term 27-25 (Convertible Whole Life policy) with monthly premium of Rs.37.70/- (convertible to higher premium after five years). The policy matured for payment on 20.8.2009. Necessary documents were submitted at the Branch Office of the insurer on 6.8.2009. But the insurer had not paid the claim amount. Being aggrieved by the inaction of the insurer, he approached this forum.

However, the insurer in their Self Contained Note stated that the policy issued to the complainant was a convertible whole life plan with date of commencement as 20.8.1984, Table – Term :27-25 and Sum Assured Rs.25,000/-. As per the terms and conditions of the policy there was an option to convert the policy into an Endowment Policy at the end

**Believe those who are seeking the truth. Doubt those who find it.**

of five years from the date of commencement by paying revised premium. They had issued letter on 1.9.1989 to the policyholder to convert the policy to endowment but the policyholder had not converted the policy and paid the premium as before. Hence, the policy continued to be whole Life Policy without profit with premium ceasing at the age of 70 years. The insurer, therefore, stated that the maturity money would be paid after the scheduled period.

***AWARD:-***

After careful appraisal of the facts of the case and examination of the documents submitted, the Hon'ble Ombudsman held that the maturity claim is to payable under the policy. The insurer has agreed to settle maturity claim for Rs.49,080/- along with interest for delay to which the complainant also has agreed. Thus, the insurer was directed to ensure that the payment, as aforesaid, is made to the complainant without loss of time.

In the result, the complaint is treated as allowed.

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## Delhi Ombudsman Centre

### Case No.LI/220/HDFC/09

### In the matter of Shri Ishwar Datt Pawa

### Vs

### HDFC Standard Life Insurance Company Limited

1. This is a complaint filed by Shri Ishwar Datt Pawa (hereinafter referred to as the complainant) against the HDFC Standard Life Insurance Company Limited (hereinafter referred to as respondent insurance company) stating that the company has not paid the maturity value of the policy.

2. The complainant had taken Personal Pension Plan policy No.00049074 which was a single premium policy of Rs.50000/-. The policy matured on 07.06.2007. He is 67 years old. He requested the insurance company for making the payment of maturity amount of the policy for meeting the expenses on treatment of his mother who is 88 years old and is a heart patient. He had submitted that he had made a number of requests for getting the maturity amount which he badly needed for the treatment of his aged mother. He had submitted that when the policy was taken by him, he had eye problem and he could not see properly various entries due to eye operation at Maharaja Agrasen Hospital. He was assured while selling the policy that the policy is for 5 years and he can receive payment on maturity. Meanwhile his mother became sick and she was admitted in Saroj Hospial, Madhuban Chowk, Delhi for heart operation in 2006. He had to spend almost all his savings on her treatment. He had given an application dated 13.07.2007 to the company addressed to its Mumbai office and personally delivered it at Pitam Pura Branch on account of his mother's illness for early remittance as his mother was still undergoing treatment.

He was assured that amount will be paid within 7 days. He reiterated that he was assured while selling the policy that entire payment will be released on vesting date and as he had said earlier, he could not see various entries in the proposal form due to his eye operation, that is, he had a genuine belief that he would get entire amount of the maturity value on the maturity date. He had contacted the office many times in this regard and had shown the papers to the authority concerned but he had not got the payment so far.

It has been stated by him that her mother was again admitted in Park Hospital, Meera Bagh for heart operation in May, 2008 and he was in dire need of fund to meet the hospital expenses of his mother's treatment. He submitted that deterioration in the condition of his ailing mother could have been possibly avoided and he had to incur additional expenditure of about Rs.2,00,000/- on the treatment and he met the expenditure by taking loan from various sources for which he had to pay interest also. It has been submitted by him further that he was horrified to know the fact that he would not be given maturity value of the policy.

Instead he would be entitled 1/3rd of maturity value in lump sum and rest he would get in the form of

**The person who reads too much and uses his brain too little will fall into lazy habits of thinking.**

monthly annuity. He argued that his circumstances were not appreciated by the company officials and he was told that he would get the amounts as per terms and conditions of the policy. His mother is under treatment.

During the course of hearing, he narrated his pathetic condition and has stated that he is all alone. His wife had already expired and no children. He badly needed maturity value of the policy immediately to repay the loan raised by him for meeting the expenditure of the treatment of his mother. He was literally weeping during the course of hearing when he was told that he would be entitled to only 1/3rd of the vested value of the policy and rest would be paid in monthly annuity as per terms of the policy.

3. The insurance company requested the complainant to exercise the option as to whether he would like to get monthly annuity on full amount of maturity value of the policy or he would like to get 1/3rd of the commuted value in lump sum and the balance would in the form of monthly annuity. The complainant continued to insist for making full payment to him at one go. During the course of hearing, the representative of the company stated that the complainant is entitled to the payment as per policy terms and conditions.

4. I have very carefully considered the submissions of the complainant as made in writing and also as made verbally during the course of hearing. I have also considered the written submissions as placed before me on behalf of the insurance company and also verbal arguments put forth by the representative of the insurance company. After due consideration of the matter, I hold that though terms and conditions of the policy taken by the complainant allows the payment of vesting value as per procedure given therein, that is, at the most 1/3rd of the commuted value in lump sum and 2/3rd in the form of monthly annuity but having due regards to the peculiar circumstances of the complainant such as that he himself is 67 years of age, he had to meet the expenses which were incurred during the treatment of his 88 years old mother and he is having no family member and has limited source, it would be really doing justice to him if he is paid the entire maturity value of the policy at one go. Accordingly, having considered peculiar circumstances of the complainant, I direct the insurance company to make payment of entire vested value of the policy immediately without going through the technicalities of the policy terms and conditions.

5. The Award shall be implemented within 30 days of receipt of the same. The compliance of the Award shall be intimated to my office for information and record.

6. Copies of the Award to both the parties.

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## Delhi Ombudsman Centre

### Case No.LI/206/DL-I/09

### In the matter of Smt. Manju Nandi

### Vs

### Life Insurance Corporation of India

1. This is a complaint filed by Smt.Manju Nandi (herein after referred to as the complainant) against the LIC of India (herein after referred to as respondent insurance company) in respect of reduced maturity value of the policy.

