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February, 2016

## Role of Intermediaries in Insurance Industry

### – Key to servicing of customers & Business Growth

भारतीय बीमा विनियामक और विकास प्राधिकरण




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# From the Publisher

**Role of Intermediaries in Insurance Industry**

A peculiar feature of insurance has been that it needs to be marketed aggressively in order for the general public to buy. This is more so in 'not so financially literate markets' like India. Insurers conceptualise, design, obtain approvals and offer their products. But in order that the product reaches the intended beneficiary and the beneficiary is convinced to buy, an effective intermediary – who acts as a bridge between the seller and the buyer – is utmost essential. That is where the industry gives scope for Agents, Brokers, Banks, Insurance Marketing Firms etc to play an important role.

With time, the Regulator has allowed innovation in the intermediary space whereby Insurance Marketing Firms, Common Service Centres, restructured corporate agency system for banks, Web Aggregators, Point of Sale persons etc have come into existence to expand the reach of insurance delivery mechanisms. Further innovations are also underway like the Insurance Service Centres, whereby, post-sale services of multiple insurance companies are proposed to be made available at a single window.

There is a discussion underway for past many years regarding the commissions and expenses payable to such Intermediaries and whether they can be curtailed in order to reduce the overall expense ratio of insurers. While the arguments on both sides of the coin (to maintain commission levels or to decrease) have their own merits and de-merits, it is better for the industry in the long-run to match such commissions and expenses to the quality of service (both pre-sale and post-sale) that is being rendered. While the Regulator would strive to maintain parity amongst various insurers on such payments keeping the policyholders' interests in mind, it is essential that, in a highly competitive market, rewards or commissions need to be earned rather than demanded for. With technological advancements like online sale and service of insurance products becoming a reality, the service quality of the intermediary (both pre-sale and post-sale) would only be the deciding factor on the amount of remuneration or commission to be paid. This point needs to be kept in mind and utmost care and efforts must be devoted to further improve the service quality leaving little scope for complaint from policyholder against any intermediaries.

I hope that the articles being published in the current issue will be found interesting. Keeping in view the importance of Risk Management in natural and man-made calamities, the focus of next issue will be "Role of Insurance in Disaster Management".

**T.S. Vijayan**

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A take off from Curtain Raiser

# Intermediaries in Insurance Industry

For a lasting friendship & life-long relationship with the Policyholders, the crucial role of Intermediaries in general & that of Insurance Agent in particular cannot be overemphasized. Like a Doctor is to the Family ( Family Doctor) for its physical well-being, similar is the position of our Intermediaries for economic well-being, provided he or she discharges his or her assigned duties sincerely & diligently. Availability of Modern Technology is both a Challenge & an Opportunity for Insurance Agents to redefine their traditional roles to benefit both the policyholders as well as Insurance Industry. In fact an intermediary can be a Change Agent in the society arresting the menace of Mis-sellings and Fraudulent Practices while increasing insurance penetration to uninsured population of the country.

All these call for a high level of Professionalism on the part of Intermediaries & rightly so , insistence of the Regulator on Proper training & Qualification etc could be called a means to Good Governance. Let me close this Take off on the importance of Intermediaries through the famous words of Mahatma Gandhi- Father of the Nation:

"A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption of our work. He is the purpose of it. He is not an outsider to our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us the opportunity to do so"

**B.K. Sahu**

Consultant, Communication

ISSUE FOCUS

# Insurance Intermediaries-Roles and Responsibilities

*Dr Karanam Nagaraja Rao, CA Sindhuja Bhaskara*

**Introduction**

Man has been inventing and innovating over the mysteries of financial products ever since his appearance on the globe. 'Insurance' perhaps is the master stroke in his quest to solve varied problems associated with uncertainty. The whole lot of industries, the agriculture and the tertiary sectors cannot be thought of running smoothly without the risk being covered by an instrument called, 'Insurance'. The men behind the wheels of industry also need insurance. Thus we have both general insurance and life insurance. But the irony is that this most sought after service is still being sold and not bought. When any invention is monetized for commercial purpose, it acquires the name of innovation. By that definition insurance is still in invention phase and not properly innovated. The potential available with insurance is largely untapped and more than two-thirds of Indian population is not covered by any insurance. The role of intermediaries gains prominence in the background of untapped potential and due to the prevalence of large chunks of financial illiteracy prevailing in the country.

**Who are the intermediaries?**

In popular parlance, the agents or the advisors and the brokers come under the banner of intermediaries. However, in strict definitional purpose, the IRDAI lists out agents, corporate agents, brokers, surveyors, TPA services, web aggregators, insurance repositories, and insurance marketing firms as the intermediaries. As the term suggests, they are the mediators between the insurer and the insured. They are the interpreters of insurance and their role is communicating the otherwise jargon-riddled insurance terminology in decipherable language. Given the inadequate financial literacy and inclusive growth, time has come for the mediators to don the role of social entrepreneurs for spreading the gospel of insurance in the public and 'infuse the spirit of calm confidence which insurance alone can give'.

**Responsibilities of the insurance intermediaries**

"He was a friend of mine, and I never asked him to buy life insurance because I did not want him to think I was the kind of person who would use friendship for personal gain.

He was a friend of mine, and when he married, I was glad! Because I knew his wife too, and I knew they were the kind of people who deserved all good things in life that a happy marriage brings.

He was a friend of mine, and when I attended the house-warming in his new home six months ago, I thought about mentioning mortgage insurance. But I decided to wait until he had a chance to catch up with all his new expenses.

He was a friend of mine, and when his car missed the curve in the storm last night, I was the first one his widow called. Day after tomorrow I will be standing beside my friend's grave and I still be trying to rationalize my failure to even talk to him about life insurance. I'll be thinking too, even more bitterly than I am now, about the staggering price his family paid for my false pride and foolish sensitivity.

But most of all, I will be wondering when the time comes to pay my last respects, whether, if he could speak, he would say of me, as I do of him: He was a friend of mine".

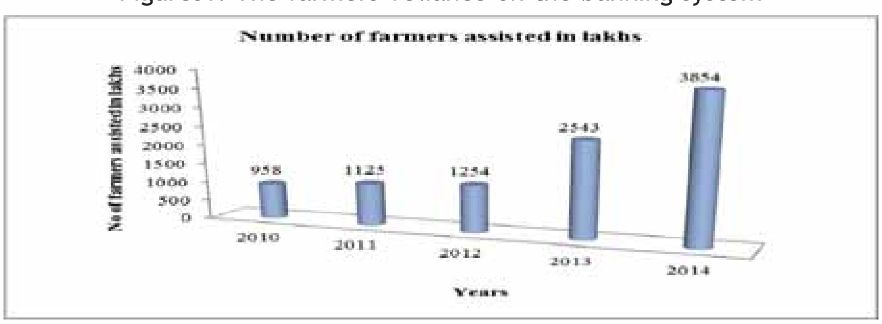
This story is quite popular story in insurance industry and talks profoundly about the role of intermediaries. Insurance is not a target driven profession. It is a value based social vocation. It is calling from society and it goads upon the intermediary to plunge in to action for a social cause. An agent is committing a sin of omission if he fails to educate his neighborhood about the need of insurance. A doctor proclaims boastfully that he is giving health to society. A lawyer proclaims boldly that he is creating a litigation free society. A teacher declares that he is educating the society. Why does not an agent proclaim to the world that he is insuring the society and infusing confidence in the society? If insurance penetration is less than 4%, and percentage of people covered under insurance is less than one third of the insurable population, it tells that there is lot to be done by the intermediaries. An agent/ broker is a social entrepreneur. The model he has to design is 'merging money with motive'; in other words, do social good and earn profit also. There is no person in the world who has no needs. Each need- product/ service is interwoven with the risk; and as long as there is risk, there can be insurance. For example, the farmers are depending on loans from banks and government institutions for undertaking agricultural activities. From 2010 to 2014, the quantum of loans sanctioned to the farmers in India has gone up from 17,835 crore rupees to 47,430 crore rupees. The number of farmers who have taken loans also have gone up from 958 lakhs to 3854 lakhs in the same period. The incidence of indebtedness can be had from the following figure 1.

It is an acknowledged fact that the premature death of the borrower will be a liability both to banks and the dependents of the borrower. If an agent develops a system to cover all the borrowers of loans, he is doing yeoman services to the society. It is a social calling and a social responsibility. Thus identifying the individual needs of the customers and providing insurance solutions is the major role of an insurance intermediary.

The insurance agent, we say, is a primary underwriter. He is the person who has seen the customer and none else, especially for non-medical policies. When non-medical business is on a growth trajectory, it is the responsibility of an agent to highlight all material information necessary to assess the risk in the moral hazard report. The interest of the organization is more important over achieving individual business targets.

Selling and servicing are two sides of the same coin and anyone ignoring this aspect is doing this at his own peril. Insurance is not a product or commodity; it is an idea or a dream. It is a promise that is payable at a future date. Again, especially with life insurance, it is a long term contract. Pushing the sale and pulling out from the preview of the customer is not what is expected by the intermediary. He has to identify the needs of the customer and sell what is needed by the customer. It is his onerous responsibility to explain the Human Life Value and try to sell neither less nor more than what is necessitated and be with the customer until the

Figures1: The farmers' reliance on the banking system




*Source: Government of India Statistical Reports from 2010 to 2014* final payment is done by the insurance company. He has to assist the customer in revival, loan, alteration, modification and other related activities and display the image of friend, philosopher and guide to the customer. 'Selling gives the agent a living but servicing makes it a life'. The image makes him an unproclaimed brand ambassador for the company for which he works and his duty is to leverage his good will in recycling all maturity claims in to new business. After all this is a social objective and the intention is to cover all family members of the policy holders.

Financial literacy is abysmally low in India and this is more pronounced with insurance. Inclusive growth becomes a mirage unless all sections of the society are drawn to the fold of insurance. The individual life insurance companies and the IRDAI are playing their part in spreading the gospel of insurance in each and every nook and corner of rural India. Their efforts get strengthened if there is a proactive force of intermediaries ready to take up the challenges. The number of people covered in a given period of time and not necessarily the premium income brought in the same period decides the success canvas of an intermediary. The role of the intermediary is to form, inform and reform the public opinion and be a brand ambassador for the organization.

The other obligations of the intermediaries include maintaining right rapport with the customers (which include reminders for premium default, birth day greetings, wedding anniversary greetings, survival benefit settlement assistance etc) and maintaining public contacts and networking skills. An insurance agent is an entrepreneur (or can we call him as insupreneur?) in the sense that he introduces innovation in the servicing and sales techniques and always search for new markets for greater business advantage. Like an entrepreneur, his duty is to develop passion for his area of activity and look upon society as his field laboratory. The Gospel of Sri Rama Krishna records a story of an ardent devotee insisting on Rama Krishna to show him the God. The Swamy took him to a river and plunged him by neck, deep in to the waters. The devotee struggled to gasp a breath and pushed away the Swamy to come out of waters. The gap between the gasp of breath and the life is thin. The passion to live made all the difference and then the Swamy explained the need to have the same passion to see the God. If the agent has the same passion to do social good, is his goal far behind from being achieved? This is the real role of an insurance intermediary.

For playing the role dexterously one should be scholarly too. An agency is not a profession for social and academic misfits. It is a conscious decision of an informed scholar bent upon to bring social change in society. To qualify this test, the intermediary has to get updates in his field and understand nuances of different financial products. He should know the products not only of his company but of other competitive companies. He should be transparent in his marketing communications and never indulge in deceptive mis selling practices. Uniting an insured with an insurer is akin to conducting a happy marriage and the role of the mediator is bringing the ambience for the success of the marriage only. His commission for broking the marriage is incidental and secondary to his primary activity.

**Conclusion**

An insurance intermediary is a change agent in a society. He is an active participant to bring about a social change without losing site of his ambition of 'merging money with mission'. No single role fits his profile since his role is multi-dimensional and multi-tasked. He is a brand ambassador for the company; a friend, philosopher and guide to customer, and a social entrepreneur bent upon covering all the needs and services of the populace at large. Risk reduction and infusing a sense of confidence in the society is the beacon towards which he sails his ship of insurance throughout his life.

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***CA Sindhuja Bhaskara,*** *Chartered Accountant, Bangalore*

# Role and Relevance of Intermediaries in Health Insurance Industry

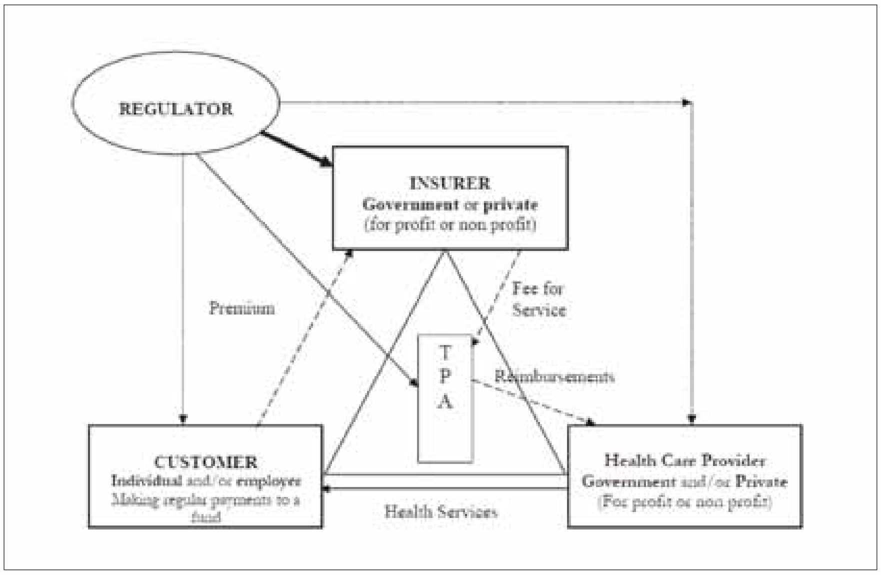
- *Pooja Kansra, Dr. Harinder Singh Gill*

Health insurance is used to describe a form of insurance that pays for medical expenses. It is sometimes used to include insurance covering disability or long term nursing or custodial care needs. According to Registration of Indian Insurance Companies Regulations (2000), health insurance is defined "as the effecting of contracts which provide sickness benefits or medical, surgical or hospital expense benefits, whether in patient, or out patient, on an indemnity, reimbursement, services, prepaid hospital or other plan basis including assured benefits and long term care" (Sahoo & Das, 2011). The International Labour Organization defined "Health insurance as the reduction or elimination of uncertain risk of loss for the individual or household by combining a larger number of similarly exposed individuals or households who are included in a common fund that makes good the loss caused to any one member" Thus, from a purely economic perspective, health insurance can be seen as one side of the coin of human capital investment. Health insurance prevents the deterioration of human capital in the face of adverse health shocks that individuals or families have not been able to avoid (Mexican Commission on Macroeconomics and Health, 2004).

## I. Basic Framework of Health Insurance in India

Figure 1, shows the basic framework of health insurance in India. There are five main stakeholders in the health insurance and these stakeholders are insurance companies, healthcare providers, customers, third party administrators (TPAs) and regulators. Health insurance business involves more stakeholders than others forms of insurance which makes the whole process more complex and difficult to control. To make any health insurance business successful, it is important to understand the inter-

**Figure 1: Basic Framework of Health Insurance**



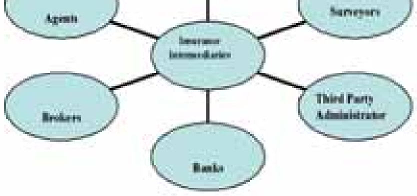

*Source: Bhat and Jain (2006)*

linkages between the stakeholders.

The key challenge in the health insurance framework is that among the stakeholders, the provider network is least regulated. Healthcare service delivery at the provider end of the chain is a very important part of the health insurance process. It affects the insurers in terms of pricing of the health insurance policies, sustainability of schemes and their profitability (Devadasan & Nandraj, 2006).

**II. Insurance Intermediaries**

An insurance intermediary means individual agents, corporate agents including banks and brokers as they intermediate between the customer and the insurance company. Insurance intermediary also includes surveyors and third party administrators but these intermediaries are not involved in procurement of business. Surveyors assess losses on behalf of the insurance companies. Third party administrators provide services related to health insurance for insurance companies (Handbook on Insurance Intermediaries).




**III. Why intermediaries are needed in health insurance industry?**

Health insurance is very well established in many countries, but in India it still remains an untapped market. Presently, health insurance in India is confronted with the following challenges and call effective participation of various intermediaries to solve these challenges.

(1) **Lack of Awareness:** Low awareness of health insurance in India is the most important factor which inhibits its enrolment. There also exists a lack of understanding of product features and exclusions related to pre-existing conditions/diseases.

(2) **High Premium:** Presently, health insurance premium are high and do not differentiate between people living in urban and rural areas where the cost of medical care are different. Thus, health insurance policies are less attractive to the poor and rural masses.

(3) **Lack of Reliable Data:** Lack of accurate data on morbidity profile of Indian population hinders the growth of health insurance. Without reliable database, premium lack valid foundation and likely to be set too high or too low.

(4) **Financial Tool for Medical Emergencies:** Most of the financial services ensure definite return on one's investment but health insurance is all about risk coverage. Therefore, it is very difficult to convince the policyholders that payment of a claim depends upon the happening of the event. People are yet to accept that health insurance is financial tool for medical emergencies only.

(5) **High Medical Cost:** The rising premium from adverse selection could be a vicious cycle as those with less risk will begin to leave and those with certainty of claims will stay with the insurance companies making the health insurance even more unviable (James, 2004).

(6) **Mis-Selling of Health Insurance Policies:** Mis-selling is a common practice in insurance sector which involves selling of insurance products either by hiding facts or giving false information to the buyers.

(7) **Pricing of Health Insurance Policies:** A major challenge for the health insurance industry is the pricing of the insurance products. Whereas, most of the times the insurance companies do under-pricing of their products to gain competition advantage. Although, health insurance is one of the promising sectors of the non-life industry, but needs to be strengthened in areas of standardization, accreditation of healthcare providers and

information exchange (Aggarwal et al., 2013).

(8) **Fraudulent Practices:** Excessive claims often compounded by fraudulent practices are threatening the sustainability of the health insurance companies (FICCI, 2013).

(9) **Traditional Channels of Distribution:** The traditional channels of distribution were mostly associated with the agents as the chief distribution channels and need is to find new methods of delivering the products and services to customers.

Health insurance is more complex than other forms of insurance due to serious conflicts arising out of moral hazard, cream skimming and information gap. Therefore, health sector policy formulation, assessment and implementation are extremely complex in changing epidemiological, institutional, technological and political scenario. Health insurance, if properly developed by the insurance intermediaries, can act as a bridge between patients and providers balancing quality care at reasonable costs with an effective and accountable healthcare.

**IV. The Role of Insurance Intermediaries**

The importance of health insurance is unquestioned and highly recognized across the globe. Insurance intermediaries serve as the critical link between insurance companies and consumers seeking to procure insurance coverage. The importance of intermediaries has been realized due to the following factors:

(1) **Marketing of Insurance Products**

Insurance intermediaries carry innovative marketing strategies to market health insurance products among the masses and to widen the outreach of the health insurance products. Marketing strategies need to be drawn and re-drawn from time to time keeping in mind the customer preferences.

(2) **Help to Create Solid Insurance Portfolio**

Intermediaries maintain broad range of information pertaining to different aspects of insurance business. This kind of information helps the insurance companies to determine the premiums to be charged for different types of insurance and helps to set appropriate pricing for their products.

(3) **Lower Search Cost**

Insurance companies need not find the customers as the intermediaries (specialists) were working for them. By reducing insurance costs across the markets, intermediaries make an important contribution to improve the economic conditions.

(4) **Spreading of Information to Consumers**

Intermediaries help to increase the consumer awareness and understanding towards various products and services. An intermediary identifies the consumer needs and also helps the consumer to find right insurers, policies and prices. Thus, helps the customers to make educated purchases/ informed decisions.

(5) **Risk Management**

Some insurance intermediaries give financial advisory services and help the companies to understand their risk profile. This helps insurance intermediaries to manage their risks and to improve risk profiles.

(6) **Prevent Adverse Selection**

Intermediaries help to prevent adverse selection by ensuring that each customer pays appropriate premium. They protect the insurer's ability to cover losses while protecting the customers against overpayments.

(7) **Helps to Improve Economic Growth**

Intermediary activity not only benefits the insurers and the insured but the overall economy by making insurance products widely available, thereby increasing the positive effects of insurance generally risk-taking, investment, provision of basic societal needs and economic growth.

**(8) Dissemination of Information to the Marketplace**

Intermediaries collect information on the premiums and claim experience. Dissemination of knowledge and expansion of markets within a country and international market helps to attract more direct investment for the insurance sector.

**V. Conclusion**

The importance of insurance in present scenario is unquestioned and recognized across the globe. A financially sound insurance sector contributes to the economic growth by managing risk, allocation of resources and mobilization of savings. With the rising demand of the insurance products, the insurance companies have to take the help of the intermediaries in order to strengthen the sector and insurance companies which integrate the right mix of distribution channels can build sustainability. An insurance intermediary brings innovative marketing practice, creates awareness, builds confidence among the buyers, helps to minimize the risk, lowers search cost of the insurers, prevents adverse selection and helps to improve economic growth. This helps to deepen the insurance markets by increasing consumers awareness of the protections offered by insurance, their awareness of the multitude of insurance options and their understanding as to how to purchase the insurance they need.

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ISSUE FOCUS

# Leveraging distribution for Mainstreaming Insurance

*- P.C.James*

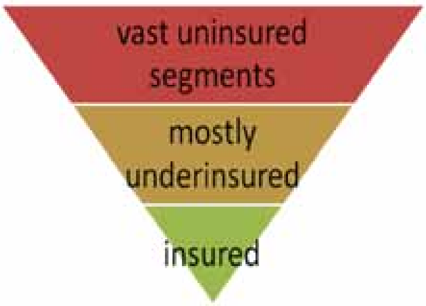
Insurance is a product which is sold. The Malhotra Committee Report which initiated the insurance reforms debate in the country in 1994 began its report by looking at Insurance Intermediaries (Chapter III). It acknowledged that insurance is needed by everybody, but stated that "left to themselves economic agents –whether individual or groups – would rather carry their risks than buy insurance." The intangibility of insurance, the asymmetry of information that both parties carry and the need to put as compelling the probabilityof risks that may not probably happen in a lifetime, the credence or trust aspect that underlies insurance contracts etc. create difficulties for the customer to understand and buy insurance on their own. So insurers have an onerous duty to sell, where they need to convince the customer to buy a product they badly need to buy but are shying away from buying.As insurers faced an uphill task to sell directly and also to take the insurance relationship one richer layer forward, the industry worldwide has utilised intermediaries to sell insurance and in particular to inform, advice and service customers that seek insurance.

Based on consumer requirements as markets evolved, insurers, with Regulators approving or Regulators themselves taking initiatives in creating intermediaries, many kinds of intermediaries have come to the fore in the insurance sector. In India, the recognised distribution channels currently include:

1) Individual agents
2) Corporate agents
3) Bancassurance (banks as corporate agents)
4) Insurance Brokers
5) Direct channel
6) Micro insurance agents
7) Distance marketing channels
8) Web aggregators
9) Insurance Marketing Firms

Despite the proliferation of so many streams of intermediaries, there is a flow of reports and statistics that bemoans the poor and incomplete penetration of insurance in the country. These are in three dimensions – the vast majority of the populace is still uninsured, majority of the rest who are insured are most often ill-insured or underinsured, and only a small part of the population/ organisations are properly insured.

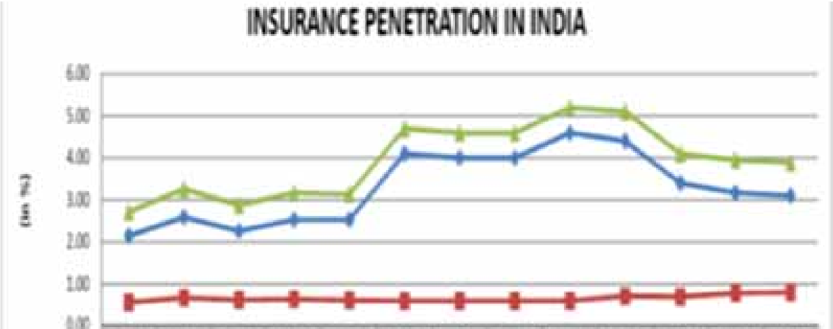
Lloyd's Global Underinsurance Report (October 2012) found that India's uninsured loss (% of total loss against average uninsured loss per natural catastrophe 2004-2011) would be in excess of 80%. Business Line on April 30th 2015 reported a statement from the Chief of IIB stating that 55% of vehicles plying in the country do not have the mandatory third party motor insurance. This is also echoed by the General Insurance Council. Despite this motor premium constitutes



more than 40% of the total premium in India. A study on cattle insurance made by NIA recently noted that even though India has 300 million cows and buffaloes, only about 6% of them are insured.Taking this forward, cattle insurance premium alone can be Re.30, 000 crores in size. Motor premium in India can double; disaster relief insurance can go up phenomenally and so on. Despite the opening of the insurance sector in the year 2000 and the entry of a large number of players including intermediaries in the insurance sector, the penetration in the country is low and flat for general insurance, and currently declining for life insurance as may be seen in the chart below.

This brings to the fore the need to examine carefully what stumps the widening and deepening of insurance penetration in the country. Disasters such as the recent Chennai floods (December 2015) have devastated virtually every ground floor in the city, whether residential or business, disabled many motor vehicles and created serious havoc in the lives of many people. The country needs an insurance solution to respond to the distress of repeated disasters and this has to be done by pushing penetration in transformative ways.

Insurance companies and their agencies as also brokers and banks (who can both lend money and sell insurance) need to introspect on the real triggers that motivate the customer to insure. Traditionally the Indian consumer has been 'compelled' to insure by the many financing agencies that help to create assets for the economy. Now that all financing agencies can be bonafide intermediaries and many more intermediary options are available in the market, the insurance industry must make a serious attempt to upgrade from compulsion selling to conviction selling. This is well in sync with today's regulatory focus on consumer 'rights':




| | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Life | 2.15 | 2.59 | 2.26 | 2.53 | 2.53 | 4.10 | 4.00 | 4.00 | 4.60 | 4.40 | 3.40 | 3.17 | 3.10 |
| Non-Life | 0.56 | 0.67 | 0.62 | 0.64 | 0.61 | 0.60 | 0.60 | 0.60 | 0.60 | 0.71 | 0.70 | 0.78 | 0.80 |
| Industry | 2.71 | 3.26 | 2.88 | 3.17 | 3.14 | 4.70 | 4.60 | 4.60 | 5.20 | 5.11 | 4.10 | 3.95 | 3.90 |

*Source: IRDA Annual Report 2013-14

**CONSUMER RIGHTS IN THE INSURANCE SECTOR**

| | |
|---|---|
| 1 | Right to information and advice |
| 2 | Right to suitability of products |
| 3 | Right to fair terms in contracts |
| 4 | Right to fair treatment |
| 5 | Right to redressal of grievances |
| 6 | Right to privacy of personal information |

Customer rights should be made paramount and demonstrable by all in the sector. Mis-selling of any kind, other unethical selling/servicing practices, non-transparency of information, non-compliance to protection of policyholder interests and grievance redressal must give way to providing the customer visible cues that they are treated fairly and the relationship gives protection certitude. The culture of bad practices must be systemically cleaned up. The three curses of the insurance sector, namely denial of cover, denial of claim payment and delay in service must be addressed through necessary changes in the structures, processes and cultural practices of the industry.

Best practice insurance should be the key to future selling. Codes of best practices are available and can be further finetuned. Customer needs are to rediscovered. For instance, in general insurance it is customary to focus on fire insurance as the first protection for property losses. It may be interesting to note that a study in Australia found that an individual is likley to lose his/her home 50 times more due to a health or disability disaster than due to a fire disaster. Entrenched obsolete 'prudential' mindsets must give way to offer real indemnities. Thus, if an insurer offers a low personal accident sum insured of say Rs. 2 lakhs, in the event of death, the claim payout may scarcely pay for the funeral expenses of the victim leaving nothing for the dependents. Therefore there is a real need to reset insurance perspectives across the value chain – policy design, rating, sum insured, policy language and so on. Underinsurance should be allowed only at the written request of the insured.

Intermediaries now need to be empowered to get related to customers without being apologetic about the perceptions that the sector creates everyday by way of denial of cover, claim or delay in service in many direct and indirect ways. The intermediary needs to be empowered by the capability of the industy with assured contract certainty, a robust culture of treating customers fairly and immediate rectification of failure in service.The Insurance play rests on risk that may or may not happen in future, and hence must place highest value on trust or credence where conduct failures erase all selling efforts. Right conduct while selling, underwriting, renewing, settling claims and servicing should be nurtured by proper corporate governance policies,self-regulatory approaches and regulatory provisions. Unless the foundational approaches of insurance is properly re-set and the certainty of it working without conduct hassles is ensured, the efforts of all to push penetration will only result in failure.

Once the conduct issues are firmly in place, numbers look very alluring. Retail insurance in the general insurance sector looks highly promising. An average family of six members owning a middle level car and having to take health insurance cover for Rs. 3 lakhs for six – parents, both spouses and their two children, the premium would come upto Rs. 50,000 per year. If an agent can get to insure 200 such families, the premium would be Rs. one crore and the payment to the agent would be in the range of Rs. 10 to 15 lakhs. Crores of premium lie in wait in many such segments. Visible wealth is growing in the country but the insurance convictions of the population needing insurance is clearly lacking. The industry has to rise to the challenge by demonstrating coverage of risks in real terms and payment in real time when a claim comes up.

Today's world is moving to the digital age and insurers need to become e-insurers.An Insurer has to have strong presence in all communication channels including social media. A customer must be able to get information from insurer or intermediary websites, blogs and similar media. Interested customers should be able to get personalised advice online. Software can be used to illustrate risk scenarios and insurance options to inform and advice customers. Customers must have online options to compare, fill and upload proposal forms, pay online and receive all documents online. Online touch points can be created wherever required – in petrol pumps for motor insurance, airports and travel points for travel insurance, and other touch points for all needs where the customer will get prompted and adviced to meet their insurance needs.

In insurances such as health insurance, the insurer and TPA should be available to advice, assist, and prompt wellness approaches and be ready to meet and pay for medical emergencies round the clock. Such services are also in demand for motor accident injury victims having serious injuries, where cashless hospitalisation can be offered once the coverage terms are verified using online policy and hospital verification help. Advising insureds to take a high sum insured for health cover is a necessary benefit for all concerned to take care of inflation and receive claims in full. Making information and advice available to insureds round the clock throug phone, chat, email, social media ties them to the insurance habit.  Claims should be cashless, hassleless and electronically transacted to the extent possible. In property insurances the insured should be given the damage assessments and reports and explained why certain amounts/items are not payable.

Once the industry templates of contract and service certainty are in place, there is an enormous opportunity to employ millions of persons in insurance as intermediaries and scale up insurance penetration. Insurers need to ensure that skilling of intermediaries is an essential ingredient of creating trust, and the thrust on continuous training and upskilling of intermediaries must go on and on. Creating insurance awareness of products, processes, services, claims and their ramifications gives intermediaries the necessary micro-knowledge essential to give confidence to customers.

There is a need to make intermediaries visible and tangible before policyholders and be held accountable for services for which policyholders pay commissions through insurers. The realisation that policyholders actually pay the commission, should empower policyholders and insurers to hold intermediaries responsible for much greater responsibilities in the life-cycle value of insurance especially

**A SMAPLE CHECK LIST OF VALUES THAT INTERMEDIARIES CAN OFFER**

| NO | VALUE | CUSTOMER | INSURER |
|---|---|---|---|
| 1 | Create a win-win in insurance | Give the best insurance fit to the customer | Give a insurable (good) customer to the insurer |
| 2 | Give the needed motivational push to the customer/insurer | Customers may not enjoy buying insurance – give the consumer the motivational push to buy | Be the first line underwriter to insurer. Make the customer desirable to the insurer |
| 3 | Reducing costs for insured and insurer | Lower the search costs of the customer | Reduce the 'total' risk cost for the insurer |
| 4 | Offer the best buy for the customer/ help the insurer to right price the risk | Understand customer need and fit the product as best buy for the customer. | Help to price risk more accurately in the true spirit of risk based insurance |
| 5 | Reduce the uncertainty costs for the customer and insurer | Reduce the complexity of products. Hand-hold the cust-omer across the product cycle. | Reduce the frictional costs of insurance, provide comfort to both parties |
| 6 | Smoothen procedural hassles, reduce risks | Help customer to cross all procedural hassles when taking insurance. | Disclose the behavioural aspects of the insured's risk, |
| 7 | Provide additional services as required. Create lifetime relationship | Facilitate all services across the value chain | Match the needs of both parties optimally |
| 8 | Exemplary claim handling | Handhold the customer to speed assessment and settlement. | Help insurer to speed settlement, adhering to proper indemnity principles |
| 9 | Cross-sell and upsell products to the customer | Widen and deepen relationships and benefits of insuring | Improve the 'book' of the insurer |
| 10 | Make the product 'live' for the customer | Provide transparency and use for the products purchased. | Help to carry out feedback & research inputs for the insurer |
| 11 | Add relational value to customer | Shield the customer against the actuarial and bureaucratic mind-set of the insurer | Help the competitiveness of the insurer by life-time tie with the customer |
| 12 | Take the customer up the protection value chain | Help the customer to evolve with the changes regarding better products and prices | Ensure the life time revenue and profits from the relationship |

to the retail policyholder. The regulator may therefore consider having the name and licence number as well as the photograph, mobile number and email id of the agent to be given prominently in the policy document. Thereafter insurers may make available a checklist for the performance of the intermediary using which the intermediary may be appraised by the policyholder. This is in line with policyholder rights and the responsibilities of the industry as to the suitability of products and other services to be rendered.

Insurance is necessary for the millions in India. Disasters need to be risk-proofed by ex-ante insurance solutions. Otherwise disaster relief (ex-post) falls to the account of the tax payer. Ex-ante insurance solutions provide contractual certainty and dignity to the person at risk. Ex-post relief does not provide the necessary dignity or certitude of relief. Hence insurance needs an urgent surge towards insuring all, and only a mighty distribution force properly equipped with customer empowering insurance solutions, which are backed by equally dynamic insurance providers. The country awaits accelerated economic development which cannot happen without robust risk management and insurance support.

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ISSUE FOCUS

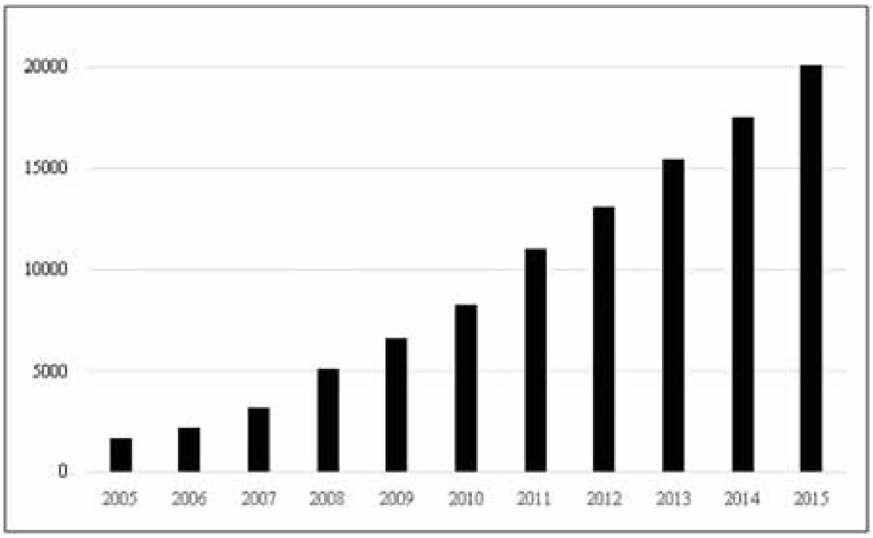
# Intermediaries in health insurance: A view of the current and future landscape

- *Thomas KT*

**Overview of health insurance in India**

India began its health insurance journey almost 70 years back, with employer health insurance programmes such as the Employees' State Insurance (ESI) and Central Government Health Scheme (CGHS). Subsequently, retail commercial health insurance was introduced in India by the government owned general insurers as a standardized annual indemnity product in mid 1980s, with a view to providing alternate financing options to members and helping them access better quality health care. Currently, with the increased liberalization of the insurance industry, many private players have entered the health insurance market resulting in significant growth of health insurance premium, as shown in Figure 1.