2. The complainant submitted that she had taken a policy No.112574589 from LIC of India on 10.08.1998 for a period of 10 years. The policy continued till the date of maturity on 10.08.2008. The last payment of premium was made on 10.02.2008 and the date of vesting was 10.08.2008. No information was received by her from LIC for pension or the full payment of maturity claim. However, on 19.08.2008, ZMC personally handed over a letter of maturity of policy dated 19.08.2008 for Rs.1,91,388/-. She was persuaded later on to purchase Jeevan Anand policy and a blank form was given to her under the impression that some amount will be paid to her and balance amount will be adjusted against the new policy. However, she requested the Branch Manager to release the entire fund as she needed the fund for

**"Be he ever so wise and strong, wealth confounds a man. In my view, anyone living in comfort fails to reason."**

operation of her husband. The Branch Manager accepted her request and made the payment of Rs.1,17,042/- and Rs.39375/- on 31.01.2009 and 03.02.2009 respectively. It is her submission that since she was handed over a letter wherein the maturity value of the policy was shown as Rs.1,91,388/- and she had been paid a sum of Rs.1,56,417/-, she is still to receive balance amount from LIC of India. As a matter of fact, the sum and substance of the complaint was that LIC was not justified in not making her payment of Rs.34971/- (191388-156417).

3. It has been clarified by LIC of India that whatsoever amount was due to the policy holder on the maturity of the policy, the same was given to her in two instalments, that is, Rs.1,17,042/- & Rs.39375/- respectively. As a matter of fact, a sum of Rs.1,18,125/- was payable to her in the form of annuity, as it was a pension plan but the entire amount was paid to her on medical ground on her request after deducting 5% towards surrender charges. Besides, she was paid a sum of Rs.39375/- to which she was entitled to at the time of vesting of the policy. The sum assured of the policy was Rs.90,000/- she was entitled to bonus of Rs.67500/- thus, the total amount payable to her as per terms and conditions of the policy on the maturity date amounted to Rs.1,57,500/- which she was paid in two instalments in addition to annuity payment of Rs 4823/ (1024*4 + 727) till the date of surrender of the policy and thus nothing remains to be paid to her by LIC of India.

4. I have considered very carefully the submissions of the complainant. I have also perused the detailed clarification given by the insurer. After due consideration of the matter, I find that whatever was due to the complainant in respect of policy under reference, the same was paid to her. She was not entitled to an amount of Rs.1,91,388/- as she was made to understand by ZMC. However, I find that there has been delay in making payment of Rs.39375/- which was paid to her vide cheque No.137651 dated 16.01.2009 whereas the same was payable on 20.08.2008 when the papers were submitted for making the payment of commuted value. Thus, the complainant is entitled to interest @ 8% on Rs.39375/- from 20.08.2008 to 16.01.2009. It is awarded accordingly.

5. The Award shall be implemented within 30 days of receipt of the same. The compliance of the Award shall be intimated to my office for information and record.

6. Copies of the Award to both the parties.

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## Lucknow Ombudsman Centre

### Complaint No.L-729/26/001/09-10

### Smt. Vijay Laxmi Verma

### V/s

### Life Insurance Corporation of India

Smt. Vijay Laxmi Verma had lodged a complaint with this office for unjustified and unwarranted delay in settling maturity claim under the policy issued on her own life. The policy matured in 01.05.2007 but even after issuing a number of reminders and following the matter vigorously, the respondent has not paid the maturity amount due under the policy.

The life assured took policy no.231992594 on 01.05.1999 under table – term 14-B for Rs.25000/- which matured on 01.05.2007 but respondent did not pay maturity amount even after vigorous follow up. Therefore she approached this forum.

It is observed that the policy matured on 01.05.2007 and the life assured completed all the requirements of maturity payment. The respondent did not send their representative to attend the case nor they sent para wise written comments. The respondents are not in a position to explain the reason of inordinate delay. The respondent company has no justification or ground to defer the payment without any rhyme or reason. This is a clear case of deficiency of service in which the complainant is subjected without any fault of her.

The respondent had not given any written reply to the letters written to him in this regard and no word of respondent is sufficient enough to explain this extra ordinary delay of more than two years without any rhyme and reason on the part of the insurer. Hence without going fully into the merit of the case I direct the respondent to pay the amount of the maturity claim due under the policy along with a panel interest @ 8% per annum from the date of maturity of the policy i.e. from 01.05.2007. ❑

Statistics

# Performance STATISTICS - LIFE INSURANCE

## SUMMARY OF NEW BUSINESS PERFORMANCE OF LIFE INSURERS FOR THE PERIOD ENDED SEPTEMBER - 2017 (PROVISIONAL)

(₹ Crores)