**Figure 1. Health insurance premium growth in India (INR Crores).**




*Source: IRDA Annual Reports [IRDA 2015]*

**Stakeholders in health insurance**

Health insurance is more complex than other forms of insurance and the rapid growth in the industry revenues would not have been possible without the effective interplay of transactions between the various discrete stakeholders. It is hence necessary to understand this stakeholder eco-system and a brief overview of the same is given below.

***Sponsor (or employer group)***. The sponsor is the entity that brings together a segment of the population under a common risk pool. The risk pool ensures there is a sharing of risks between the high-risk and the low-risk members. The sponsor could be a government body or private entity or in some cases even a community organization and in the case of individual insurance there is no sponsor and each member directly enrolls with the insurer. The main role of the sponsor is to facilitate the matching of the insurance demand with the supply and provide oversight and administrative support to the members.

***Member***. An individual enrolled in and covered by a health plan is known as a member. Typically, the member is either part of the sponsor group or is an individual retail consumer and is covered for health benefits under a health insurance plan. A member could be a primary member or an eligible dependent (such as a family member).

***Hospital (or provider network)***. As part of their service, the insurer arranges with hospitals to provide treatment to the members in the event of sickness or illness. Based on the type of insurer, the insurer may either own the hospital or tie up with government and private hospitals to provide care to the members. For example in India, ESI operates its own hospitals to deliver care for its members. On the other hand, most of the private commercial health insurance schemes empanel private hospitals. As part of empanelment, the insurer validates the hospital infrastructure and medical standards and ensures it meets the expected standards of operational and clinical efficiency and efficacy.

***Health insurer***. The insurer is the entity that manages the premium received from the sponsor (or individual) and carries the medical risk. The primary function of the insurer is to manage the population risk and conservatively manage the premium funds. The insurer's role begins with submission of the quote. Once the quote is submitted to the sponsor and approved by the sponsor, the insurer has to enroll all members and their dependents. Enrolment includes providing members with administrative support such as coverage certificates and welcome kits. The insurer also has to process the claims from the hospitals and reimburse the hospitals for their services. The insurer also negotiates with hospitals for beneficial rates for treatment. In addition to these core functions, the insurer has to report data to the regulators periodically.

***Regulator***. Regulation plays a major role in the health care industry. Health care regulations and standards are necessary to ensure compliance and to provide safe health care to every individual who accesses the system. The health care regulatory agencies in turn monitor the industry players, provide information about industry changes, promote safety and ensure legal compliance and quality services. In India, the Insurance Regulatory and Development Authority of India (IRDAI) is the autonomous apex statutory government body which regulates commercial health insurance industry in India. In addition to IRDAI, the government-run health insurance schemes are also regulated by the different ministries, which fund or operate these social health plans.

**Intermediaries in health insurance**

In addition to the stakeholders, health insurance has key intermediaries who perform several value adding functions and enable the seamless transactions between the stakeholders. Especially with the level of information asymmetries between consumers and insurance companies, intermediaries are necessary to mediate between the stakeholders. Their services range from information provision to risk screening to providing after-sale service [Goel 2006;Eckardt and Rathke-Doppner 2010]. The two traditional intermediaries in Indian health insurance are the sales channel intermediaries such as agents and brokers and the administrative intermediaries, known as Third-Party Administrators (TPA).

***Channel intermediaries (Agent/ Broker)***. As in other insurance segments, health insurance also uses sales intermediary such as an insurance agent or broker, between the buyer and the insurer. The role of this intermediary is to scan the market, match buyers with insurers who have the skill, capacity, risk appetite, and financial strength to underwrite the risk, and then help the client select and choose the right plan. In the social segment, NGOs and micro finance institutions have provided channel support functions, in reaching out to underserved members. Also , in recent times, private health insurers have tied up with banking partners and leverage the bank's branch network for selling their health policies and collecting the premium.

***Administrative intermediaries (TPA).*** The core service of a TPA is to ensure better services to policyholders. Their basic function is to act as an intermediary between the various stakeholders and facilitate the entire insurance life cycle process.In the Indian health insurance context, the TPAs provide administrative services such as helping enroll members, setting up a hospital network, negotiating hospital contracts and settling the claims. TPAs also provide customer service and help customers with cashless services, in some cases.For example, once the policy has been issued by the insurer all the records are passed on to the TPA and all the subsequent correspondence is handled by the TPA. TPA issues identity cards to policy holders and handles all issues related to their claim settlements. They also have full-time medical practitioners under their employment who take decision whether the ailment is covered under the policy or not.Overall, TPAs help health insurers by providing better customer service, administering the claims processing and standardizing treatment cost.

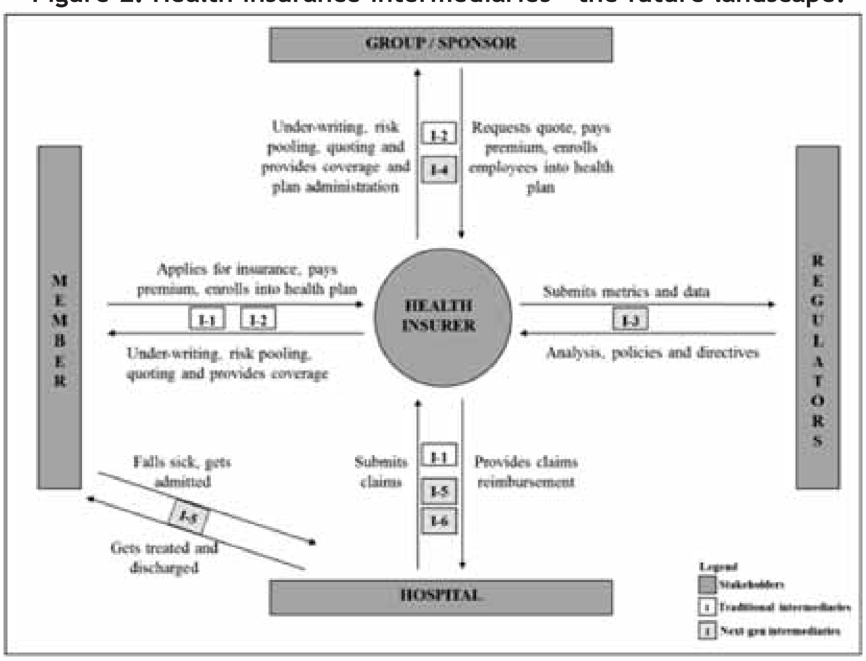
**Future trends in health insurance intermediaries**

As India's health insurance segment evolves and matures, there will be demand for next generation of intermediaries, who provide specific niche skill and expertise and help insurers and stakeholders meet industry challenges. As shown in the Figure 2, the future landscape of intermediaries will be significantly different and diverse, and with intermediaries who provide specialized services to the stakeholders.

In the Figure 2, the traditional intermediaries are shown as I-1 and I-2 and represent the TPAs and channel intermediaries respectively. These traditional intermediaries and the next generation of intermediaries, represented as I-3, I-4, I-5 and I-6, are placed in the interplay between the respective stakeholders. These next generation and potential intermediaries and their roles are explained below.

***Information intermediaries (indicated as I-3).*** As more and more data is gathered by insurers and regulatory bodies, specialist information intermediaries will evolve and support insurers and regulators in improving operational efficiency, through data analytics. The role of these intermediaries will be to act as the information experts by collecting data from the stakeholders, analyzing the data and providing industry-level perspectives (retrospective and prospective) to the stakeholders by using large databases (big data) and advanced analytics. For example, these intermediaries would manifest themselves as actuarial intermediaries, providing the latest actuarial tables and data to help insurance industry streamline actuarial and underwriting accuracy. Another example would be the growth of specialized analytics intermediaries, who will providing the stakeholders, real-time data view of industry parameters (enrolment, member churn, claims ratios, provider performance etc.) and also projection view of industry trends and indicators, based on their data sets.

**Figure 2. Health insurance intermediaries – the future landscape.**



***Risk-bearing intermediaries (indicated as I-4)***. As the TPAs (or other health entities) become more mature and develop risk-bearing capabilities (and if supported by regulations), there will be demand for 'carve-outs'. As a carve-out, the intermediary takes up the risk and responsibility for managing the needs, for a particular carve-out of the population segment. For example, if a health insurer introduces a specialized cancer coverage plan, it will need access to the best oncologists, the latest technology and the most advanced medical procedures, at the lowest possible cost. This present a challenge, as each insurer cannot develop expertise in multiple cancer specialties. In such a case, the health insurer can contract with a carve-out intermediary(specializing in cancer care), who accepts the risk,and provides the entire spectrum of services to the health insurer.Typically, carve out intermediaries will not address sales, quoting, premium billing or enrolment, which are handled by the health insurer and once enrolled, the member's care needs are managed by the intermediary. The goal of such intermediaries is to provide unique, best-of-breed services so that the health insurer need not build the capability itself.

***Care advisory intermediaries (indicated as I-5)***. As insurance penetration increases along with increase in cost of care, insurers will need to keenly focus on the two scenarios that drive medical cost inflation. First of these is adverse selection, which refers to the scenario where insurance is more likely to be bought by sicker people, thus increasing utilization. The second scenario is the moral hazard scenario where, once insured, individuals consume more care than needed [Pauly 1974]. In India, this is also driven by providers who push for unnecessary procedures, which pushes up overall medical costs [Sinha 2012]. To address these inflationary / over utilization scenarios, care advisory intermediaries will emerge as a complementary solution to traditional hospitalization services. For example,Stanford Health Care in the US, provides a second medical opinion service and several health plans now require and will pay for patients to obtain this second opinion [Stanford 2016]. Apart from such specialized advisory, full spectrum care and disease management intermediaries will also emerge, who will work with insurers and hospitals to provide preventive care and disease alleviation programs. Such care advisories will benefit the hospitals by reducing some of the demand on its services and benefit the insurers by providing a check on utilization of tertiary medical care.

***Clearing-house intermediaries (indicated as I-6)***. There are two evolving phenomena which will trigger need for clearing house intermediaries. One, as health insurance penetration expands in India, the volume of health transactions (enrolment, eligibility enquiries, referral & approval, claims submissions etc.) will rise exponentially. There will be pressure on the current ecosystem to address this volume of disparate transaction between various individual stakeholders and hence a need to ensure efficient processing of the health insurance transactions. Secondly, as more of the health insurance data gets standardized and encoded digitally, it sets the stage for a clearing house intermediary who can intervene and manage the transactions on behalf of the stakeholders. The clearing house intermediary can simplify the claims process by providing electronic submission and coding validation services between doctor offices and insurance companies. Moreover, clearing houses can also manage the eligibility enquiries from hospitals and also support referral and approval process, between hospital and insurer. Overall, the clearing house will simplify the data exchange process and remove substantial administrative overheads from the hospitals and insurers.

**Summary**

As the health insurance segment evolves in India, there will be an emergence of several intermediaries, who will play key roles across the health insurance service value chain. While some of these intermediaries and their roles have been discussed above, the list is not exhaustive. As Indian entrepreneurs and government incentives continue to promote health innovation, several more categories of intermediaries are likely to emerge, to serve the Indian health insurance segment. These intermediaries have the potential to positively impact the health insurance experience and improve the delivery of the health insurance services to the members and other stakeholders. The health insurance industry and the regulators,on their part,also have to welcome the emergence of these intermediaries and provide these entities with adequate support to help fulfil industry goals.

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## Curtain Raiser For March,2016 - Issue Focus "Role Of Insurance In Disaster Management"

The recent natural calamities in Vizag of Andhra Pradesh & Chennai in Tamilnadu resulting in loss of human lives and properties brought out the tremendous importance of Insurance in our Country. Insurance as such not only helped to mitigate to a great extent, economic losses arising out of such calamities but also played it's role as an effective tool in the overall Disaster Management of the Government. Added to natural perils, we are now confronted by Manmade Disasters in the form of Terrorism which has gripped both Developed and Developing Countries.

It is in these increasing exposure to natural and Man-made Disasters, the traditional role of Insurers & insurance industry as such to go beyond the call of compensating economic loss calls for "A Relook" - what can be termed as Paradigm Shift. With availability of Modern Tools & Techniques, the Risk Takers ( Insurers ) could play a decisive Game Changer in handling Disaster management. Accordingly Focus for March 2016 Issue of the Journal will be **"Role Of Insurance In Disaster Management"**

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ISSUE FOCUS

# Future of Insurance Agents - A survival game How can agents thrive in the changing landscape

*Srivathsan K.M; Subasree S; Niranjan V.N*

**Introduction**

Unforeseen changes in regulations, technology, micro and macro economy, along-with the great generational shift is sweeping across the global financial sector. The traditionally inert insurance industry is now going through many paramount changes and challenges such as: major regulatory initiatives, sustained low interest rates, rapidly emerging new technologies with a shorter hype-cycle, new generation of customers insisting on continuous engagement models, and new products driving new operating models.

Changes and the response to them by the industry, is seen to heavily impact the penultimate stakeholder in the traditional insurance product distribution - the intermediary, more than any other. There are several variants of an intermediary like broker, aggregator, corporate agent, bancassurer, tied agent, independent advisor etc., and any one or few of these could be prominent in a given geography.

Our focus in this paper is on the agent class (tied and independent), how they may need to respond to the risk of becoming irrelevant in the market place and continue to thrive in the changing landscape.

**Challenges Affecting Intermediaries**

The global insurance industry is focusing on providing superior customer experience and staying profitable in the current competitive environment. As new digital channels and stakeholders emerge, the core organizational philosophies are re-written, strategies get re-defined, and new products get developed leading to newer business models.

These changes unfold a surprising world for the intermediaries and have profound consequential impact in the way they operate. Few of the changes even border around questioning the very basic purpose of their need in the insurance industry.

While the regulations on the intermediaries is of a different origin, other changes like generational shift, initiatives by insurers and new technology paradigm changes are closely intertwined and it is difficult to discern, as to which causes the other.

**Regulatory Changes**

While regulators across the world are bent on de-risking the systemic risks in the insurance sector, they are also inclined to protect the interests of the customers and regulating the intermediaries. For regulating the insurance intermediaries, various initiatives are being taken up in different geographies such as,

- United Kingdom and South Africa - Retail Distribution Review (RDR)
- Australia - Future of Financial Advice (FoFA)
- Europe - Insurance Intermediary Directive (IID), Packaged Retail

Investment and Insurance-based Investment Products (PRIIPs) and The Directive on Markets in Financial Instruments in (MiFID)

- Singapore - Financial Advisory Industry Review (FAIR)

The essence of these regulations are predominantly to raise the advisory standards, by establishing a transparent advice mechanism, regulating and disclosure of remuneration, and setting-up minimum qualification standards for advisors, including continuous professional development.

Though the intermediary regulations aim towards achieving a holistic positive framework and advisor professionalism in insurance distribution, they have unintentionally resulted in advisor paranoia, high attrition rates, re-alignment of agencies and advice gap, where low ticket (lesser premium) customers are orphaned due to the unviability of providing advice.

**Great Generational Shift**

A generation shift is happening now, leading towards demographic and cultural imbalance in every sphere of activity such as society, industry, and economy. For elucidation, we consider the people born between 1943-60, 1961-81 and 1982-2001as baby boomers, Gen-X and Gen-Y respectively. The boomers are moving towards a retired life, Gen-X is stepping into middle-life, and Gen-Y, also known as millennials and digital natives, which is a massive demographic cohort in every country is entering into employment and wealth accumulation phase in life.

Gen-Y is known to be mobile, social and digitally connected. They are highly educated, diversified, carry a heightened sense of control and prefer high levels of self-service. They do their own independent research and trust the view of their social connects.

They are not just tech-savvy, but tech-dependent. For them, technology is not just a service enabler, but an experience provider. Their limited attention span propounds the need for products and services to be personal and immediately provided.

Google mentions about Zero Moment of Truth (ZMoT), a revolution in the way Gen-Y consumers search for information online and make decisions. It describes that, they search regularly for information across many micro-moments in life such as “want to know”, “want to go”, “want to do”, and “want to buy”. These distinct characteristics differentiate them from other generations.

The future for the insurers lies with the millennials. Hence, they are going all-out with personalized products and digital initiatives to cater to their ever-connected requirements, thus questioning the need for a physical intermediary.

The insurance advisors today are in an unenviable situation of catering to the diverse requirements and behavioral expectations of all the three generations. As per the social norm, the older generations in due course try to emulate the new. Boomers and Gen-X have already absorbed few of the technological innovations and personality traits of Gen-Y. With the commoditization of the products and self-service becoming contagious, intermediaries may need to fight for their survival.

**Initiatives by Insurers**

Insurers have adopted different approaches to cater to the requirements of various generations. They followed a product centric approach for the boomer generation and a single-channel intermediation worked well for it. As Gen-X emerged, insurers started adopting an intermediary centric approach by extending service through other physical multi-channels such as bancassurance, brokers etc. To connect with the millennials, insurers have now started following a customer and datacentric approach resulting in extending services through new channels to reach them in a personalized way. Few examples of initiatives by insurers to expand their services are given below

**Internet and Telephone Channel -** Policies are sold directly from the insurer’s website or by calling the insurance company's call center. Examples: Direct Line, Swiftcover, Admiral & Churchill (UK); Amica, Esurance, Haven Life (US); AllSecure, InShared (Nederlands); Verti Seguros (Spain); Lifenet Insurance (Japan); HUK24, Cosmos Direkt (Germany), Direct Assurance (France); Genertel (Italy),Direct Asia (Singapore), ICICI Lombard General Insurance, Bajaj Allianz General Insurance, IndiaFirst Life, HDFC Standard Life Insurance, Max Life (India)

**Self-Service Kiosks -** Policies are sold through specialized interactive computer terminals that can perform a range of other service functions. Examples: ICICI Lombard (India), Direct Auto General Insurance (US)

**Affinity channels -** Insurers are partnering with well-known brands to offer their products. Examples: New York Life (US) selling Life and Annuities to members of AARP (formerly the American Association of Retired Persons). Zhong An (China), partnering with shopping site Alibaba. Statefarm (US) partnering with ADT, home security company to offer connected home and insurance solutions.

**Mall-assurance -** Insurers partnering with retailers to market policies in their outlets. Examples: Metropolitan Life (US) partnering with Wal-Mart stores and Future Generali (India) partnering with Future Money to sell insurance policies.

**Cross-channels -** Insurers utilizing the channels from other verticals like banking for policy sales. Examples: AXA (China), BIDV Insurance Co. (Vietnam).

**Product Changes -** While all the above changes are associated with channels, insurers are also making changes to their product design. Simplifying and commoditizing them to enable sales in a non-advised mode, offer policies in a la carte mode instead of one-size-fits-all approach, design products to suit individual life stage of the customer or allow customers to design build their own policies. Examples: Bright Rock (South Africa), Aviva (Turkey) and Life Net (Japan). Tokyo Marine partnered with telecom service provider NTT Docomo to sell prepaid insurance through mobile apps for periods less than a day to few weeks to customers who don't own a car and drive occasionally.

**Sharing Economy -** As a major addition to all the changes, social networking and connectivity has triggered the emergence of a new model of sharing economy that is based on sharing of human and physical resources. Sharing economy has led few brokers to offer 'peer-to-peer Insurance' that facilitates online purchase of personal line products among socially connected people who form risk pools and pay off the claims incurred among the group members. Only when the claim amount gets higher, traditional insurers step in. Examples: Friendsurance, (Germany)pioneered this form of insurance followed by Guavera (UK),Tong Jo Bao (China), Inshared (Netherlands), Lemonade (US) and others.

All the above initiatives facilitate sales without the need for an agent. These channels reduce the fixed and marginal costs, and are effective in maintaining consistent service levels. The entry of non-traditional players like Amazon that has its own well-oiled delivery channel further detriments the scope for individual agents.

**Technological Changes**

The growth of technology, especially social, mobile, big data, analytics and cloud computing are not only driving insurance innovation, but also changing the definition of insurance and how services are rendered. Due to the ever connected ecosystem built on the spread of Internet-of-Things (IoT), insurers are now able to engage with the customers on a continuous basis, which is a welcome change from the traditional interactions that happened during entry, exit and few ad-hoc nodes.

Technology is not only impacting the dynamics of servicing, but also helping in defining some new types of products. It will be an understatement to say that the basic concept of insurance is changing from restitution or remediation to protection and prevention of risk.

**Targeted Marketing -**Predictive analytics has helped insurers to micro-segment customers for identifying customized products and services to turn them profitable. Predictive underwriting helps insurers to identify the healthy majority and adopt a targeted marketing strategy. Example: Swiss Re

**Mobile Network Channel -** Insurers sell policies through mobile network operators where premium payment is with the subscriber's airtime balance. Though this model started with the premise of financial inclusion to the under-privileged, it is slowly catching up with other segments in different forms. Examples: Zong (Pakistan), MTN (Zambia), Tigo (Ghana and Senegal), Telenor (India)

**Social Media Channel -** Insurers are starting to use social media as a distribution channel. New simplified products are offered that have limited questions and fewer clicks. Besides this, successful referrals from their social connects fetches additional discounts to the customers. Examples: Malayan (Philippines); Kroodle (Nederlands)

**Aggregators-** Aggregators also known as price comparison websites, have come up to enable the self-directed customers to perform product research function online. Examples: MyInsurance Club.com, accuratequotes.in, insuringindia.com, Policy Bazaar, click2insure (India)

**Robo-Advisors -** Insurers are testing on the use of robo-advisors for providing non-intrusive advice during self-driven policy purchase and service. Robo-advisors educate the customers, advice and execute the transactions, and manage the portfolio of the customer.

Insurers are looking to provide omni-channel experience, a seamless connect for their customers across all the channels for every activity, to create optimal experience and stickiness. Examples: Societa Cattolica di Assicurazioni (Italy), Progressive (US), DKV (Germany).

Insurers are embarking on intense ongoing engagement models such as,

- Usage Based Insurance (UBI) that is offered by many motor insurers(in UK & US),
- Connected Wellness based insurance offered by Vitality independently in South Africa and in partnership with various insurers in UK, US, Australia, Singapore, Honk Kong etc.,
- Connected Home initiatives by StateFarm, Liberty Mutual (US), AXA (France).

Insurers are also enabling free sharing of post-service feedback to connect with customers e.g. Youvi (South Africa, Australia) or allow customers to rate the products in their websites USAA (US).

The role of an intermediary is conspicuous in most of the initiatives mentioned above.

**Agent Transformation - Going Forward**

The changes mentioned above indicate difficult times for intermediaries, but everything is not lost for the intermediaries who are agile to equip themselves and respond appropriately to the changes.

Agents, due to their proximity to the end-customers continue to be the last-mile service touch-point in insurer-customer relationship. The top three reasons why people purchase insurance (1. Life cycle driven objectives to family protection, mortgage protection, income protection, tax saving, retirement etc., 2. Getting coverage for important assets to protect against a potential loss. 3. Obtaining protection against a legal liability) and the products that cater to them mostly remain the same. The traditional low desirability to purchase insurance as against other products and the need to sell have also remained unchanged.

The changes caused by great generational mind shift and availability of new technological avenues, has not only impacted the customer's purchase process, but also their experience expectation throughout each micro-stage in the insurance value chain.

Agents need to re-organize and re-innovate their working model to create value and adopt new technologies to stay relevant.

**Re-organizing How They Sell**

In insurance sales, along with an intangible product, a promise adequately buttressed by trust, gets sold. Agents should evolve to position themselves as trusted partners of customers in the digitized insurance journey.

Technology provides customers with plenty of information in a single-click and hence they will not be interested to seek advice or pay for a service, if it does not provide unique value. Agents need to professionally equip themselves continuously to engage with relationship oriented millennials as a well-informed, trustworthy and non-intrusive advisory.

Agents have traditionally focused on customers pertaining to a specific area to sell insurance policies. Over the years, though they started offering additional services such as risk evaluation, protection and claims management, the territorial boundaries persist. Agent should transcend the territorial barriers and reach to a larger customer base.

Insurers are trying to commoditize insurance products for motor, fire, home, etc., and sell pre-underwritten policies in off-the-shelf mode through new channels. However, purchase decisions for complex products require personal interaction with an expert. Mono-line agents may be heavily impacted by the changes, hence they have to evolve into offering multi-line support. They may become composite agents or tie-up with other specialists to offer all product-lines in a collaborative model under a single roof.

**Technology as an Enabler**

Millennials perform immediate and independent research during their micro-moments, and have their zero moments of truth. Agents need to embrace mobility, social networking etc., to establish and maintain a credible digital presence in connected world of the customers and stay rightly tuned for responding to their digital vibes.

Agents with the access to customer data across the insurance value chain will be more advantaged. Data mining and actionable business analytics will help in proactively engaging with their target customers. Agents need to use social listening platforms for continuously scanning the information shared, for proactive sales and service reach-outs.

Instead of generalizing all the customers into one or categorizing them into few traditional groups as mass market, mass affluent and affluent, agents should treat each customer as a distinct and unique individual with diverse needs. They need to micro-segment customer's needs and service requirements, and cater to them with tailored products and services.

Insurers play an important role in the transformation of agents. Many insurers across the globe are now facilitating the intermediaries with mobile and tablet based sales and service apps that can aid them in lead management scheduling appointments, need analysis, digital illustration, electronic proposal submission and premium collection.

Many companies such as Mennonite Mutual, Harford Mutual and Grange Insurance (US), implemented sophisticated agency portals to strengthen agent relationships. CNA and Allied Insurance (US) have implemented Real Time Quoting/ Processing solutions to assist agents with automated solutions. Bharti-AXA Life(India) introduced an interactive sales tool 'SWITCH' that allows a digital advisor to perform a complete need-based sale. L&T General Insurance Company (India) has embraced large scale enterprise wide mobile platform initiatives, which enables the company to issue policies virtually anytime, anywhere, and from any device. IndiaFirst Life (India), introduced a device named 'Magic Board', with which an agent can complete a sale and issue policies on-the-spot.

**Conclusion**

It is certain that the future of an individual agent is not going to be easy. However the changes and challenges can intimidate only the un-prepared agent. If the agents are well-motivated, professionally qualified and rightly equipped, they will be able to take advantage of the situation and succeed.

Most of the technology driven initiatives just attempt to supplement the core marketing function and whatever the outcome, physical intermediation cannot be displaced.

As a part of the generation shift, agents from boomer generations retire and new ones from Gen-Y take over, albeit at a slower replacement rate. Being representatives of Gen-Y, they will be technologically and psychologically well placed to successfully handle the changing dynamics. The impact of the changes in technology can be muted if the agents embrace it instead of resisting and use it as compelling tool.

Due to the global increase in new sources of risk generation, awareness of risk protection and programs for inclusive growth, the overall size of the potential insurance market has expanded phenomenally. Agents have to adopt appropriate strategies to tap the potential growth opportunities.

The customer servicing standard is moving away from the traditional golden rule of "Do unto others as you would have them do unto you", to the platinum rule of "Treat others the way they want to be treated." Agents need to baseline this rule for defining and delivering a consistent engagement and experience to their customers.

As the new insurance ecosystem evolves, the words of Charles Darwin"it is not the most intellectual of the species that survives; it is not the strongest that survives; but the species that survives is the one that is able best to adapt and adjust to the changing environment in which it finds itself",will continue to prove to be true for the insurance agent community as well.

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# Legal Issues on the Role of Insurance Intermediaries, An Australian Case Study

- Dr Som Majumdar

*"A penny Saved is a Penny Earned"*

-Benjamin Franklin

**PREFACE**

Insurance is an invisible trade. It is a kind of guarantee provided by a Party (Insurer/Reinsurer) to pay the loss suffered by a Party (Insured) against payment of a consideration (Premium) arranged by a third party (Insurance Intermediary) through a contract document stating the scope of cover (Insurance Policy).In the context of insurance, various forms of intermediaries may take different shape or form of entity, fundamentally providing value for services. Its nomenclature encompasses the bodies like Agents, Insurance & Reinsurance Brokers, Tied Agents, Binders, Managing Agents etc. who, for remuneration, pursues insurance mediation in accordance with the procedures laid down under the law specific. The underlying benefit for this kind of relationship between the parties relate to cost saving in one form or other. Most insurance legislation around the world has some reference to intermediaries. Legislative regulations focus on ensuring that all those who are undertaking the activity of insurance intermediation meet reasonable professional requirements. With the emerging complexities of risk continuously increasing relative to technological advancement in a nation's economy, it would not be prudent to contend that there is no role of intermediaries either in the retail sector for Non-life insurance and reinsurance, or for that matter, life insurance. Because of increasing magnitude of growth in insurance business where multi-parties' involvement is imminent, disputes and litigations involving insurance intermediaries follow suit. Since the scope of study on the role of insurance intermediaries is very vast in context, an attempt is, therefore made to highlight the legal issues concerning activities of the "Reinsurance Brokers" who are one of the important forms of intermediaries while concluding the insurance or reinsurance contracts. In so doing, a special reference to Australian scenario will be drawn up as an empirical study.

**INSURANCE INTERMEDIARIES - AGENT v BROKER**

Distribution of insurance is handled in a number of ways; the most common of it is through the use of insurance intermediaries who serve as the critical link between the insurers seeking to place their products and the consumers seeking to buy coverage against their financial exposure to risks of varying kinds. These intermediaries, traditionally known as "brokers or agents" offer timely advice on the best possible solution that goes to the advantage of both insurance companies and the consumers at large. The plethora of services rendered by the insurance intermediaries have now widened to activities like evaluation and implementation of alternative means of funding for potential losses, risk management strategies, risk survey and claims management.

In the context of insurance, "the word 'agent' is commonly applied to the person who introduces business to an insurer and draws commission on it. An insurance broker is a special kind of agent who holds himself out as having expert knowledge of insurance and the insurance market". (Source: Cockerell and Shaw, Insurance Broking and Agency The law and Practice, 1979, London). The difference between an agent and broker is conceptually straight forward, as elaborated by Rodney Lester of the World Bank in his submission to working paper issue No.10, June 1990. He said, a broker acts for the client. He or she should carry out a proper analysis of the client's need, then survey the insurance market to find the combination of products and services that best meet these needs. An agent, on the other hand, acts for one insurer and is basically in a selling mode (Source: "Intermediaries", Rodny Lester, The World Bank, June 1999, Washington D C). The insurance broker may in some instances be the agent of both parties; for ceding company in effecting the policy and for the reinsurer in collecting the premium but no further (Equitable Life Assurance Society v. General Accident Assurance Corporation Ltd., (1904).

The World Federation of Insurance Intermediaries (WFII),which is recognised by world-wide leading and influential bodies such as OECD, FATF, IAIS, WTO and the UN representing the interests of over 400,000 professional insurance agents and brokers across the globe (in over 80 countries), have very aptly outlined the role of insurance intermediaries in the following terms:

- Innovative marketing
- Dissemination of information to consumers
- Dissemination of information to market place
- Sound competition
- Spread insurers' risks
- Reducing search costs
- Reducing uncertainty

Therefore, the primary functional responsibilities of the intermediaries in the light of the above are to deepen and broaden the understanding of their role played in the global commerce. The consumers in modern day's market are well informed of the use of enterprise risk management tools that allow them to understand their risk profile, identify cost drivers and analyse enterprise-wide risk. Many intermediaries are well active in providing such tools. Such intermediaries often engage themselves with their clients in helping them evaluate risk exposure, implementing measure to minimize such exposure, identifying and facilitating the purchase of appropriate insurance products commensurate to their business model, use of alternate risk transfer mechanism besides managing their claims process.

**REINSURANCE BROKERS**

R L Carter, in his magnum opus "Reinsurance" described the reinsurance broker as a legal entity " . . . …. to professionally advise their client concerning the best type of reinsurance programme, proper retentions and adequate capacity based upon their experience and knowledge of market availability and then place the resultant programme for the client with secure markets at competitive price or terms" (Source: Reinsurance, R L Carter, London 1979).These brokers can also be involved in a reinsurer's retrocession of parts of its risk. Hugh Cockerell and Gordon Shaw in their book: "Insurance Broking and Agency, the Law and the Practice, London, 1979" regarded the broker as the agent of the reinsured even though he is reimbursed by commission from the reinsurer. It is clear that reinsurance brokers are agents, and are, therefore subjected to the law of agents (Reference: "Bowstead on Agency, and Cockerell and Shaw, "Insurance Broking and Agency"). Although law of agency applies to both insurance and reinsurance, the courts have never attempted to make any distinction between the two. Brokers have been an integral part of the Lloyd's market from its inception. The majority of London reinsurance brokers are subsidiaries of larger broking groups with some degree of independence. Some are specialised in some class of business though. Some markets such as Holland and Australia are highly broker- driven and so are some companies including some professional reinsurers. A very significant role is played by the brokers in the world-wide reinsurance market as information highway. Their particular ability is in knowing the market and the underwriters who provide reinsurance facility. They travel the world meeting underwriters and keep them up to date on the trends and needs of the market and help the insurer compile the information that the reinsurance underwriter needsd to take an underwriting decision.

For some types of covers like Excess of Loss and particularly catastrophe property treaties where a large number of reinsurers is required to support large programmes, the services of brokers are indispensible. While arranging reinsurance facility on proportional treaty or on facultative basis needing a wide spread of reinsurers, only the organisation of a reputed broking house with contacts and communications to all parts of the globe are always worth the salt. In country like Australia, their credence within the context of reinsurance contracts is well established by inserting a special clause named "Intermediaries Clause" within the wording of reinsurance contract. This particular clause provides wording as: "both the Reinsured and the Reinsurers agree that all monies, correspondence and payments to either party in connection with this Agreement shall be forwarded through the Brokers for this Agreement as stated in the Signing Schedule" (Source: "A Review of Typical Reinsurance Clauses – Reinsurance Discussion Group of NSW Australia 2nd Ed. 1988). U/S 10(3) of New Zealand Law Reforms Commission Act, the broker is the representative of reinsurer as their commission is deducted from the reinsurance premium collected by the reinsurer (Case Ref: Helicopter Equipment Ltd. V Marine Insurance Company (1986) 1 NZLR 468). In essence, the reinsurance brokers as an entity perform numerous invaluable functions, viz.:

- In the complex and competitive market of reinsurance, the ceding companies often find it very cost effective to entrust the task of selection of reinsurers for their entire outward accounts to a single broker or a panel of brokers at a best possible price.
- Apart from acting as an efficient information bridge, a broker may ensure equitable terms for both ceding company and reinsurer to sustain a long term relationship.
- One of the major tasks of the broker is to expedite accounts and settlements and sometimes even assist inexperienced companies with their investment policy and internal accounts.
- Brokers assist inexperienced cedants in fixing retentions and in devising appropriate reinsurance program that may be best suited for their typical portfolio.
- Another very important service offered by the broker is in training personnel, helping in inspection of large risks, rating and claims settlement.
- The brokers, who have extensive international base, may possess expertise in speaking language of many different countries thus helping the cedant in translating the documents and correspondence exchanged between cedant and reinsurer.
- A special assistance is always provided by the broker to the cedant as well as to the reinsurer in drawing up contract documents, especially in concluding renewal negotiations where reciprocal exchanges are arranged through them.
- Brokers' assistance is invaluable where the risk is very complex like Oil and Gas, Nuclear energy Aviation, satellite insurance and the like which not only require to mobilise international capacity but also to obtain quotations from Lloyd's and other market Leaders.