| Sl. No. | Particulars | Premium in Rs. Crore | | | | | No. of Policies / Schemes | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Month of Sep-2017 | Upto Sep-2017 | Month of Sep-2016 | Upto Sep-2016 | YTD Variation in % | Month of Sep-2017 | Upto Sep-2017 | Month of Sep-2016 | Upto Sep-2016 | YTD Variation in % |
| 1 | **Aegon Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 0.17 | 1.10 | 0.09 | 0.88 | 25.63% | 1131 | 1312 | 1032 | 1388 | -5.48% |
| | Individual Non Single Premium | 9.82 | 48.06 | 3.47 | 28.52 | 68.52% | 4387 | 22336 | 1562 | 13110 | 70.37% |
| | Group Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 0.02 | 0.03 | 0.00 | 0.00 | --- | 0 | 1 | 0 | 0 | --- |
| | **Total** | **10.30** | **49.48** | **3.56** | **29.39** | **68.35%** | **5519** | **23650** | **2594** | **14498** | **63.13%** |
| 2 | **Aviva Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 0.81 | 3.01 | 0.23 | 3.06 | -1.61% | 9 | 2046 | 203 | 480 | 326.25% |
| | Individual Non Single Premium | 13.56 | 61.41 | 9.62 | 47.27 | 29.92% | 2105 | 10801 | 1605 | 8764 | 23.24% |
| | Group Single Premium | 5.71 | 6.67 | 0.01 | 0.08 | 8384.96% | 1 | 3 | 0 | 1 | 200.00% |
| | Group Non Single Premium | 0.13 | 0.48 | 0.09 | 0.64 | -24.37% | 0 | 0 | 0 | 0 | --- |
| | **Total** | **26.55** | **124.72** | **14.42** | **72.96** | **70.94%** | **2123** | **12906** | **1810** | **9257** | **39.42%** |
| 3 | **Bajaj Allianz Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 5.37 | 31.94 | 4.56 | 24.70 | 29.34% | 189 | 1221 | 190 | 1203 | 1.50% |
| | Individual Non Single Premium | 106.70 | 554.52 | 81.15 | 334.29 | 65.88% | 25792 | 137085 | 22075 | 100350 | 36.61% |
| | Group Single Premium | 701.39 | 1185.06 | 225.83 | 605.47 | 95.73% | 5 | 32 | 8 | 29 | 10.34% |
| | Group Non Single Premium | -0.08 | 1.76 | 104.30 | 221.43 | -99.21% | 1 | 5 | 0 | 0 | --- |
| | **Total** | **841.19** | **1952.92** | **442.70** | **1360.36** | **43.56%** | **25987** | **138379** | **22286** | **101645** | **36.14%** |
| 4 | **Bharti AXA Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 1.17 | 3.86 | 1.40 | 3.48 | 10.94% | 23 | 98 | 23 | 76 | 28.95% |
| | Individual Non Single Premium | 33.93 | 150.59 | 29.76 | 157.41 | -4.33% | 8338 | 39435 | 7901 | 41229 | -4.35% |
| | Group Single Premium | 20.65 | 107.03 | 20.59 | 109.18 | -1.97% | 0 | 1 | 0 | 1 | 0.00% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.01 | 0.01 | -100.00% | 0 | 0 | 1 | 1 | -100.00% |
| | **Total** | **55.76** | **261.48** | **51.76** | **270.08** | **-3.18%** | **8361** | **39534** | **7925** | **41307** | **-4.29%** |
| 5 | **Birla Sun Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 3.15 | 15.58 | 2.39 | 19.62 | -20.60% | 77 | 481 | 74 | 482 | -0.21% |
| | Individual Non Single Premium | 79.04 | 359.48 | 66.97 | 288.53 | 24.59% | 22266 | 112463 | 24703 | 118807 | -5.34% |
| | Group Single Premium | 266.79 | 638.02 | 1.84 | 7.84 | 8035.98% | 10 | 29 | 0 | 1 | 2800.00% |
| | Group Non Single Premium | 3.46 | 60.63 | 364.83 | 800.74 | -92.43% | 1 | 7 | 10 | 36 | -80.56% |
| | **Total** | **359.45** | **1113.67** | **455.13** | **1154.96** | **-3.58%** | **22430** | **113329** | **24830** | **119487** | **-5.15%** |
| 6 | **Canara HSBC OBC Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 1.76 | 6.92 | 1.99 | 11.94 | -42.06% | 53 | 147 | 11 | 82 | 79.27% |
| | Individual Non Single Premium | 91.32 | 341.15 | 45.11 | 187.84 | 81.62% | 11875 | 45383 | 8065 | 33050 | 37.32% |
| | Group Single Premium | 7.40 | 123.83 | 36.69 | 175.53 | -29.45% | 0 | 7 | 0 | 0 | --- |
| | Group Non Single Premium | 0.52 | 2.01 | 0.29 | 1.56 | 28.50% | 0 | 3 | 0 | 0 | --- |
| | **Total** | **101.36** | **509.45** | **84.09** | **377.13** | **35.09%** | **11929** | **45547** | **8078** | **33145** | **37.42%** |
| 7 | **DHFL Pramerica Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 2.73 | 17.05 | 6.65 | 12.09 | 40.97% | 2013 | 3448 | 806 | 1538 | 124.19% |
| | Individual Non Single Premium | 24.71 | 124.06 | 10.41 | 67.40 | 84.06% | 6976 | 34155 | 5629 | 26260 | 30.06% |
| | Group Single Premium | 65.94 | 380.43 | 44.07 | 212.35 | 79.15% | 2 | 9 | 5 | 8 | 12.50% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **118.38** | **640.99** | **71.82** | **350.51** | **82.88%** | **9104** | **38090** | **6488** | **28025** | **35.91%** |
| 8 | **Edelweiss Tokio Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 1.50 | 7.10 | 2.35 | 6.04 | 17.56% | 39 | 650 | 44 | 162 | 301.23% |
| | Individual Non Single Premium | 18.53 | 66.87 | 13.39 | 49.56 | 34.92% | 4696 | 18933 | 3912 | 14772 | 28.17% |
| | Group Single Premium | 3.45 | 12.44 | 1.47 | 7.13 | 74.34% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 0.50 | 8.44 | 0.74 | 0.88 | 854.75% | 5 | 8 | 2 | 3 | 166.67% |
| | **Total** | **24.34** | **103.86** | **20.33** | **79.21** | **31.11%** | **4742** | **19623** | **3964** | **14977** | **31.02%** |
| 9 | **Exide Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 2.44 | 14.94 | 8.61 | 202.63 | -92.63% | 44 | 236 | 45 | 222 | 6.31% |
| | Individual Non Single Premium | 57.53 | 240.29 | 66.45 | 258.56 | -7.07% | 19302 | 85100 | 20203 | 81631 | 4.25% |
| | Group Single Premium | 0.08 | 0.20 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 4.92 | 38.60 | 3.68 | 13.72 | 181.42% | 16 | 116 | 33 | 113 | 2.65% |
| | **Total** | **65.84** | **306.91** | **81.12** | **486.75** | **-36.95%** | **19362** | **85452** | **20281** | **81966** | **4.25%** |
| 10 | **Future General India Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 0.17 | 3.84 | 1.04 | 3.72 | 3.01% | 24 | 546 | 56 | 827 | -33.98% |
| | Individual Non Single Premium | 19.42 | 86.76 | 10.08 | 50.80 | 70.81% | 6169 | 27532 | 2709 | 14836 | 85.58% |
| | Group Single Premium | 4.52 | 19.91 | 1.59 | 8.93 | 122.84% | 1 | 8 | 0 | 3 | 166.67% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **47.30** | **225.69** | **20.40** | **153.63** | **46.90%** | **6204** | **28121** | **2770** | **15712** | **78.98%** |
| 11 | **HDFC Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 86.75 | 307.29 | 37.11 | 291.70 | 5.34% | 1579 | 6496 | 21698 | 69103 | -90.60% |
| | Individual Non Single Premium | 433.33 | 1750.64 | 255.03 | 1257.36 | 39.23% | 92917 | 423575 | 60438 | 332428 | 27.42% |
| | Group Single Premium | 591.85 | 2295.11 | 590.40 | 1748.47 | 31.26% | 18 | 86 | 10 | 38 | 126.32% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **1119.04** | **4402.08** | **889.17** | **3328.11** | **32.27%** | **94544** | **430336** | **82175** | **401675** | **7.14%** |
| 12 | **ICICI Prudential Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 69.33 | 415.24 | 51.70 | 286.01 | 45.18% | 3703 | 19648 | 2419 | 17143 | 14.61% |
| | Individual Non Single Premium | 614.06 | 3400.61 | 521.34 | 2451.89 | 38.69% | 66916 | 365803 | 52727 | 278577 | 31.31% |
| | Group Single Premium | 13.29 | 68.03 | 9.72 | 55.84 | 21.83% | 3 | 19 | 3 | 62 | -69.35% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **745.73** | **4246.85** | **641.94** | **3155.00** | **34.61%** | **70651** | **385641** | **55188** | **295980** | **30.29%** |