**AUSTRALIAN EXPERIENCE - BROKERS MARKET**

Australian general insurance market is highly influenced by the Brokers. On the average, almost 43% of the total market premium is invoiced by the brokers.

As per APRA statistics, Australian market produced general insurance business in the order of A$35.32 billion as at June 2013. The market premium for the same period during 2014 was A$35.76 Billion. The corresponding market premium for the six months ending June 2015 was in the order of A$18.45 Billion (which may be estimated around A$37 Billion on annualised basis (Source: APRA: "Intermediated General Insurance Statistics, June 2015)

For the six-month period ending June 2015, there were 1,607 registered Intermediaries who were licensed to conduct general insurance business in Australia. Of these, only 878 Intermediaries (55%) placed business with the underwriters including Lloyds' for a premium volume of A$8.7 Billion for six-months period at June 2015.

By contrast, Indian market witnessed broking strength of 384 licensed firms as at 31 March 2014. During 2013, it was 346 – an increase of license issued by almost 10% over a year. State-wide spread of licenses issued in India during 2014 showed that two regions viz., Maharashtra and Delhi alone held 199 licensed brokers which accounts for over 50% of the total number of brokers operating in India. (Source: IRDAI Annual Report 2013/14 Page 66). IRDAI started issuing licenses only from January 2013 and therefore the growth of Broking operation in such a short period of time and awareness within the market appears impressive.

**LEGAL ISSUES**

Reinsurance brokers in Australia are governed by the Australian Financial Service License (AFSL) issued by the Australian Security and Investment Commission (ASIC). Additionally, they are legally bound to act under "Code of Practice" issued by the National Insurance Brokers Association (NIBA). All these regulatory measures aimed at guaranteeing high standard of covered services. Under this protocol, Corporations Act requires that licensed brokers have in place:

- Arrangements for managing conflict of interest
- Compliance with conditions on the license and the financial service laws
- Adequate resources ( financial, technological and human) to provide services covered
- Adequate compliance framework
- Internal and external dispute resolution procedure

Additionally, solvency and capital adequacy test is another requirement. The minimum solvency requirements under the AFSL regime are:

- Positive net assets
- Sufficient cash resources to cover the next three months' expenses with adequate cover for contingencies, and
- Surplus funds of greater than A$50,000 where the licensee holds client assets of more than A$100,000. (Source: " Facts and Figures – Insurance Brokers 2010", PriceWaterhouseCooper)

In the realm of reinsurance relationship between the ceding office and the reinsurer, the reinsurance broker is deemed to have certain legal duties encompassing:

- A "duty of utmost good faith" to each party within the relationship for reinsurance transaction
- A common law duty to disclose every material fact that is known, or ought to be known regarding the risk to be reinsured. The broker is deemed to be the representative of the reinsurer and therefore any information broker holds on the contract of insurances is deemed to have been known by its insurer irrespective of the fact that the information is passed on or not.(Source: Case Law: LAPP , NZ v New India Assurance Co., High Court of NZ 2012)
- Reinsurance intermediaries also owe to its principal, i.e., the cedant a duty to perform its services, the failure of which may culminate to the liability based on negligence, misrepresentation, breach of fiduciary duty, or even fraud.
- A reinsurance broker may sustain liability of negligence for failure to make necessary enquiry of the market's assessment of the risk when the undertaking was made to procure reinsurance for the cedant (Case Law Ref: "ANNECO Reinsurance Underwriting Ltd. V. Johnson & Higgins Ltd., 2001,

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## CONCLUSION

Insurance intermediary is the bridge between consumers and insurers. They are valued by the insured and the insurer as an essential element of the insurance market place. Its activity benefits the overall economy at both national and international levels. Fundamentally, their services make the insurance products available to the market place that enables commercial activities to grow. Their invaluable services help insurers gather all the relevant information on the insurable risk and the prospective client. Likewise they provide information about financial health of the insurers to the insurance buyers. With the combined services, the intermediaries help minimise cost of insurance and remove uncertainty and help create a balance between cost of risk and funding of risk by facilitating a suitable risk transfer mechanism..

However, service notwithstanding, the intermediaries are accountable to the industry in many different ways for their various levels of activity, many of which are legally intertwined. Therefore, the regulatory bodies set up rules and regulations and initiate licensing procedure and code of practice so that financial accountability of the intermediaries is ensured in the insurance market place. Various case laws and the legislative provisions provide judicial support to enforce the financial discipline with high degree of fairness. The intermediaries are therefore continually facing challenges to attain a high level of professionalism.

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# Each Distribution Channel has to mature professionally

- *Nirjhar Majumdar*

Like many other goods and services, life insurance needs to be sold through various distribution channels. Although, agents and brokers continue to be the mainstay of the insurers' system of distribution, many other channels are assuming formidable positions in the industry and for perfect reasons. Development of multiple distribution channels has taken place due to a combination of environmental, operational and technological changes in the industry. Main considerations that drive insurers to try alternate channels are convenience of customers, savings of costs and improvement of market share.

In India, we now have almost all the distribution channels that are available in the developed insurance markets. Brokers, corporate agents including banks, direct marketing (online and offline), referral companies are already in the market. We are going to get a new entity – Insurance Marketing Firms (IMF) who will be free to market insurance products of multiple insurers. Let us have a look at the relative market share of the channels in respect of individual new business for 2014-15:

From the above table, it is clear that the distribution model of LIC and private insurers are widely different. LIC is primarily selling through its countrywide agency network whereas the private insurers are using the banks hugely. Bancassurance is helping the private insurers to grow also because many of the private insurers are bank promoted and there is a total integration between the operations of the banks and the respective insurance companies.

Banks are in an ideal position to help people reach their financial goals. While insurers have to "sell" their products rather than getting them "bought", banks are in an enviable position of getting quality customers without much difficulty. No wonder, banks are most effective distribution channels after the tied agents at this moment. They have very well educated employees who can communicate professionally with the customers and can influence the decision making of the customers also. No wonder, the top

**Table-1: Channel wise New Business Performance of Insurers (Individual Insurance) (% of Total First Premium)**

| Life Insurers | Individual Agents | Corporate Agents | | Brokers | Direct Selling | MI Agents | CSC | Total |
|---|---|---|---|---|---|---|---|---|
| | | Banks | Others | | | | | |
| Private Total* | 35.73 | 47.37 | 3.35 | 4.49 | 9.06 | 0.003 | 0.001 | 100 |
| LIC Total | 95.97 | 2.60 | 0.12 | 0.02 | 1.24 | 0.05 | 0.00 | 100 |
| Industry | 71.42 | 20.84 | 1.44 | 1.84 | 4.42 | 0.03 | 0.001 | 100 |

*Source: IRDA Annual Report, 2014-15*
** In addition, private insurers got 0.04% of business from Referral companies; as a result, industry contributes 0.01% to total business*

three private insurance companies are all bank promoted.

As today's customers are extremely device savvy, the insurers are also inclined to selling and servicing the customers online. The online products are cheaper. Many new age customers dislike the repeated intrusion of agents and brokers in their private spaces. As a result, much of the direct marketing is taking place through online channels. The customers of insurance industry are using internet both for "Decision Making" and "Product Buying" processes. Even LIC is selling some of its products online to the people who prefer the channel for a variety of reasons.

**Which Distribution Channels are popular worldwide?**

People all over the world are choosing distribution channels according to their economic and psychographic profiles. In fact, insurers have developed channels that can be more suitable to particular types of customers. Direct marketing channel is very attractive to most of the west European customers. The overall online infrastructures and household internet penetration are so strong and stable there that people are naturally inclined to make use of Direct Marketing channels (online mode).

However, Bancassurance is a popular distribution channel in most countries of Europe. According to Finaccord Report: "Distribution Channels for Life Insurance – A Global Perspective (2014)", Turkey gets 80% of life business through Bancassurance mode, Spain gets about 65%, France 60% and Russia about 55%. Even Brazil procures about 80% of business through Bancassurance while South Korea procures 60%. Surely, banks have been able to give a lot of financial services in these countries and they have become obvious choices for buying any financial products including insurance. But lately, Bancassurance is losing market share because after 2008, public trust in banks has reduced a lot in many developed insurance markets.

But, there are other considerations for selecting a channel. When it comes to buying protection related, critical illness related and investment related products, tied/ independent agents/brokers are overwhelming favourites of the people of UK, France, Germany, Spain and Italy. These products are such that people want to be very sure that they buy the right ones and therefore consult experienced agents/brokers face to face. Most of the customers prefer agents to online channels even in this age of very sophisticated information technology. May be, people use online channels for buying simpler products. As it is not always possible for banks to engage individual customers through a time consuming process of explaining all important features of complicated insurance products, even Bancassurance is not found suitable for selling all types of products.

In UK, insurers know the relative strengths of each distribution channel and design products that are ideally suitable for each channel. Some channels are so powerful that they sometimes influence the insurers in developing particular types of products with some desirable pricing/ underwriting strategies.

Although there is no dearth of distribution channels in the market, worldwide the life insurers are disturbed with the fact that the channels have not been able to generate the desired level of "Customer Experience". As there is significant drop in the level of Customer Experience, the customer loyalty and advocacy are also getting affected everywhere. According to Capgemini World Insurance Report 2015, there has been drop in positive Customer Experience even in mature life insurance markets of North America. There has been alarming drop in positive Customer Experience among the Gen Y segment of the market. In fact, 80% of the countries (surveyed by Capgemini) including India have seen a drop in positive Customer Experience. In India, only 24.6% of customers (taking life and non-life sectors together) have reported positive Customer Experience. Table-2 shows the countries with better Customer Experience record in 2014 as revealed in Capgemini Survey.

**Table-2: Top 10 Countries on the basis of Positive Customer Experience**

| Country | Customer Experience in 2014 (%) | Customer Experience in 2013 (%) |
|---|---|---|
| Austria | 43.0 | 43.6 |
| US | 40.8 | 51.3 |
| Canada | 37.3 | 41.2 |
| Belgium | 36.7 | 39.8 |
| Portugal | 36.1 | 31.3 |
| South Africa | 35.7 | 43.1 |
| Switzerland | 35.2 | 38.6 |
| Australia | 33.3 | 40.6 |
| Germany | 33.0 | 39.5 |
| Netherlands | 32.0 | 44.5 |

*Source: Capgemini World Insurance Report, 2015*

It may appear that the difference between the Customer Experience levels of developed and developing insurance markets is getting reduced. But, the fact is, the expectation level in developed markets is much higher than that in emerging insurance markets. Worldwide, insurers find it difficult to keep pace with the rising expectations of the customers, even after using quite advanced technology.

One more thing is noticed in the said report. While all the online channels, banks etc have experienced a fall in the level of Customer Experience, the agents channel has managed to increase its score in Customer Experience. In fact, the level of positive Customer experience in agents channel is twice as much the experience in online channels. That means, people are giving a lot of value to the personalized servicing and customer intimacy which is possible only in agents channel. In North America, agents have been able to generate 51% positive Customer Experience in life sector and 57% in non-life sector.

**Which Distribution Channel can be most effective in India?**

As has been mentioned earlier, the industry still procures 71.42% of new life insurance business through agents. Market leader LIC has built a countrywide agency network and is procuring 95.97% of its individual business through its tied agents. Private insurers as a whole are getting 35.73% of their business through agents and 47.37% through banks. So, their business model is totally different as they use banks as corporate agents in selling insurance. LIC's agents sell policies primarily on the basis of long-standing relationship. Banks are marketing insurance products by way of superior value propositions. It is difficult for alternate channels like banks, brokers and Insurance Marketing Firms to become family friends of the policyholders. The tied agents are immensely successful when they are able to maintain a congenial relationship with their clientele.

What kind of business model is more effective at this moment? As we have seen in the Capgemini Report 2015, the customers are reasonably impressed by the way agents offer them regular advices on financial matters and also post-sales services. In our country, those agents are successful who are energetic enough to give all post sales services. Although customers have become tech-savvy and do a lot of research about insurance products in the internet, an overwhelmingly large number still prefers to buy from the tied agents and expect prompt post sales services from them.

But, some changes have definitely come. Today's customers are far more knowledgeable than before. They have all the relevant data at their fingertips. They know what the premium rates of various companies are and ask the intermediaries why customers should pay a higher premium when a few others are charging less. They also ask why they should buy insurance when the return is lower as compared to some other financial products. Do the intermediaries have answers to such queries and objections?

It is not too easy these days to succeed quickly as an insurance intermediary. The tied agents generally have very modest educational and socio-economic backgrounds. Anybody who is Class-X/XII pass and half-way intelligent can become an agent after passing a simple pre-recruitment test. But, the real test starts after getting recruited. Customers of urban and semi-urban areas are quite knowledgeable about financial products available in the market and they look for reasonably knowledgeable insurance advisor who can candidly explain why insurance should be preferred to other types of products in meeting some of life's financial goals. Do the agents have data to prove their point? Do they scan financial market on a regular basis? In this profession, an insurance intermediary has to upgrade his knowledge continuously, as the training centre of an insurance company or a sales manager can not always move with him in the market.

Therefore, if an insurer wants to recruit tied agents, it has to recruit with care. This is no longer an occupation to be taken up by someone who has failed in other areas. Certain insurance products are really complicated and the agents may have to compare its benefits with that of very different kind of financial products. Knowledge of a few insurance products of his own company will not be enough in closing a sale. The agent must know the returns now available in various debt and equity instruments with the degree of their volatilities. He should be tech-savvy to show proof of his statements by visiting respective sites in the internet or by using some software packages available in the market for the use of insurance intermediaries.

The agents who are able to create positive Customer Experience in Taiwan, South Africa and US are really well educated individuals with high level of confidence, intellect and enthusiasm. Here also, we have that kind of agents but we actually need many more. Most of our agents who are not too high in intellect or educational qualification can be trained to sell some simple products only. Then there will not be any complaints of mis-selling. The new distribution channel called Common Service Centre (CSC) can also be used to sell simple micro-insurance products in rural areas. Even NGOs and SHGs can be used in selling some easy to understand insurance products. Insurers are already using the services of NGOs and they have only to engage NGOs with better credibility.

But, the greater success of insurers will surely depend on how they can get more capable people in the profession of selling insurance and how these people can be properly trained and re-trained on a regular basis. All insurers should try to make the agency career attractive by taking special care of new agents. These agents should preferably be graduates (in urban areas) and should have some minimum urge to make a mark in the profession by following an "on and off the classroom" training program. They have to become professionals in a few years' time by developing certain habits and principles. LIC's new advertisement of inviting bright youths to take up insurance agency as a career is very innovative and inspiring.

Ultimately, insurance products are to be sold by professional people. If it is difficult to make lakhs of insurance agents as professionals overnight, the insurers have to use other distribution channels. But each channel has to take the customers through a well structured sales process, so that there can be no misgivings in the minds of the customers afterwards. All intermediaries should be able to explain why life insurance should be purchased and in sufficient amounts. Intermediaries have to take life insurance to a more respectable position in the financial sector.

Insurers who have been promoted by banks are in a better position to use Bancassurance channel. Other insurers have to select such Bancassurance partners who can take active interest in marketing insurance. If that does not work, they can use other channels like direct marketing (online and offline). The insurance employees and managers are selling a lot of group insurance products directly to the employers. That proves, educated and experienced employees are better placed in marketing insurance to valuable customers. Although life insurance is a great risk management cum savings product, the industry requires capable salespersons to make customers understand how valuable it is in their lives. As people need to put sizeable portion of their income in insurance, the intermediaries have to act responsibly, so that the people can trust them and the insurance companies they represent.

**Industry needs well educated, committed Insurance Salespersons**

This industry badly needs thousands of well educated, well mannered and well disciplined Insurance Consultants/Advisors who can act as game changers in the industry. They can be agents or brokers or bank employees or even Insurance Marketing Firms (IMF). They have to

**Table-3: Proportion of various components of household savings in India (as percentage of total)**

| Components | 2010-11 | 2011-12 | 2012-13 | 2013-14 |
|---|---|---|---|---|
| Currency | 16.3 | 9.7 | 10.3 | 9.7 |
| Bank & Other Deposits | 49.9 | 59.1 | 56.6 | 58.8 |
| Life Insurance Fund | 20.0 | 21.2 | 17.3 | 17.0 |
| Provident & Pension Fund | 13.4 | 10.3 | 11.7 | 11.6 |
| Shares & Debentures | 0.4 | 0.3 | 4.1 | 2.9 |

*Source: RBI Report*

be competent to understand complicated insurance products like health insurance, annuities, ULIPs and various protection plans. They have to be mature professionals. There are great products available in the country. The mature markets of the world have similar products. Nowhere, the return from life insurance product is too high as compared to other risky investment products. Still, insurance occupies a distinct place in the financial savings/investment market. There is no reason why the industry should lag behind here. Table-3 shows that mobilization of savings from life insurance policies has not grown with the times although an emerging and aspiring India needs more long term savings for nation building.

New regulations make it compulsory for the intermediaries to sell insurance products that are actually useful for the customers. There are heavy penalties if the agent or IMF commits acts of mis-selling. But, no amount of regulation can really be enough to make the insurance intermediaries true professionals. Insurers have to recruit right persons, train them thoroughly and then launch the salespersons as full baked professionals. A lot of hand-holding is required in the initial stage of the career of an agent/intermediary. Insurers have very capable people as employees, experienced agents and managers. They have to be involved more and more in marketing of insurance directly. Knowledgeable people have to be made trainers and mentors. It is ultimately the responsibility of the insurers to build strong distribution channels so that the persons who sell insurance to customers know it better what they are selling and what are its merits vis-à-vis other savings/investment products.