# Performance STATISTICS - LIFE INSURANCE

## SUMMARY OF NEW BUSINESS PERFORMANCE OF LIFE INSURERS FOR THE PERIOD ENDED SEPTEMBER - 2017 (PROVISIONAL)

(₹ Crores)

| Sl. No. | Particulars | Premium in Rs. Crore | | | | | No. of Policies / Schemes | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Month of Sep-2017 | Upto Sep-2017 | Month of Sep-2016 | Upto Sep-2016 | YTD Variation in % | Month of Sep-2017 | Upto Sep-2017 | Month of Sep-2016 | Upto Sep-2016 | YTD Variation in % |
| 13 | **IDBI Federal Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 22.56 | 119.65 | 18.05 | 72.93 | 64.07% | 1092 | 6152 | 962 | 4644 | 32.47% |
| | Individual Non Single Premium | 40.10 | 184.97 | 42.62 | 147.66 | 25.27% | 9240 | 46154 | 11733 | 43891 | 5.16% |
| | Group Single Premium | 8.04 | 38.60 | 10.36 | 72.79 | -46.97% | 1 | 10 | 12 | 31 | -67.74% |
| | Group Non Single Premium | 0.16 | 0.46 | 0.33 | 1.98 | -76.70% | 0 | 0 | 0 | 0 | --- |
| | **Total** | **70.87** | **343.69** | **71.37** | **295.36** | **16.36%** | **10333** | **52316** | **12707** | **48566** | **7.72%** |
| 14 | **Indiafirst Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 1.04 | 8.97 | 0.52 | 4.41 | 103.48% | 255 | 1448 | 26 | 187 | 674.33% |
| | Individual Non Single Premium | 44.50 | 232.55 | 26.33 | 111.91 | 107.80% | 12974 | 63472 | 9476 | 45638 | 39.08% |
| | Group Single Premium | 45.47 | 227.26 | 339.21 | 678.67 | -66.51% | 6 | 51 | 4 | 26 | 96.15% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **91.02** | **469.39** | **366.05** | **802.27** | **-41.49%** | **13235** | **64971** | **9506** | **45851** | **41.70%** |
| 15 | **Kotak Mahindra Old Mutual Life Ins. Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 26.37 | 122.10 | 17.96 | 67.29 | 81.45% | 7798 | 21270 | 4788 | 14350 | 48.22% |
| | Individual Non Single Premium | 116.13 | 485.44 | 100.30 | 370.86 | 30.89% | 23354 | 100751 | 24093 | 87514 | 15.13% |
| | Group Single Premium | 52.53 | 277.81 | 50.20 | 279.76 | -0.70% | 15 | 53 | 6 | 38 | 39.47% |
| | Group Non Single Premium | 1.40 | 8.23 | 0.16 | 0.69 | 1088.27% | 2 | 15 | 1 | 18 | -16.67% |
| | **Total** | **261.91** | **1169.25** | **253.12** | **1020.88** | **14.53%** | **31186** | **122187** | **28899** | **101981** | **19.81%** |
| 16 | **Max Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 77.58 | 344.67 | 65.61 | 295.95 | 16.47% | 68 | 321 | 47 | 323 | -0.62% |
| | Individual Non Single Premium | 265.27 | 1076.41 | 223.65 | 905.27 | 18.90% | 47542 | 217224 | 43607 | 186018 | 16.78% |
| | Group Single Premium | 21.38 | 128.46 | 28.40 | 133.01 | -3.42% | 2 | 35 | 0 | 32 | 9.38% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **369.63** | **1570.84** | **319.75** | **1360.17** | **15.49%** | **47641** | **217796** | **43677** | **186693** | **16.66%** |
| 17 | **PNB Metlife Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 3.45 | 16.98 | 1.12 | 7.56 | 124.54% | 79 | 358 | 27 | 184 | 94.57% |
| | Individual Non Single Premium | 113.51 | 469.16 | 86.70 | 385.47 | 21.71% | 20966 | 92599 | 20332 | 91910 | 0.75% |
| | Group Single Premium | 13.46 | 52.39 | 5.51 | 21.11 | 148.23% | 0 | 0 | 0 | 0 | ? |
| | Group Non Single Premium | 0.32 | 1.58 | 0.26 | 2.62 | -39.49% | 13 | 58 | 13 | 93 | -37.63% |
| | **Total** | **132.48** | **555.40** | **103.01** | **440.45** | **26.10%** | **21058** | **93015** | **20372** | **92187** | **0.90%** |
| 18 | **Reliance Nippon Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 1.55 | 9.49 | 2.74 | 10.49 | -9.49% | 69 | 407 | 99 | 461 | -11.71% |
| | Individual Non Single Premium | 60.85 | 301.49 | 62.45 | 269.59 | 11.83% | 18206 | 98249 | 24993 | 120140 | -18.22% |
| | Group Single Premium | 3.03 | 14.37 | 1.15 | 10.01 | 43.50% | 0 | 2 | 0 | 0 | --- |
| | Group Non Single Premium | 13.99 | 49.30 | 138.48 | 196.12 | -74.87% | 4 | 20 | 7 | 20 | 0.00% |
| | **Total** | **80.26** | **388.38** | **207.16** | **510.41** | **-23.91%** | **18286** | **98722** | **25107** | **120673** | **-18.19%** |
| 19 | **Sahara India Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 0.00 | 1.98 | 2.04 | 7.21 | -72.55% | 0 | 374 | 423 | 1554 | -75.93% |
| | Individual Non Single Premium | 0.00 | 1.37 | 1.10 | 4.49 | -69.57% | 0 | 1261 | 939 | 4122 | -69.41% |
| | Group Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **0.00** | **3.35** | **3.14** | **11.70** | **-71.41%** | **0** | **1635** | **1362** | **5676** | **-71.19%** |
| 20 | **SBI Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 63.05 | 297.65 | 47.88 | 266.33 | 11.76% | 1746 | 9821 | 1929 | 12139 | -19.10% |
| | Individual Non Single Premium | 639.30 | 3030.41 | 438.28 | 2039.13 | 48.61% | 109420 | 571480 | 98468 | 510388 | 11.97% |
| | Group Single Premium | 65.29 | 780.07 | 773.08 | 2216.32 | -64.80% | 11 | 58 | 6 | 31 | 87.10% |
| | Group Non Single Premium | 21.09 | 91.94 | 15.61 | 78.84 | 16.61% | 1 | 7 | 0 | 1 | 600.00% |
| | **Total** | **817.81** | **4284.33** | **1279.47** | **4643.96** | **-7.74%** | **111317** | **581811** | **100462** | **522817** | **11.28%** |
| 21 | **Shriram Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 2.42 | 18.99 | 4.28 | 21.53 | -11.76% | 165 | 1189 | 293 | 1496 | -20.52% |
| | Individual Non Single Premium | 33.41 | 173.25 | 32.60 | 162.99 | 6.30% | 19314 | 93985 | 15075 | 90346 | 4.03% |
| | Group Single Premium | 18.03 | 113.74 | 13.65 | 118.81 | -4.26% | 1 | 8 | 0 | 6 | 33.33% |
| | Group Non Single Premium | 0.00 | 0.00 | 0.00 | 0.00 | --- | 0 | 0 | 0 | 0 | --- |
| | **Total** | **62.12** | **348.01** | **59.25** | **348.04** | **-0.01%** | **19490** | **95263** | **15384** | **91927** | **3.63%** |
| 22 | **Star Union Dai-Ichi Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 10.53 | 33.65 | 4.46 | 12.59 | 167.24% | 199 | 878 | 164 | 535 | 64.11% |
| | Individual Non Single Premium | 56.97 | 208.31 | 64.58 | 176.18 | 18.24% | 11718 | 47276 | 13147 | 42770 | 10.54% |
| | Group Single Premium | 3.88 | 13.18 | 2.96 | 10.52 | 25.27% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 0.20 | 0.59 | 1.22 | 2.33 | -74.67% | 0 | 0 | 0 | 0 | --- |
| | **Total** | **72.03** | **264.24** | **73.53** | **206.21** | **28.14%** | **11918** | **48161** | **13311** | **43312** | **11.20%** |
| 23 | **Tata AIA Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 0.46 | 1.82 | 0.43 | 1.99 | -8.13% | 12 | 66 | 17 | 73 | -9.59% |
| | Individual Non Single Premium | 107.50 | 478.94 | 93.91 | 343.87 | 39.28% | 15628 | 75144 | 14167 | 65560 | 14.62% |
| | Group Single Premium | 0.00 | 0.00 | 0.01 | 0.12 | -98.78% | 0 | 0 | 0 | 0 | --- |
| | Group Non Single Premium | 7.53 | 24.69 | 18.74 | 31.21 | -20.89% | 4 | 48 | 6 | 47 | 2.13% |
| | **Total** | **115.52** | **505.74** | **113.26** | **378.80** | **33.51%** | **15644** | **75263** | **14191** | **65694** | **14.57%** |
| | **PRIVATE** | | | | | | | | | | |
| | Individual Single Premium | 384.37 | 1803.84 | 283.20 | 1634.16 | 10.38% | 20367 | 78613 | 35376 | 128652 | -38.89% |
| | Individual Non Single Premium | 2979.50 | 13826.73 | 2285.31 | 10096.83 | 36.94% | 560101 | 2730196 | 487559 | 2352111 | 16.07% |
| | Group Single Premium | 1912.19 | 6482.63 | 2156.76 | 6471.96 | 0.16% | 76 | 411 | 54 | 307 | 33.88% |
| | Group Non Single Premium | 54.17 | 288.74 | 648.76 | 1352.78 | -78.66% | 47 | 288 | 73 | 332 | -13.25% |
| | **PRIVATE TOTAL** | **5588.91** | **23840.72** | **5625.53** | **20836.35** | **14.42%** | **581064** | **2811748** | **523367** | **2483051** | **13.24%** |
| 24 | **Life Insurance Corporation of India** | | | | | | | | | | |
| | Individual Single Premium | 2713.68 | 11027.38 | 1754.93 | 8546.35 | 29.03% | 114946 | 503572 | 92652 | 527696 | -4.57% |
| | Individual Non Single Premium | 1857.54 | 10032.09 | 1762.39 | 8969.26 | 11.85% | 1190394 | 7809245 | 1371636 | 7522991 | 3.81% |
| | Group Single Premium | 10533.04 | 45781.89 | 7417.09 | 35397.86 | 29.34% | 53 | 244 | 130 | 221 | 10.41% |
| | Group Non Single Premium | 174.04 | 1237.47 | 158.47 | 2085.32 | -40.66% | 329 | 1522 | 310 | 1380 | 10.29% |
| | **Total** | **15302.99** | **68224.29** | **11117.48** | **55163.17** | **23.68%** | **1307423** | **8324885** | **1466461** | **8062860** | **3.25%** |
| | **GRAND TOTAL** | **20891.90** | **92065.01** | **16743.01** | **75999.52** | **21.14%** | **1888487** | **11136633** | **1989828** | **10545911** | **5.60%** |