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ISSUE FOCUS

# Role of Intermediaries in Health Insurance

*- Munish Daga*

**Introduction**

Insurance is an important part of modern economics as well as the day-to-day life of any individual. Far beyond its role of protecting the country's wealth, insurance is of greater significance to public interest and affairs. It is the only safety net that can help to reduce the financial burden one experiences in a calamity. Over the last few decades, insurance has become the critical tool that protects individuals, families and institutions against, accidents, natural calamities, and illnesses.

In the healthcare industry, insurance forms a major pillar, because consumption of healthcare services today and tomorrow will be defined by how health insurance policies are provided by the insurers and utilized by the insured. The ecosystem that ensures a smooth and streamlined process of delivering health insurance has various key players known as intermediaries who are the facilitators between the end customer and the insurance company. For example, individual agents, corporate agents, banks who sell policies and insurance brokers are the most known intermediaries driving in the front seat of the insurance car. In the back seat of the car are those intermediaries who are though not customer-facing but are equally, if not more important – the technology providers who ensure that the provider and the insurer have a streamlined channel to exchange information and transact, ensuring that and enhanced seamless transaction benefits the customer's experience as well.

Currently in India, as compared to the more mature United States and United Kingdom markets, the role of information technology in delivering health insurance is only beginning to surface in the sector. While the medical equipment and R&D sections of healthcare are consistently evolving, technology in health insurance is yet, to make a mark and certainly, needs support and encouragement from the insurance regulator.

What role does technology play as an intermediary in health insurance and how can it support the other intermediaries? How will it benefit millions of Indians?

**A real-time transaction:** India is fast becoming a cashless society at a steady pace. Across sectors, cashless transactions are being encouraged while simultaneously ensuring that consumer needs are met and the most stringent safety measures are implemented. Two key benefits that emerge are; eliminating the need to carry lump sum cash and more importantly, ensuring fraud-free transactions within the ecosystem. In the case of health insurance too, cashless insurance is being implemented by state governments, encouraged by the regulator and widely used by corporates, small yet, significantly growing in numbers.

With this evolution into a cashless society, the framework that fuels the transaction also needs to evolve. A cashless transaction cannot rely on scanned paper forms, PDFs, e-mails and FAX and channels that do not enable a real-time exchange of information. For example, when a policyholder avails cashless treatment at a hospital, he/she should not wait for a non-electronic medium to accept his/her details and wait for the insurer to respond and pre-approve the claim. Similarly, the hospital too, cannot afford to waste time on manual time-consuming channels of exchange with the insurer. The situation gets further complicated if there are iterations and queries raised. This increases the waiting time for the patient and delays the hospital and the insurers processes both, at pre-approval and at discharge when all the insurance paperwork needs to be completed, resulting in customer dissatisfaction.

**Transparent transactions:** Using electronic mediums to exchange data in real-time has a host of benefits. When data is entered and exchanged on electronic platforms, it needs to be entered only once and does not require conversion at every stage – eliminating data dilution and enhancing accuracy. When data is exchanged in this manner between the hospital and the insurance company/ Third Party Administrator (TPA), the time taken to process the claim from start to end comes down. Since data conversion is eliminated, the possibility of errors is significantly reduced, issues such as legibility of handwriting are eliminated and the reliability and transparency of the process tremendously increases. Enhancing the utility of such platforms with support from application-based technology, access to claims information can be made as simple as making an e-commerce purchase on a mobile app.

By giving way to tighter, more structured and rule-based (coded) information exchange and transactions throughout the claims cycle, the possibility of fraud from any party also comes down. When any iterations or additions are made to the claim that are over and above the guidelines used by the platform, a simple SMS-based escalation can be used to notify everyone involved.

**Enhanced Customer Service:** The electronic platforms in question employs technology that does not require any complex software installation or long training hours, making it easy to adopt by any institution. Internet has brought the world closer and made our lives simpler and it is this tool that is changing the way businesses are emerging and interacting with their customers. The surge of e-commerce companies is testament to that. Similarly, a technology platform can do the same for health insurance, where the policyholder needs to only provide their customer Id and all the requisite data gets immediately populated ready to be transferred to the insurer at the click of a button. The same flexible platform can be molded to use on a mobile phone where, the insurance desk at the hospital can submit claims and respond to queries on the go and the patient can monitor the progress of the claim, raise queries and maintain history easily.

By bringing the policyholder in the loop of the process, giving him/her the access to his policy information and past utility history, he/she will be empowered and made aware at every stage regarding the status of the claim and will not be required to maintain carry documents at the hospital.

**The buzzword called data:** Electronic platforms enable the collation of structured data that can be used to analyze policy usage patterns and research on preventive measures. Rich data resulting from such technology implementation will allow researchers and data scientists to analyze the data and get insights into how men, women, and elderly are using health insurance policies, what are the common diseases, what kind of health insurance policies do diabetics need, how can policies be changed to suit the needs of different groups of people, and more. Moreover, electronic data can help to highlight increasing instances of fraud and misuse of policy. For example, if healthcare facilities in a particular region are recommending diagnostic tests or procedures that are not required. Recorded data of such instances will help to raise a red flag and enable action. Existing policies can also evolve to better suit the needs of the consumers.

Thus, electronic data will not only allow a structured and transparent method of delivering health insurance but will also make healthcare delivery more customer-friendly by making health insurance more suitable to the needs.

**Conclusion:** Implementation is not enough

Just like the way the banking sector has moved online and is enabling customers to make payments using mobile phones and keep a tab on their bank accounts using mobile applications, the insurance sector too, will progress towards moving online from offline. But, mere introduction and implementation of technology infrastructure will not ensure adoption, and optimum utility. Achieving a triple goal – improving outcomes, enhancing customer service and reducing costs will require healthcare IT systems to be as efficient and functionally effective as possible, and require buy-in from all key stakeholders. Technology upgrade should be sought to improve customer service and lower costs and not the other way around.

The empowered app-using online patient is already here. Hence, it is important that healthcare providers keep the patients' needs and perspectives in mind at every touch point. The healthcare industry now needs to focus on what can be done to achieve a delighted customer from a loyal customer, what is that extra mile effort that can be put in to reduce the emotional trauma typical in these situations. Thus, technology implementation decisions must be made by walking in the shoes of a patient, mapping all the touch points and the glitches at each point, and then finding solutions to address the same.

The first step towards this is eliminating myths and empowering oneself with knowledge, and the regulator and the government has a huge role to play here. By suggesting and mandating technology implementation guidelines geared towards consumer awareness and benefit, as well as the overall wellbeing of the sector, delivery of health insurance can catch up with the other sectors benefiting from technology.

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ISSUE FOCUS

# A Lasting Friendship & A Life long Relationship

*- R. Venugopal*

Recently I saw an interesting report in the Times of India newspaper "Piling up of life insurance claims due to non-availability of Bank Account details of customers". The report goes on to give the figures of such claims of a few life insurance companies including those of LIC of India, running to a total of about Rs 5848 crores. What struck me more was that much of these claims pertained to Maturity Claims and as per the orders of the Regulator- IRDAI- those amounts could be only credited to the Bank Accounts of the policyholders and not sent by post as cheques to them.

During our days of service too, we had the problem of either 'Returned cheques' by the postal authorities due to want of correct, current addresses of the customers or cheques not encashed even after 3 months- the time prescribed by the Banks before they could become invalid and we had to issue fresh cheques. I also recall how we used to 'curse' those policyholders who did not have even that much time to deposit their claim cheques! For the 'Returned' cheques by the postal authorities, the only remedy in our armory was the ever available and smiling Agent! We used to chide him/her "Don't you keep track of your own customers? Are you not in touch with them at all?" and the Agent used to run and get the new addresses of the customers within 2/3 days and give them to us. If the policy did not belong to the same Agent and the original Agent was no more in our service, we used to entice the existing Agent by saying "If you do this service, you will get a new policy from the same family" and there used to be a long line of Agents eager to perform such a 'service' & reap the reward!

**The Agent's Role**

Now the pertinent questions are:

- Where are the Agents of such unclaimed policy amounts?
- Are the present Agents not in touch with their own customers, even when their policies mature?
- Don't the Agents collect the Bank details of the policyholders at the time of the submission of the life insurance proposals?
- Accepting the fact these details of the customers are bound to change due to different reasons like transfer of jobs, change of residence etc during the term of the policy, is it not all the more important that Agents should be in contact with their customers regularly?
- Life insurance agency is the only profession where for a sale made a few years ago, the Agent continues to get the Renewal Commission and this is the reward the Insurance Company pays to its Agents for being in continuous touch with the customers- they are supposed to be in contact with their clients and they are expected too- although I know many Agents will not be happy to read this line.
- I know, at the same time, of a lot of life insurance agents who have gone to the residence of their clients umpteen times to

collect their renewal premiums and that is the only reason for those agents getting 'Repeat' new business from the customers.

- The LIC's Advertisement " Identify the insurance Agent in this Group Photograph" released a few years ago showing a group family photograph, became highly famous because nobody could correctly find out where the Agent was in that group, as he would have been in the front row along with the kids or sitting next to the elderly great-grand father or smiling near the young cute, college going girl of the family!
- Have the present Agents taken the line that sending the birthday, wedding day greetings etc by SMS/ Mail to the customers every year- this could be done simply by computer programming- is enough and their duty is over? I am not saying that these greetings are not important but there are more meaningful gestures also to be done by the Agents.
- The Agents should have a list of their customers' policies maturing month-wise every year, collect the requirements from the insurance offices and get them completed including the present details of their Bank Accounts and submit them to the insurance office for making prompt claim payment.
- Again, life insurance is a long term contract of more than 10 years- excepting during the early 2000s where ULIPs were sold for 3/5 years. So majority of the matured policies would be 'Orphaned' policies with their original Agents not in force/ discontinued their agencies/ transferred/ a few of them died also. Here the insurance office gives such a list of matured policies to the existing Agents, who should do the service of collecting the Bank details of the customers and assist in the prompt settlement of claims.
- We must thank IRDAI for giving this golden opportunity to our Agents to be once again in good contact with the customers by insisting on this rule of crediting the policy proceeds only to the Bank Accounts of the policyholders and not dispatching the claim cheques by post to the claimants.

**Selling a Policy is the Beginning, not the End**

Often Agents think that once the sale is completed and the policy issued, it is the end of the transaction. In fact the issue of the policy is only the beginning of a life long relationship with the customer.

**How many of our Agents**

1. Examine the original policy details sitting with the policyholder and preferably his/ her family, checking the particulars like the name, address, nominee's name, the date of maturity etc since there are possibilities of mistakes creeping in? This will avoid a lot of hassles in the future at the time of claim, loan and such services.
2. How many of our Agents visit the customers at the regular intervals so that they can also participate in the different events in the lives of the clients like marriage, birth of a child, joining of the son/daughter in a higher educational institution and the like? This will facilitate addition of new policies from the same family to cover the new needs.
3. How many Agents discuss with their clients the new Products brought out by the insurance company, the new guidelines of the Regulator- IRDAI and the increase in FDI in the insurance sector from 26 to 49% ? Either we think that our customers know nothing about life insurance or they may not be interested to update themselves as to what is happening in our industry. These assumptions are wrong- many of our clients are highly knowledgeable and they are in the corporate world, dealing with huge organizations world wide. They will feel immensely pleased to discuss these issues with not only the Agents but also with the Senior Officers of the Corporation as

well. As a matter of fact, the purpose of Customer Meets at the Branch/ Divisional office level itself is only to have meaningful dialogue with our policyholders to get a proper feedback.

4. How many of our Agents conduct regular Customer Meets for which Senior Officers of the insurance company and dignitaries of the city are invited so that these forums become platforms for exchange of thoughts and ideas?

5. These are some of the initiatives to be taken by Agents in order to sustain and further cement the relationship with their customers.

**Insurance Brokers**

Brokers are representatives of the customers and not the representatives of the insurance companies. Thus Brokers are expected to take care of the interests of the policyholders first and then only of the interests of the insurer, whereas Agents are paid commission by the insurance companies and thus they represent the interests of the insurer and there is always a possibility of Agents thinking more of their business interests than what is in the best interests of the customers.

These are the reasons IRDAI insists on proper training, qualification & Capital for beginning a Broker Company and the Brokers mostly cater more to the insurance needs of large Corporate Houses- both Life & General- than the insurance requirements of Individuals.

Here also, the Broker only places before the Client all the insurance options, explains all the salient features of various Products of different insurance companies and lets the Client choose the best, according to his/her needs. The Broker never recommends any particular Plan or insurance company- he/she is not expected to do it also. This is the Business Ethics required of an Insurance Broker.

**Banc Assurance Partners**

Banks have become partners with the insurers in selling insurance products, after 2000- after the formation of IRDAI.

The banks are allowed to have an insurance partner- Life, General & Health insurance company- to sell their insurance products. Now this limit has been increased by the IRDAI to three companies in each category, thus making the banks as insurance brokers. There are mainly 3 Models of Banc Assurance- only Referral Model, a Tie-up Model with an insurance company becoming? a Corporate Agency Model where the insurer and banker join hands together; and a Joint Venture Model where a bank along with an Indian or Foreign Insurer starts its own insurance company. However, most of the banks choose a Corporate Agency Model or a Joint Venture Model.

Now the moot point is that the banker should not only sell the insurance product but also service it in times of needs. This feature is awfully missing in the sense that the bank employee, selling the insurance product, lacks servicing knowledge, simply shows the hand towards the insurer the moment any servicing aspect crops up. This makes the customer lose faith in the banc assurance model and he/she becomes frustrated with the entire insurance company.

There is an ethical question some times as to whether the bank manager puts extra pressure on the client to take an insurance policy, in view of different facilities extended by the banker to the client like the Over Draft facility, Locker facility, Project Loan etc and the customer is more or less compelled to buy a particular policy from the bank, although he/she may have his/her own family agent.

Let us hope that this pressure is not resorted to by the bankers, as the Regulator is against such practices.

Similarly is there any undue pressure put on the insurer by the bank to settle promptly the death claim of a high net worth bank client in order to win the favor of the family of the deceased and get some bank deposits? There may be even some insistence by the banker to waive some of the formalities of a death claim by the insurer with a view to getting a fast payment. Let us again trust that these methods are not resorted to by the bankers.

These are some of the business ethical issues in the Banc Assurance intermediary.

There is another problem of the bank some times severing distribution ties with an insurer, either to move to another insurer or venture in to a new insurance Joint Venture. This could spell some trouble for the policyholders of the bank's former insurance partner. These policies will go in to the Orphan mode. Several insurers have set up call centers to cater to such policyholders, as Bank Partners may not be in a position to contribute much in this situation as ultimately it is the bounden duty of the insurance company to serve its policyholders. Even otherwise the knowledge level of the servicing of the policies by the bank employees is at a very low ebb.

Now that the banks have become insurance brokers, let us hope that these problems don't crop up in future and the banks become centers of insurance servicing also, besides their selling function to their account holders.

The banks have to take care of this servicing aspect of policies hereafter.

**The Role of Officers & Staff**

Let us not shift the entire responsibility of serving the policyholders & maintaining the friendship and relationship with the customers to only Agents and the other Intermediaries. The office staff too have to contribute a lot and lend a supporting shoulder to the work being done by the Intermediaries in the field. In fact, a major part of the retention of existing policies is in the hands of the servicing staff. The employees should come to the rescue of the field personnel by attending immediately to all the required service aspects of the policyholders brought in by the agents. Then only the Intermediaries can boldly promise the customers prompt service and carry out those assurances.

**What is the role of the Office in this regard?**

- How many office telephone calls are picked up at the second or third ring by the Officer/Staff with a pleasant "Good Morning/ Namesthe, I am from the so and so insurance company and what service I can do for you?" Or the telephone calls picked up after 10/12 tinkles with a grumpy "What do you want?" by an unwilling employee?
- Meetings have become a part of our daily life now-a-days. Hence naturally the Officer concerned is not available in the seat most of the time. Does the person who picks up the telephone take the name and phone number of the caller as well as the message and leave a suitable note on the table of the Officer? Or does he/ she simply bang the phone down shouting "Mr. So and So is not in the seat". It is another story how many such calls are returned promptly even when suitable notes are kept on the table.
- Are the emails received at the office replied immediately? I am not mentioning about the letters because now-a-days, most of the important communications are sent by mail only- No doubt, the postal correspondence is also equally and even more significant as they may be from the lower echelons of our society and they need more of our attention. Unless the emails/ letters are promptly attended to expeditiously, we can't build sustaining relationship with our clients.
- The office can prepare a list of Orphan policyholders by collating with their Agency numbers and send communication to those persons enquiring as to whether they require the services of any of our existing Agents and then allot an Agent to the policyholder, if so desire. This process will slowly eliminate the number of Orphan customers and thereby improve our services too.
- There can be separate Customer Cells in our offices to whose number any Orphan policyholder can contact for any assistance, in case he/she does not want the services of an exclusive Agent.

- There can be a Help Desk in every office at the reception itself. It should have a board saying "In what way, I can serve you?" instead of our usual board of "May I help you?" Because, there is a subtle difference between the two- When the board says "May I help you?", there is a possibility that he/she may not help also, whereas when the board says " In what way, I can serve you?", there is more definiteness of help.

- Apart from giving Loyalty Additions to our policyholders when their long term policies mature, there should be some ways of recognizing our customers at the end of every 5 or 10 years either by way of a small gift- a pen with the emblem of the insurance company or a wallet etc. This will be highly appreciated by our customers more than receiving the Loyalty Addition at the end of the term- in fact, many customers do not even know about the Loyalty Addition concept and they only simply look at the cheque amount.

- Repeat sales are the secret of our success. Unless we are in constant touch with our customers, this is not possible. If one goes to a grocery shop to buy some item, it only denotes a transaction and not relationship. If the person goes to the same shop again and again, it is the beginning of the relationship- this may be due to the warm reception at the shop or the smiling service of the salesman there or the ambience. But the fact remains; a good relationship has been cemented. We are also in the same boat if we can increase our business through Repeat Sales to the same customer.