# INDIVIDUAL DEATH CLAIMS FOR THE YEAR 2015-16

*(Benefit Amount in Rs. crore)*

| Life Insurer | Claims pending at start of the period | | Claims intimated / booked | | Total Claims | | Claims paid | | Claims repudiated / rejected | | Claims written back | | Claims pending at at end of the period | | Break up of claims pending -- duration wise (Policies) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | No. of Policies | Benefit Amount | No. of Policies | Benefit Amount | No. of Policies | Benefit Amount | No. of Policies | Benefit Amount | No. of Policies | Benefit Amount | No. of Policies | Benefit Amount | No. of Policies | Benefit Amount | < 3 mths | < 3 - < 6 mths | 6 - < 1 yr | > 1 yr | Total |
| Kotak Mahindra Old Mutual | 87 | 8.19 | 2680 | 103.86 | 2767 | 112.05 | 2465 | 93.65 | 210 | 11.00 | 0.00 | 0.00 | 92 | 7.40 | 21 | 12 | 14 | 45 | 92 |
| | | | | | 100% | 100% | 89.09% | 83.58% | 7.59% | 9.82% | --- | --- | 3.32% | 6.60% | 22.83% | 13.04% | 15.22% | 48.91% | 100% |
| Max Life | 6 | 2.09 | 9169 | 278.97 | 9175 | 281.07 | 8895 | 261.91 | 276 | 16.94 | 0.00 | 0.00 | 4 | 2.21 | 4 | 0 | 0 | 0 | 4 |
| | | | | | 100% | 100% | 96.95% | 93.19% | 3..01% | 6.03% | --- | --- | 0.04% | 0.79% | 100.00% | | | | 100% |
| PNB Met Life | 37 | 6.74 | 3057 | 163.41 | 3094 | 170.14 | 2641 | 125.42 | 427 | 40.93 | 0 | 0.00 | 26 | 3.80 | 23 | 3 | 0 | 0 | 26 |
| | | | | | 100% | 100% | 85.36% | 73.71% | 13.80% | 24.06% | --- | --- | 0.84% | 2.23% | 88.46% | 11.54% | | | 100% |
| Reliance Life | 1050 | 32.84 | 13568 | 234.11 | 14618 | 266.96 | 13714 | 220.42 | 721 | 35.76 | 0 | 0.00 | 183 | 10.77 | 163 | 7 | 4 | 9 | 183 |
| | | | | | 100% | 100% | 93.82% | 82.57% | 4.93% | 13.40% | --- | --- | 1.25% | 4.03% | 89.07% | 3.83% | 2.19% | 4.92% | 100% |
| Sahara | 28 | 0.29 | 766 | 7.41 | 794 | 7.70 | 717 | 6.95 | 52 | 0.45 | 0 | 0.00 | 25 | 0.29 | 24 | 1 | 0 | 0 | 25 |
| | | | | | 100% | 100% | 90.30% | 90.35% | 6.55% | 5.85% | --- | --- | 3.15% | 3.79% | 96.00% | 4.00% | | | 100% |
| SBI Life | 470 | 31.40 | 15632 | 437.71 | 16102 | 469.10 | 15037 | 389.58 | 767 | 38.45 | 0 | 0.00 | 298 | 41.06 | 120 | 24 | 44 | 110 | 298 |
| | | | | | 100% | 100% | 93.39% | 83.05% | 4.76% | 8.20% | --- | --- | 1.85% | 8.75% | 40.27% | 8.05% | 14.77% | 36.91% | 100% |
| Shriram | 220 | 11.48 | 2290 | 75.86 | 2510 | 87.35 | 1512 | 42.05 | 726 | 33.22 | 0.00 | 0.00 | 272 | 12.07 | 232 | 26 | 5 | 9 | 272 |
| | | | | | 100% | 100% | 60.24% | 48.15% | 28.92% | 38.04% | --- | --- | 10.84% | 13.82% | 85.29% | 9.56% | 1.84% | 3.31% | 100% |
| Star Union | 4 | 0.33 | 1361 | 47.87 | 1365 | 48.20 | 1102 | 32.48 | 72 | 3.54 | 0.00 | 0.00 | 191 | 12.18 | 127 | 55 | 7 | 2 | 191 |
| | | | | | 100% | 100% | 80.73% | 67.39% | 5.27% | 7.34% | --- | --- | 13.99% | 25.28% | 66.49% | 28.80% | 3.66% | 1.05% | 100% |
| Tata AIA | 37 | 2.45 | 3274 | 89.96 | 3311 | 92.41 | 3205 | 87.09 | 106 | 5.32 | 0.00 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | 100% | 100% | 96.80% | 94.24% | 3.20% | 5.76% | --- | --- | --- | --- | | | | | 0% |
| **Private Total** | **3409** | **244.46** | **111288** | **3456.93** | **114697** | **3701.39** | **104922** | **2946.49** | **7655** | **553.33** | **3** | **0.05** | **2117** | **201.52** | **1614** | **216** | **82** | **205** | **2117** |
| | | | | | **100%** | **100%** | **91.48%** | **79.60%** | **6.67%** | **14.95%** | **0.00%** | **0.00%** | **1.85%** | **5.44%** | **76.24%** | **10.20%** | **3.87%** | **9.68%** | **100%** |
| LIC | 3652 | 207.63 | 758331 | 9929.46 | 761983 | 10137.09 | 749249 | 9690.17 | 7502 | 183.18 | 1318 | 21.03 | 3914 | 243 | 693 | 796 | 1441 | 984 | 3914 |
| | | | | | 100% | 100% | 98.33% | 95.59% | 0.98% | 1.81% | 0.17% | 0.21% | 0.51% | 2.39% | 17.71% | 20.34% | 36.82% | 25.14% | 100% |
| **Industry Total** | **7061** | **452.09** | **869619** | **13386.39** | **876680** | **13838.48** | **854171** | **12636.66** | **15157** | **736.51** | **1321** | **21.08** | **6031** | **444.23** | **2307** | **1012** | **1523** | **1189** | **6031** |
| | | | | | **100%** | **100%** | **97.43%** | **91.32%** | **1.73%** | **5.32%** | **0.15%** | **0.15%** | **0.69%** | **3.21%** | **38.25%** | **16.78%** | **25.25%** | **19.71%** | **100%** |

***Note:*** 1) First row across each insurer shows the absolute figures whereas second row shows percentage of the respective total claims.

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- complaints@irda.gov.in for email

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## Insurance Websites

| | |
|---|---|
| Insurance Regulatory & Development Authority of India | www.irda.gov.in |
| Allianz Bajaj Life Insurance | www.allianzbajaj.co.in |
| Life Insurance Corporation of India | www.licindia.com |
| HDFC Standard Life Insurance | www.hdfcinsurance.com |
| ING Vysya Life Insurance | www.inglife.co.in |
| MaxNewYork Life Insurance | www.maxnewyorklife.com |
| Birla Sun Life Insurance | www.birlasunlife.com |
| ICICI Prudential Life Insurance | www.iciciprulife.com |
| Aviva Life Insurance | www.avivaindia.com |
| SBI Life Insurance | www.sbilife.co.in |
| Metlife India Insurance | www.metlifeindia.com |
| Om Kotak Mahindra Life Insurance | www.kotaklifeinsurance.com |
| Reliance Life Insurance | www.reliancelife.co.in |
| Tata AIG Life Insurance | www.tataaia.com |
| Sahara India Life Insurance | www.saharalife.com |
| Shriram Life Insurance | www.shriramlife.com |
| Bharti AXA Life Insurance | www.bharti-axalife.com |
| Future Generali India Life Insurance | www.futuregenerali.in/Life_Insurance |
| IDBI Fortis Life Insurance | www.idbifortis.com |
| Canara HSBC Oriental Bank of Commerce Life Insurance | www.canarahsbclife.com |
| AEGON Religare Life Insurance | www.aegonreligare.com |
| DLF Pramerica Life Insurance | www.dlfpramericalife.com |
| Star Union Dai-ichi Life Insurance | www.sudlife.in |
| IndiaFirst Life Insurance | www.indiafirstlife.com |
| Edelweiss Tokio Life Insurance | www.edelweisstokio.in |
| Risk Management Association of India | www.prgindia.com/rskmgnt.htm |
| Million Dollar Round Table | www.mdrt.com |
| Insurance Institute of India | www.insuranceinstituteofindia.com |
| Actuarial Society of India | www.actuariesindia.org |
| National Insurance Academy | www.niapune.com |
| Institute of Insurance Surveyor & Adjustors | www.iiisla.org |

# Life Insurance Corporation *News*

## LIC arm files insolvency suit against DB Realty

LIC Housing Finance (LICHF) has filed an application at the National Company Law Tribunal (NCLT) to initiate insolvency proceedings against DB Realty. The developer, in a notice to the stock exchange, said that the matter is pending in the NCLT and settlement talks are on between LICHF and DB Realty.