- Retention of the existing policyholders is equally, if not more, important than obtaining new customers. Already a lot of studies have been done to prove that it is less costly to retain an existing client than going for a new one.

- Empathetic Listening is the only remedy whenever a customer enters our office with a grievance. No client who has come to our office can go back dissatisfied as far as possible should be our motto.

- Moments of Truth are the occasions where the customers feel moved by the service of our Staff and Officers and they leave the portals of our office, fully delighted. These Moments of Truth cement our relationships with the policyholders.

- Social networking has become the order of the day- sites like the Face Book, Twitter, Linked in, You Tube etc are also a part of our contact with our policyholders. Many of the CEOs of the Private Companies take part in twittering and share their views with their customers.

**Conclusion**

The time has come where our customer is no more an outsider.

He/she is a part of our organization.

He/she is contacted, consulted and co opted with.

Because our friendship with our client is a lasting one.

Our relationship with our customer is a life long one.

This is possible only by all of us putting our shoulders together- Agents, Brokers, Banc Assurance Partners, Corporate Agents, Development Officers, Officers & Staff, right from the lowest position of a Driver to the highest position of a Director in an insurance company. Although all the Intermediaries of an insurance company as mentioned above have a crucial role to play in this regard, I give more importance to the role of an insurance Agent/ Advisor in building up and nurturing a lasting friendship & a life long relationship with the policyholders, as he is a permanent and a constant link for years between a customer and an Intermediary and thus this article is dedicated to the role of an insurance agent.

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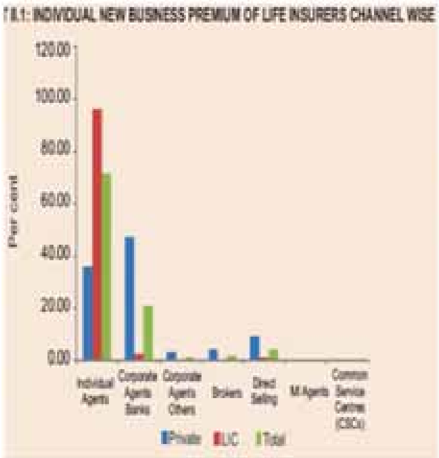
ISSUE FOCUS

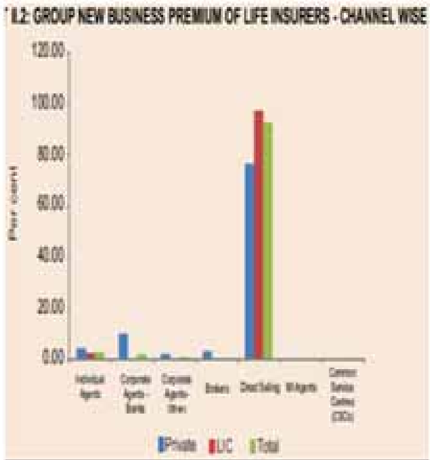
# Time for Data driven Marketing decisions to Insurance Intermediaries

*Jagendra Kumar*

The primary role of insurance intermediaries is to prevent adverse selection. By ensuring that each customer pays appropriate premiums, the intermediary protects the insurer's ability to cover losses while protecting the customers against overpayments. The description "intermediary" is usually synonymous with the concept of a third party whose role is to ensure that both the parties to a contract obtain what they want, the third party working for both parties for their joint benefit. However in the Indian context, the insurance intermediary has been a person who represents the insured and adds value to the transaction. The relationship is almost invariably contractual supported by a mandate from the insured and is usually intended to be paid for the services rendered, by way of commission/ fee. The most common labels for insurance intermediaries are agent and broker. Technically, brokers work for their clients while agents work for insurers. However, agents and brokers do many of the same types of jobs. Further, in areas like travel insurance where penetration is very low, companies are looking at the opportunity to sell via PSP in smaller towns. Such a PSP could be anyone, from a shop-owner, tailor, panchayat leader or teacher in the school, provided they pass the examination and training module.

The insurance industry of India consists of 52 insurance companies of which 24 are in life insurance business and 28 are non-life insurers. Among the life insurers, Life Insurance Corporation (LIC) is the sole public sector company. Out of 28 non-life insurance companies, there are six public sector insurers, which include two specialised insurers namely Agriculture Insurance Company Ltd for Crop Insurance and Export Credit Guarantee Corporation of India for Credit Insurance. Moreover, there are 5 private sector insurers are registered to underwrite policies exclusively in Health, Personal Accident and Travel insurance segments. In addition to 52 insurance companies, there is sole national re-insurer, namely, General Insurance Corporation of India. Other stakeholders in Indian Insurance market include approved insurance agents, licensed Corporate Agents, Brokers, Common Service Centres, Web-Aggregators, Surveyors, Third Party Administrators and the latest one is Insurance Marketing Firms. At present there are 31 third-party administrators, 341 insurance brokers, 11 web aggregators, five insurance repositories, and numerous corporate agents and insurance agents. In view of the fact that the insurance intermediary is at times, an agent for an insurer and at other times, an agent for the insured, it becomes necessary to understand what they do as their general lament is that their role constitutes a fine balancing act, an invidious position.




**INTERMEDIARIES WHO PROCURE PREMIUM:**

Insurance industry is mainly dependent for premium on the intermediaries like Agents, Corporate Agents, Micro Agents, Bancassurance, Insurance Brokers and the Insurance Marketing Firms. Insurance transactions are becoming more complex and in the last decade, policies sought for industrial special risks, legal expenses cover, directors' and officers' liability and the extension of professional indemnity cover to include land surveyors, architects, engineers and even housing agents have become the norm. There is a case to be made out for the necessity of intermediaries, particularly brokers in more complicated types of risk. This is particularly so in package type insurances covering a variety of risks. A good example of this is the Commercial General Liability policy which has to be tailored to protect the rights of the proprietor firm and the liability to the public.

**BACKBONE OF THE INDUSTRY-AGENTS:**

Agents are to be registered with the IRDAI. An individual agent is licensed by the Authority to sell insurance policies to the public and provide after-sales service including assisting at the time of a claim. His licence may be for life insurance, general insurance or both. In addition to representing one life insurance company and one non-life insurance company an agent can also represent one standalone health insurance Company as well as Agriculture Insurance Company of India for selling crop insurance and Export Credit Guarantee Corporation of India for credit insurance. The agent agrees to promote the business of the company and generally enhance the reputation of the company in doing all acts connected with the agency relating to the business of the insurer. The agent, however, have restricted authority in that he has no authority to bind the insurer in any way, to make or alter or discharge any contracts, to waive any lapse for forfeiture except with the prior consent of the insurer. Thus, he is an agent of the insurer in a limited sense and all aspects set out in the first part herein hold in respect of his role as agent for the insured.

Entities eligible to operate as corporate agents include firms, banks, non-banking financial institutions, co-operative societies, NGOs and companies. Corporate entities represent an insurance company and sell its policies. Usually they are engaged in a particular business and sell insurance policies to their existing customers based on the situation. When a bank becomes the corporate agent of an insurance company it is referred to as a bancassurance arrangement or partnership. Banks offer insurance policies to their

**DETAILS OF INDIVIDUAL AGENTS OF LIFE INSURERS 2014-15**

| Insurer | As on 1st April 2014 | Additions | Deletions | As on 31st March 2015 |
|---|---|---|---|---|
| Private Total | 992584 | 313668 | 401949 | 904303 |
| LIC | 1195916 | 342048 | 374360 | 1163604 |
| Industry Total | 2188500 | 655716 | 776309 | 2067907 |

**DETAILS OF CORPORATE AGENTS OF LIFE INSURERS 2014-15**

| Insurer | As on 1st April 2014 | Additions | Deletions | As on 31st March 2015 |
|---|---|---|---|---|
| Private Total | 540 | 65 | 244 | 361 |
| LIC | 149 | 14 | 21 | 142 |
| Industry Total | 689 | 79 | 265 | 503 |

TABLE I.59 SHARE OF VARIOUS CHANNELS OF DISTRIBUTION - NUMBER OF POLICIES ISSUED AND AMOUNT OF PREMIUM FOR FY 2014-15

| Name of the Channel | Individual Business | | Group Business | | Total (Individual + Group) | |
|---|---|---|---|---|---|---|
| | No. of policies Issued | Gross Premium | No. of policies Issued | Gross Premium | No. of policies Issued | Gross Premium |
| Brokers | 3% | 3% | 7% | 43% | 3% | 26% |
| Corporate Agent - Banks | 15% | 12% | 52% | 4% | 16% | 7% |
| Corporate Agent - Other than Banks | 2% | 4% | 11% | 1% | 3% | 2 % |
| Direct Sale - Online | 2% | 3% | 0% | 0% | 2% | 1% |
| Direct Sale - Other than Online | 9% | 8% | 17% | 45% | 9% | 29% |
| Individual Agents | 69% | 70% | 13% | 8% | 67% | 35% |
| Micro-insurance Agents | 0.005% | 0.000% | 0% | 0.008% | 0.013% | 0.004% |
| **Total of all channels** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |

customers based on their knowledge of their situation and needs. Corporate Agents can represent one life insurer, one non-life insurer and one standalone health insurer. In addition they can represent the two specialised insurance companies, Export Credit Guarantee Corporation and Agriculture Insurance Corporation of India. The Amendment Act has set the backdrop for several new regulations and significant changes to existing regulations in 2015, which has to be undertaken by the Regulator in the near future. There are Micro Agents who are engaged in marketing the Micro products of both life and general insurance companies. The IRDAI issued clarifications on a number of regulations notified or revised relating to, among others, life insurance business, health insurance business, web aggregators, insurance brokers, surveyors, and loss assessors.

All insurers, reinsurers and insurance intermediaries are regulated by the Regulator. The Insurance Act and the IRDAI Act lay down certain general principles. The specific regulations issued by the Authority from time to time govern insurers and intermediaries, depending on the nature of business undertaken by these entities. The contribution of Insurance intermediaries in health insurance premium is as follow:

CHART I.23 CONTRIBUTION OF VARIOUS CHANNELS IN HI PREMIUM

**CORPORATE ENTITY: BROKER:**

Insurance Brokers represent the customer, and are licensed to give policies from any insurance company. They can provide expert advice on the insurance policies and are paid a brokerage by the insurance company whose policy a customer finally choose. Insurance brokers are required to exclusively carry on the distribution of insurance products. Any company, limited liability partnership or co-operative society may apply to the Authority for grant of an insurance broker licence. Applicants can register as direct brokers, reinsurance brokers, or composite brokers (involved in both direct and reinsurance broking). The minimum capital for direct brokers is INR5 million, INR20 million for reinsurance brokers and INR25 million for composite brokers.

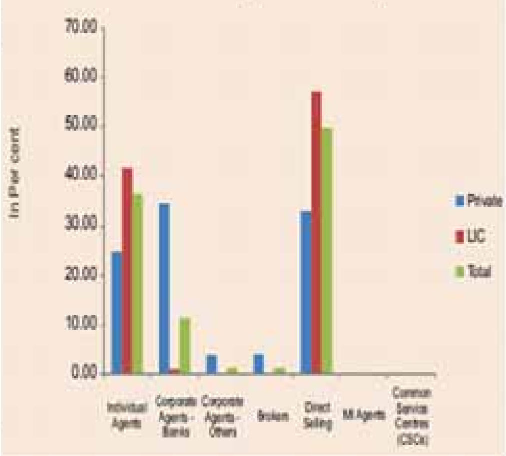
**INSURANCE MARKETING FIRMS:**

Insurance Marketing Firm is a new distribution channel to solicit or procure insurance premium, to distribute other financial products

**STATE WISE LIST OF INSURANCE BROKERS AS ON 31-03-2015**

| S.No | State | No. of Brokers |
|---|---|---|
| 1 | Maharashtra | 132 |
| 2 | New Delhi | 85 |
| 3 | West Bengal | 36 |
| 4 | Tamil Nadu | 36 |
| 5 | Andhra Pradesh & Telangana | 29 |
| 6 | Uttar Pradesh | 23 |
| 7 | Gujarat | 18 |
| 8 | Karnataka | 17 |
| 9 | Punjab | 12 |
| 10 | Kerala | 13 |
| 11 | Rajasthan | 7 |
| 12 | Chandigarh | 4 |
| 13 | Madhya Pradesh | 4 |
| 14 | Haryana | 3 |
| | **Total** | **419** |

**CHART II.3: NEW BUSINESS PREMIUM (INDIVIDUAL & GROUP) OF LIFE INSURERS**




by employing individuals licensed to market, distribute and service such other financial products. This form of intermediary has been recently introduced by the IRDAI. Entities that are licensed as insurance marketing firms will be able to distribute insurance products along with mutual funds, pension products and certain other financial products, provided that permissions are in place to distribute those financial products from the respective regulator. IMFs will be permitted to distribute the insurance products of only two life insurers, two general insurers and two health insurers at any point of time, and changing the insurer whose products are to be distributed can only take place with the prior approval. IMFs are required to have a minimum capital of INR1 million. They are also permitted to undertake survey functions through licensed surveyors on its rolls, policy servicing activities, and other activities which are permitted to be outsourced by insurers under the applicable regulatory framework.

**INDIVIDUAL NEW BUSINESS PERFORMANCE OFLIFE INSURERS FOR 2014-15 - CHANNEL WISE**

(Figures in percent of Premium)

| Life Insurer | Individual Agents | Corporate Agents | | Brokers | Direct Selling | MI Agents | Common Service Centres (CSCs) | Total Individual New Business | Referrals |
|---|---|---|---|---|---|---|---|---|---|
| | | Banks | Others* | | | | | | |
| Private Total | 35.73 | 47.37 | 3.35 | 4.49 | 9.06 | 0.003 | 0.001 | 100.00 | 0.04 |
| LIC# | 95.97 | 2.60 | 0.12 | 0.02 | 1.24 | 0.05 | 0.00 | 100.00 | 0.00 |
| **Industry Total** | 71.42 | 20.84 | 1.44 | 1.84 | 4.42 | 0.03 | 0.001 | 100.00 | 0.01 |

* Any entity other than banks but licensed as a corporate agent.
\# Does not include its overseas new business premium.
**Note:** 1) New business premium includes first year premium and single premium.
2) The leads obtained through referral arrangements have been included in the respective channels.

**REINSURANCE INTERMEDIARY:**

When the first insured risks began being reinsured by others willing to assume a share of the original risk, it is likely that a broker is there to introduce the original insurer to the reinsurer. In the London market, where reinsurance effectively began, it is the reinsurance intermediary who, on behalf of the ceding insurer, works through the reinsurance market by visiting the reinsurance underwriters individually and providing them with the basic details of the business to be reinsured. Essentially, the reinsurance intermediary is a go-between, whose function it is to bring together the reinsured and reinsurer to secure a contract of reinsurance on terms agreeable to both parties. The reinsurance intermediary often assist the reinsured in planning and developing its reinsurance program, propose to the reinsured the reinsurers to solicit those reinsurers and prepare the reinsurance slip and, eventually, the reinsurance contract wording, that will be presented to the reinsurance market for agreement.

**OTHER INSURANCE PROVIDERS & DIGITAL INTERMEDIARIES:**

Only licensed insurance agents, corporate agents and other insurance intermediaries can solicit and procure insurance business for insurers. Insurers are also permitted to engage licensed telemarketers and licensed web aggregators for the solicitation and procurement of

**GROUP NEW BUSINESS PERFORMANCE OF LIFE INSURERS FOR 2014-15 - CHANNEL WISE**

(Figures in percent of Premium)

| Life Insurer | Individual Agents | Corporate Agents | | Brokers | Direct Selling | MI Agents | Common Service Centres (CSCs) | Total Group New Business | Referrals |
|---|---|---|---|---|---|---|---|---|---|
| | | Banks | Others* | | | | | | |
| Private Total | 4.52 | 10.36 | 5.10 | 3.40 | 76.60 | 0.00 | 0.00 | 100.00 | 0.00 |
| LIC# | 2.47 | 0.03 | 0.00 | 0.03 | 97.47 | 0.00 | 0.00 | 100.00 | 0.00 |
| **Industry Total** | **2.90** | **2.22** | **1.08** | **0.75** | **93.05** | **0.00** | **0.00** | **100.00** | **0.00** |

* Any entity other than banks but licensed as a corporate agent.
# Does not include its overseas new business premium.
**Note:** 1) New business premium includes first year premium and single premium.
2) The leads obtained through referral arrangements have been included in the respective channels.

insurance business and to purchase access to the database of licensed referral companies.

The online insurance industry in India is witnessing a phenomenal level of growth for the past few years. Insurers also recognised the imprint online mode had made on the minds of consumers and therefore they initiated to promote online term insurance quotes and policies. There were around 165 million internet users in India in 2014. This figure has reached around 200 million this year. Online purchase of policies has increased from 2 per cent to 200 per cent in just two years. Looking at this, the growth rate of the online industry in the years coming ahead is expected to be in three digits. If a report from management consulting firm like BCG is to be believed, digital insurance will skyrocket to Rs 15,000 crore by year 2020. As per industry research and analyses, it is said that in the 2-3 years, three out of every four insurance purchase decisions will be influenced by digital channels of sales and marketing. That's an astounding number. It simply demonstrates the power of digital media and its growing role in the insurance sector in India.

**SERVICE DELIVERY INTERMEDIARIES:**

Third party administrators, surveyors and loss assessors are also required to be licensed in the Indian jurisdiction and operate under the aegis of comprehensive regulations of the Authority. All insurance intermediaries like Surveyors, Third Party Administrators, Web Aggregators, and Insurance Repositories obtain the appropriate authorisation and licence from the Authority by fulfilling certain essential requirements, providing adequate documentation on its constitution. Third Party Administrator (Health Services) are service providers to insurance companies for processing health insurance claims and offering facilities like cashless settlement of claims. The position of TPA services in 2014-15 was as follow:

A referral entity provides data of its clients to an insurer who wishes to sell policies to them. It does not actually sell the policies. It may also introduce its clients to the insurer; provide space in its office for the use of the employees of the insurer and for display of publicity material to help the insurer sell policies. Web Aggregators compile and provide information about insurance policies of various companies on a website.