The application pertains to a Rs 200-crore loan availed by DB Realty from LICHF in 2010. Out of the sanctioned loan, Rs 188 crore was disbursed by LICHF. "Of the disbursed sum, Rs 157.4 crore was repaid by DB Realty to LICHF within 18 months from the date of disbursement. The balance loan outstanding is nearly Rs 31 crore," said DB Realty.

DB Realty fell over 7% in intraday on Thursday as investors turned wary of the stock on the back of insolvency proceedings reports. On Friday, the share closed flat at Rs 34 marginally higher than its intraday low of Rs 33.

DB Realty was founded in 2006 as a joint venture between two developers - Vinod Goenka of the Dynamix Group and Shahid Balwa of the Balwa Group. In the first quarter of FY18, the company reported a net loss of Rs 1.5 crore as against loss of Rs 88 lakh in the corresponding quarter last year.

The company's annual report for FY17 said that as on March 31, 2017, DB Realty had defaulted on a Rs 13.5-crore loan to Reliance Capital since January 2017. It has also failed to pay Rs 2.2 crore principal due to ICICI Bank and another Rs 32 lakh to Indiabulls Housing Finance since March 2017.

## Government appoints retired officials on public insurer's boards

The Central government has inducted some retired officials from the public sector insurance companies into the boards of Life Insurance Corporation, New India Assurance (NIA), National Insurance Company, United Insurance Company, Oriental Insurance Company and GIC Re.

"The Appointments Committee of the Cabinet (ACC) has approved the proposal of the Department of Financial Services for appointment of 15 persons as non-official directors on the board of public sector insurance companies for a period of three years from the date of notification of their appointment, or until further orders," said a note from the finance ministry issued recently.

## LIC hikes stake in Dena Bank


LIC has acquired an over 4.5 per cent stake in public sector lender Dena Bank in preferential allotment of shares over a period of nearly three months to mid-September.

LIC, the countrys largest and the only state-owned life insurer, bought nearly 4.52 per cent shares in Dena Bank in a period between May 23 to September 18, the bank said in a regulatory filing.

The equity sale to LIC was done through a preferential allotment of shares. The stake buy by LIC is equivalent to 44,865,702 shares.

Prior to this additional stake purchase, LIC held over 9.73 per cent (96,705,466 shares) stake in Dena Bank.

Thus, the current shareholding in Dena Bank by LIC has increased to over 14.25 per cent, representing 141,571,168 shares, showed the regulatory filing.

# Private Life Insurance Companies *News*

## HDFC Life receives Sebi`s nod for IPO

HDFC Life Insurance Company has received approval of SEBI to go ahead to raise an estimated Rs. 7,500 crore through an initial public offering.


HDFC Life had filed draft papers with SEBI in August and obtained its "observations" on October 13, which is necessary for any company to launch public offer.

The public issue comprises sale of 1,91,246,050 equity shares, amounting to 9.55 per cent stake, by HDFC Ltd and up to 1,08,581,768 scrips, or 5.42 per cent, holding by Standard Life Mauritius, according to the draft red herring prospectus (DRHP) filed with SEBI.

Currently, HDFC owns 61.41 per cent stake in HDFC Standard Life and Standard Life has about 34.86 per cent, while the remaining is with employees and PremjiInvest.

According to merchant banking sources, the initial public offer (IPO) is expected to be worth Rs. 7,500 crore.

## Kotak Life Insurance aims at 25-30% growth in premium

Kotak Mahindra Life Insurance expects its premiums to grow at 25-30 per cent this year, according to Sudhakar Shanbhag, Chief Investment Officer. "Year to date, our growth is 37 per cent and the full-year growth should be between 25 and 30 per cent," he said.

In FY17, premium growth for the company was at 29 per cent, faster than the industry growth of 21 per cent. New business premium stood at Rs. 2,850 crore and renewal premium, at Rs. 2,290 crore. The company reported profit of Rs. 324 crore on total premium income of Rs. 5,140 crore in FY17.

Sudhakar said of the regular premium, about 35 per cent is from unit-linked insurance policies (ULIPs) and the rest from traditional products. "Within retail, 20-25 per cent of the regular premium comes from single-premium polices. At a broad level, of the total premium, about 50 per cent is from group insurance business," he said.

The company is keeping its distribution bets evenly balanced between bancassurance and agency with about 50 per cent coming from both channels. But there is customer segmentation here with each channel catering to a different group with appropriate products. So, tied agency channel would focus more on savings products while the bancassurance channel would focus on ULIPs.

Explaining the logic behind the move, Sudhakar said, "We observe that based on the construct of the agency channel, the nature of people who get hired and their affinity, the probability of selling traditional products which are not market linked is higher compared to banca." Making a strong case for ULIP products as a good investment option over mutual funds, Sudhakar recalled the pitch he had made to a 70-year-old agent who also sold mutual funds.

ULIPs, he said, were a good option for wealth creation designed to provide a systematic way of investing over long tenures. He said, " ULIPs offer asset allocation freedom with varying percentages for equity based on an individual's risk appetite and also offers a self-rebalancing or switching for one asset class to another with no cost or tax implications. "The cap on charges on ULIP products is at 3 per cent up to 10 years and 2.25 per cent beyond. If we do a simple math of total cost borne by a policyholder, the same would be on par or lower than that paid for other financial intermediation."

## Reliance Nippon Life gets Sebi nod for Rs.2,000-crore IPO

Reliance Nippon Life Asset Management Ltd has received the in principle approval from Sebi for its estimated Rs 2,000 crore initial public offer. The Anil Ambani-led Reliance Group firms IPO would be the first by an asset management company (AMC) in India though smaller rival UTI Mutual Funds offer plans have also been in the works for a long time.


## PNB MetLife Insurance appoints new MD and CEO Ashish Kumer Srivastava

PNB MetLife India Insurance has appointed new MD and CEO Mr. Ashish Srivastava. He will be responsible for leading all aspects of the business in the country. Prior to this elevation, Srivastava was an interim CEO at PNB MetLife.

Srivastava had joined PNB MetLife in 2013 as the Head of HR for the India business, and moved to Dubai in 2015 joining the MetLife Middle East & Africa (MEA) management team. Effective January 2017, he has been in India managing the India business. Prior to joining PNB MetLife, Srivastava was Board member at Canara HSBC Oriental Life Insurance Company.

## HDFC Life, Apollo Munich teams up for dual plan

HDFC Life Insurance and Apollo Munich Health have come together to launch 'Click2Protect Health plan', which provides both life and health cover under a single plan. This plan combines the benefits of HDFC Life's 'Click2Protect 3D Plus (term) protection plan' and Apollo Munich's 'Optima Restore health indemnity plan'.

"We have combined our flagship term insurance product with Apollo Munich's flagship health insurance product. The regulatory encouragement to actually have a combination product, which offers a combination of life and health insurance benefits, gave us the idea that we should bring these two products together," said Subrat Mohanty, Senior EVP, HDFC Life.

"Through a single proposal form, single medical, single premium, customers can get both the products together, making it convenient for them. It is also cheaper because there is an overall 5 per cent discount if the customer buys the two products together," he said. The features of the product, as per a joint statement issued by the two companies, include waiver of future premiums on account of accidental total permanent disability or on diagnosis of critical illness; and special premium rates for women and non-tobacco users.

## IndiaFirst Life Insurance hopes to break even by 2019-20

IndiaFirst Life Insurance Company which has completed eight years of operations this November, expects to break even in 2019-20, according to a top company official. The life insurer, which recorded profits in the last three years, is aiming at a net profit of Rs. 50 crore this fiscal, RM Vishakha, Managing Director & CEO, IFLI, told.

In the previous fiscal (2016-17), the company had reported a net profit of Rs. 35 crore. Vishakha, who has been at the helm of IFLI since March 2015, also expects the company to maintain its status as the fastest-growing life insurer in terms of retail new business premium growth.

"Last fiscal, we were the fastest-growing life insurer in terms of retail new business premium. This year so far we have been the fastest. I expect to maintain this for the current entire fiscal as well," she said without giving out any specific numbers.

Vishakha also said that IFLI, over the next few years, would look to break into the top 10 league of the industry vis-a-vis retail new business premium. Currently, IFLI is ranked 12th, she added.

Vishakha also said that IFLI was open to inorganic growth. "We would love to acquire if there is a right fit," she said. With the Centre contemplating consolidation among banks, an opportunity may arise of IFLI gobbling up the insurance venture of any other bank that may be acquired by Bank of Baroda, she added.

Vishakha ruled out any immediate listing plans for the life insurer. "We need to build scale and more profits before we can contemplate listing," she added. Vishakha also said that IFLI would focus energies on fully utilising the potential of selling life insurance to the customers of Bank of Baroda and Andhra Bank.

# Insurance Regulatory and Development Authority of India *News*

## NCFE's National Financial Literacy Assessment Test (NCFE-NFLAT) 2017-18

NISM (National Institute of Securities Markets), invites all school students of class VI to XII to participate in the National Financial Literacy Assessment Test (NFLAT 2017-18) conducted by the National Centre for Financial Education (NCFE).

NCFE is a joint initiative of all financial sector regulators i.e. RBI, SEBI, IRDAI and PFRDA to implement the National Strategy for Financial Education and is currently being incubated at NISM.

### *About NCFE-NFLAT 2017-18:*

The test is available in 3 categories i.e. NFLAT Junior (Class 6 to 8), NFLAT (Class 9 and 10) and NFLAT Senior (Class 11 and 12). Schools having adequate IT facilities can conduct the test in their own premises.

Registrations for all 3 categories are open. The schools are encouraged to register themselves online. Subsequent to the school registration, students' registrations are to bedoneby the respective schools. Each school has to invigilate the test for their own students and any assistance required for the test shall be provided by NCFE team. The test is free of cost.

The schools can register by following the link - http://www.ncfeindia.org/nflat
Important dates:

| Particulars | Dates for Online Exam | Dates for Offline Exam |
|---|---|---|
| Registration open | Till 30th December, 2017 | 1st October, 2017 to 10th November, 2017 |
| Test day) | Any day till | 12th December, 2017 (1 31stDecember, 2017 |
| Regional & National Competition | Between 1stto 30th April, 2018 | |

***Prizes:***

All students appearing for the test will get a certificate. Apart from this there are several attractive prizes like cash rewards, laptops, tablets/ kindles, medals, etc. for both students and schools. For details please visit http://www.ncfeindia.org/nflat

***Contact us:***

Phone: 022 66734601/02, Email: nflat@nism.ac.in, Website: ncfeindia.org

All schools are encouraged to avail this opportunity.

## Inclusion of Indemnity based Health Insurance Product through PoS - General Insurers and Standalone Health Insurers

The Authority has received requests from many insurers to allow indemnity based health insurance products to be sold through Point of Sale (POS). On examination of the request made, the Authority under the powers vested with it under clause V(1)(f), of the said guidelines, has decided to allow individual indemnity based health insurance products to be solicited through PoS channel with the following conditions:-

i) The indemnity based health insurance products may be offered to only individual policyholders excluding groups and government scheme.

ii) Rs.5 lacs per life/individual will be the maximum sum insured

iii) Number of such products that can be filed as POS product is capped at 3 (three) per insurance company

iv) Since Health indemnity products follow a different process than health benefit products, which were hitherto included in the POS channel, the POS may be educated about the process involved in preferring claims, particularly the cashless claims who in turn shall educate the holder of indemnity based health insurance product.

# Life Insurance Glossary

**Home Office:**
The headquarters of an insurance company.

**Home Office Urine Specimen (HOS):**
A full-screen urine test that an insurance company may require of applicants during the underwriting process. The HOS typically tests for the presence of alcohol, drugs or nicotine in the system, as well as medical disorders.

**Home Health Care:**
Medical care provided by trained personnel in the patient's home for patients who do not need the more extensive treatment provided by a hospital, skilled nursing facility, or extended care facility, or for patients who are not capable of going to a medical facility for outpatient care.

**Hospice:**
A program that provides care to the terminally ill.

**Hospital:**
A facility which is licensed by the proper authority in the jurisdiction in which they are located and provides inpatient services for the care and treatment of patients.

**Incidents of Ownership:**
Various rights that may be exercised under the policy contract by the policy owner. Some of the incidents of ownership may include rights: (1) to cash-in the policy, (2) to receive a loan on the cash value of the policy, and (3) to change the beneficiary designation.

**Incontestability Clause:**
A life insurance policy provision that states after the policy has been in force for a specified period of time, the company cannot deny a claim based on a material misrepresentation made in the application. The typical period of time for the clause is two years.

**Inspection Report:**
A report sometimes required by an insurance company in conjunction with the underwriting of an application for coverage. The report typically includes information pertaining to the applicant's occupation, health history and financial status. The report is usually completed by the insurance company or an investigative agency.

## Poll of the Month

**Do you think recent IPO's of insurance companies would help to increase awareness about insurance companies**

Yes No Can't Say

### Results of Poll in our October 2017 Issue

**Do you think IRDA should open customer grievance centre to help customers in lodging complaint**

**Yes- 100 %** **No- 00 %** **Can't Say- 00 %**

**You may send your views to :**
Poll Contest
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