**CLAIMS HANDLED THROUGH TPAs**

(Numbers in Actual) (Amount in ₹ Lakh

| Particulars | Cashless | | Reimbursement | | Benefit Based | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Number | Amount | Number | Amount | Number | Amount | Number | Amount |
| Claims pending at the beginning of the period | 2,14,691 | 25,957 | 1,41,908 | 37,705 | 162 | 60 | 3,56,761 | 63,722 |
| New claims registered during the period | 29,48,225 | 8,93,386 | 27,43,720 | 9,05,460 | 1,108 | 195 | 56,93,053 | 17,99,041 |
| Claims settled during the period | 26,81,472 | 6,67,282 | 24,38,734 | 6,34,613 | 611 | 144 | 51,20,817 | 13,02,039 |
| Claims repudiated during the period | 1,87,695 | 76,773 | 3,05,101 | 1,08,203 | 476 | 76 | 4,93,272 | 1,85,052 |
| Claims pending at the end of the year | 2,93,749 | 1,75,288 | 1,41,793 | 2,00,348 | 183 | 35 | 4,35,725 | 3,75,672 |

| LICENCES ISSUED TO SURVEYORS AND LOSS ASSESSORS | | |
|---|---|---|
| | 2013-14 | 2014-15 |
| **Fresh licenses** | | |
| Individual | 480 | 182 |
| Corporate | 55 | 5 |
| **Sub total** | **535** | **187** |
| **Renewals** | | |
| Individual | 1784 | 2137 |
| Corporate | 158 | 20 |
| **Sub-total** | **1942** | **2157** |
| **Trainee Enrollments** | 536 | 753 |

| WEB AGREGATORS APPROVED BY THE AUTHORITY (AS AT 31 MARCH, 2015) | |
|---|---|
| **S No.** | **Name** |
| 1 | iGear Financial Services Pvt. Ltd. |
| 2 | Great Indian Marketing & Consulting Services Pvt. Ltd. |
| 3 | Voila Consultancy Services India Private Limited |
| 4 | Policy Mantra Insutrade Pvt. Ltd. |
| 5 | Deztination Insurance Solutions Pvt. Ltd. |
| 6 | Commet Insurance Web Aggregator Pvt Ltd. |
| 7 | PolicyX.com Insurance Web Aggregator Pvt Ltd |
| 8 | Fingoole Insurance Web Aggregator Pvt Ltd. |
| 9 | OA Insurance Web Aggregators Pvt Ltd. |
| 10 | Easy Policy Insurance Web Aggregator Pvt Ltd |
| 11 | Policybazaar Insurance Web Aggregator Pvt Ltd. |

The IRDAI (Protection of Policyholders' Interests) Regulations 2002 provide, among other obligations, that insurers follow certain practices at the point of sale of the insurance policy, to ensure that the insured can understand the terms of the policy properly. Penalties for non-compliance as set out in the Insurance Act have been significantly enhanced under the Amendment Act and new penalties have been introduced, including penalties on intermediaries for receipt of remuneration in breach of the regulations. Insurance Repositories maintain data of insurance policies in electronic form on behalf of Insurance Companies. Only five Repositories have been licensed so far. The Indian insurance sector is highly regulated. The Regulator has issued various regulations governing the functioning and compliance requirements of all entities in the insurance sector. Under the rules and regulations, insurers and intermediaries must carry on all core functions themselves. Only non-core activities can be outsourced to external service provides, in accordance with the rules on outsourcing. In addition, there are periodic reporting requirements in relation to agreements entered into for outsourcing any function. Each intermediary has an individual identity and a separate domain to operate across India.

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ISSUE FOCUS

# "Role of Intermediaries in Insurance Industry"

- *R. Venkatesan*

**INTRODUCTION:**

Insurance is an essential element in the operation of sophisticated national economies throughout the world today. Insurance is a financial product that legally binds the insurance company to pay losses of the policyholder when a specific event occurs. The insurer accepts the risk that the event will occur in exchange for a fee, the premium. The insurer, in turn, may pass on some of that risk to other insurers or reinsurers.

Distribution of insurance is handled in a number of ways. The most common is through the use of insurance intermediaries. Insurance intermediaries serve as the critical link between insurance companies seeking to place insurance policies and consumers seeking to procure insurance coverage. Intermediaries, traditionally called "brokers" or "agents" or "producers," offer advice, information and other services in connection with the solicitation, negotiation and sale of insurance.

**MEANING OF INTERMEDIATORY:**

An insurance agent would be desired by an individual to compare insurance products and quotes that best suit the person's interest, whether it is in the home, auto, health, or life sectors. Insurance is sold through three different means independent agents, captive agents, and direct through the internet. Independent agents have more to offer than other agents making them a strong competitor in the insurance industry. An intermediary (or go-between) is a third party that offers intermediation services between two trading parties. The intermediary acts as a conduit for goods or services offered by a supplier to a consumer. Typically the intermediary offers some added value to the transaction that may not be possible by direct trading.

Common usage includes the insurance and financial services industry such as mortgage Broker, insurance broker, and financial advisors offer intermediation services in the supply of financial products such as mortgage loans, insurance and investment products.

In law, intermediaries can facilitate communication between a vulnerable witness, defendant and court personnel to Achieve Best Evidence and ensure all parties have a fair trial.

In barter, the intermediary is a person or group who stores valuables in trade until they are needed, parties to the barter or others have space available to take delivery of them and store them, or until other conditions are met. In a larger sense, an intermediary can be a person or organization who or which facilitates a contract between two other parties.

The Internet is creating a transparent awareness on the threats and opportunities available to automate intermediaries in many industries.

Firm or person (such as a broker or consultant) who acts as a mediator on a link between parties to a business deal, investment decision, negotiation, and in money markets, for example, banks act as intermediaries between depositors seeking interest income and borrowers seeking debt capital. Intermediaries usually specialize in specific areas, and serve as a conduit for market and other types of information also called a as middle man

Marketing inter mediatory means, individual or firm (such as an agent, distributor, wholesaler, retailer) that links producers to other intermediaries or the ultimate buyer. Marketing intermediaries help a firm to promote, sell, and make-available a good or service through contractual arrangements or purchase and resale of the item. Each intermediary receives the item at one pricing point and moves it to the next higher pricing point until the item reaches the final buyer. Also called distribution intermediary.

Financial Intermediary means, a financial institution in a transaction. A bank usually serves as a financial intermediatory by providing a mortgage to the home or auto buyer and in some non-traditional transactions, bank may buy a product and re-sell it for a profit to a third party. Most of the transactions requiring a loan to one of the parties include financial intermediatory.

Insurance intermediatory means, brokers or agents who represent consumers in insurance transactions. Insurance intermediatory are contracted with multiple insurers, so they can focus on their clients' needs with the most suitable insurance products. Insurance intermediatory is a person or a company that helps the insured in buying insurance and now-a-days they are called as insurance advisors.

The intermediary has two tasks, Firstly, the completion and submission of the Proposal Form and, secondly, negotiation of the issue of the policy. Knowledge of the broker cannot be imputed as knowledge of the insurer.

A Reinsurance Intermediary-broker means any person, other than an officer or employee of the ceding insurer, firm, association, or corporation that solicits, negotiates, or places reinsurance cessions or retrocession's on behalf of a ceding insurer without the authority or power to bind reinsurance on behalf of that insurer.

A Reinsurance Intermediary-manager means any person, firm, association, or corporation that has authority to bind, or manages all or part of the assumed reinsurance business of, a reinsurer (including the management of a separate division, department, or underwriting office) and acts as an agent for the reinsurer whether known as a reinsurance intermediary-manager, manager, or other similar term.

**Intermediaries and Risk management:**

There are many ways to protect financial assets. Purchase of insurance is the traditional way to transfer risk, but there are other methods that intermediaries and their clients use to ameliorate risks. Use of alternative risk transfer mechanisms – such as forming captive insurance accepting higher insurance deductibles, or setting up reserves to pay losses – is an example.

**Self-insurance**

Self-insurance can take many forms. Policyholders can assume higher deductibles or accept lower amounts of insurance coverage. Self-insurance programs, however, must be carefully balanced with a well-managed loss control program to minimize the exposure a business faces and to protect third parties that are injured. That is where skilled intermediaries come in to act as consultants in designing programs.

**Captives**

Creating a captive insurance company is a popular risk-financing alternative, especially when insurance costs are high. Captives are also popular options for commercial enterprises that want to finance and control their risks. A captive insurer is an insurance company that is wholly owned by a non-insurance organization, typically a large company or group of companies in the same business. An intermediary may help a client to establish a captive and/or manage the captive once it is up and running.

**LLOYD'S INSURANCE INTERMEDIARIES**

Lloyd's underwriters do not generally deal directly with policyholders. Instead, business is normally accepted through the following intermediaries:

**Broker:** Insurance business is generally brought in to the market by brokers that have undergone the Lloyd's broker registration process. These are known as Lloyd's registered brokers and they are able to do business with any Lloyd's syndicate providing they have a Terms of Business Agreement.

Any broker may deal direct with an individual syndicate providing the managing agent has carried out a process equivalent to the Lloyd's registration process. These brokers are known as non-Lloyd's registered brokers.

**Cover Holders:** Lloyd's underwriters may delegate their authority to enter into contracts of insurance to an intermediary known as a cover holder. The general principle is that the cover holder acts as agent of the Lloyd's underwriters (rather than as agent of the policyholder).

Registered Open Market Correspondents: Certain brokers are registered as 'open market correspondents', which permits them to negotiate contracts of insurance with the Lloyd's market. This may be directly with Lloyd's, via a managing agent, or through a Lloyd's broker.?

**TAKAFUL AGENT:**

The word takaful is derived from the Arabic verb kafala which simply means to take care of one's need. In other words "A" for example, guarantees to take over the liability of "B" in the event of a calamity afflicted upon the latter. Under this simple illustration it is only a one-sided relationship in the sense that only "A" would be the party that assumes the responsibility. However, following the above example, if "B" were at the same time would reciprocate to take care of the needs of "A" then a kind of joint guarantee between them is established. Therefore the pact between at least two parties agreeing to jointly guarantee one another in the event of a loss, as a consequent of being afflicted by a calamity defines the term Takaful.

As a concept of joint-guarantee, takaful can be applied and adopted both by the public and private sectors. For the public sector, the concept can be used to develop and implement the social security scheme for the public, commonly known as takaful al-ijtimai. This form of takaful is usually undertaken by the government such as the SOCSO, EPF and LTAT schemes where its organization and structure are set by the authorities usually by special legislations. The takaful al-ijtimai or social security type of scheme is normally run at the behest of the authorities. Services and products provided are generally standard without the freedom of choice to the consumers. A person who aspires for products or services over and above the standard offered cannot do so even he has the means. Islam does not forbid such freedom as long as the means of choosing do not contradict its teachings.

Likewise, the joint-guarantee as embedded in the concept of takaful can be translated into practical operation in the form of business or commercial transaction within the tijari or private sector as one of the Islamic financial players in a market economy of which the subject is to be covered in this section. In this manner, like banking, takaful can be the alternative to the conventional insurance. Under the tijari sector the public as consumers will have the right to choose the types of product and service suitable to their taste and need.

*(SOURCE: ISLAMIC BROKER COM)*

**Who is an insurance or takaful intermediatory?**

Insurance agents, brokers and financial advisers are insurance intermediatory and helps the insured in buying the insurance. On the other hand, takaful intermediatory is someone who solicits takaful business or invite potential customer to enter into takaful contracts with operators and they are also known as takaful agent or broker. An insurance or takaful agent represents the insurer to takaful operator and basically/ primarily sells insurance products or issued by the insurer or operator and advises the insured /customer on the most suitable insurance policy or takaful plan. An insurance inter mediatory is a person or a company that helps you in buying insurance. Insurance agents, brokers and financial advisors are intermediatory. On the other hand, a takaful agent or intermediatory is someone who solicits takaful business or invites potential customers to enter into takaful contracts with operators. They are also known as takaful agents and brokers.

**Need of the insurance intermediatory**

Insurance transactions are becoming more complex and in the last decade, policies sought for industrial special risks, legal expenses cover, directors' and officers' liability and the extension of professional indemnity cover to include land surveyors, architects, engineers and even housing agents have become the norm and these types of cover have joined traditional classes of cover such as motor insurance, marine insurance, personal accident, contractors' all risks cover and householders' policies.

There is a case to be made out for the necessity of intermediaries, particularly brokers in more complicated types of risk. This is particularly so in package type insurances covering a variety of risks. A good example of this is the condominium insurance policy which has to be tailored to protect the rights of either the subsidiary proprietor or the management corporation or the bank.

As the concept of risk management is coming to the fore, brokers are particularly tapped on for advice by corporate entities on the following aspects:

1. how to minimize insurable losses;
2. the scope of cover which is required to cover the risks which need to be insured against;
3. the types of risks which a company would find more economical to minimize and bear itself;
4. the age old question of sourcing for the most suitable insurer who provides the widest cover at the best rates;
5. in the course of renewal of cover; and
6. In the event of claims, the broker's expertise is required in determining whether it is covered under the policy and if so, the appropriate quantum payable. The broker then assists the insured through his expertise and indeed his exhortations to the insurer to have the claim settled.

Therefore, in spite of telemarketing, e-commerce and direct selling by insurers, intermediaries, particularly the brokers, will continue to play a vital part in arranging cover and providing their expertise in the event of claims. the insurance intermediary is at times, an agent for an insurer and at other times, an agent for the insured, it becomes necessary to understand what they do as their general lament is that their role constitutes a fine balancing act, an invidious position.

**Roll of insurance intermediatory:**

Most insurance services are very complex experience and credence goods. Therefore, an assessment of their features and the ability to choose among many diverse offers requires specialized knowledge. Because of high information asymmetries and high search costs insurance intermediaries play an important role in mediating

**These differences are illustrated in the table below:**

| Types of Intermediaries Representation / Registration /Licensing | Insurance Agent | Takaful Agent Broker | Insurance/ Takaful | Financial Adviser |
|---|---|---|---|---|
| Represents | Insurance Company | Takaful Operator | Customer | Customer |
| Licensed/ Registered by: | PIAM (general agents) or LIAM (life agents) | Registrar of Takaful Intermediaries | Bank Negara Malaysia | Bank Negara Malaysia |

*Source: bank Negara Malaysia*

between the two market sides. By reaping economies of scale and scope, they are able to reduce transaction costs and information asymmetries between insurance companies and customers. Besides they offer ex ante advisory services and ex post services in contract fulfillment like claim settlement.

A trading license is sufficient and can be easily obtained. But there are profound differences. Unlike an insurance broker an insurance agent is tied to a certain insurance company whose products he or she sells. In contrast to that, an insurance broker is free to choose from the products of various companies. These differences are reflected by the law. Insurance agents act as commercial agents in the name of a particular insurance company, whereas insurance brokers act as commercial brokers.

**Advantages or Benefits of engaging insurance intermediatory**

Finding the right level of insurance cover can be a time-consuming and expensive task. If you're keen to find a better deal, or you're unsure of the level of cover required, an insurance broker could be right for you. Insurance brokers are experts in the market and have a talent for finding the best cover at the best price.

If you're shopping for unusual insurance products that you have limited knowledge of, brokers can use their knowledge and experience to advise you on a suitable level of cover.

Brokers are independent and work with a carefully selected group of insurers that they have regular contact with and are usually able to secure exclusive deals.

Using a broker doesn't cost more than going direct. Brokers are paid a commission by the insurance provider for selling their products so you shouldn't need to pay an additional fee on top of your premium.

It's important that no insurance jargon goes unnoticed. A broker is responsible for ensuring any optional extras or cover not included within your policy are clearly disclosed to give you a clear understanding for the level of cover being offered.

For niche insurance requirements find a specialist provider. Comparison sites, or going direct, aren't obvious mediums for identifying any essential items excluded, such as income protection or breakdown cover.

Not only is your broker there to see you obtain the best deals available on the market, but any claims are dealt with via your broker to save you the hassle and worry, through what can be a difficult and frustrating process.

**Agent of the insured**

This issue assumes prominence, particularly in litigation between the insurer and the insured and also when a broker is being sued for professional negligence. Whether the intermediary is the agent of the insurer or the insured is often determined by the following criteria which are instructive, but not exhaustive:

1. who sets the intermediary in motion first;
2. the control of the intermediary's actions;
3. the interest that the intermediary has to protect; and
4. Who pays the intermediary?

The last of the above criteria, i.e. who pays the intermediary, is, in my view, the least important, for it is a clearly established principle that when a person approaches an insurance broker to arrange for cover, the broker at that point in time is the agent of the proponent (i.e. the prospective insured).

*Source: ins.inf com*

**DISADVANTAGES:**

Although using an insurance agent can be highly effective, there are disadvantages in working insurance brokers that may be unscrupulous. As they are sales professionals who are mostly paid on commission, if an insurance agent is lacking in moral hazard, they may oversell you and push you into a plan you may not be comfortable with if they can make more money on the deal.

That being said, it is up to the consumer to weigh the pros and cons of using an insurance agent. Although a good insurance agent can narrow the policy choices down, it is ultimately up to you to assess your coverage needs and the protection you want for your family.

The Relationship between Insurers, Insured's and Insurance Brokers

The issue is important because it determines who bears the risk of the intermediary being negligent or fraudulent when he relays information about the insured to the insurer before the insurance contract is finalized. If the intermediary is acting as the agent of the insurer and fails to tell the insurer something material, or provides incorrect information, the insurance cover will be unaffected.

But if the intermediary is acting as the agent of the insured, the insurer can treat the policy as invalid, even if the insured had no knowledge of the intermediary's breach. Instead of being able to claim under the policy, the insured's only remedy is to sue the intermediary for damages. Most consumers think the intermediary is working for the insurer, but English law generally assumes that an insurance intermediary acts on the insured's behalf when it receives and passes on information.

The intermediary would be treated as acting for the insurer unless clearly independent and acting on the insured's behalf. Insurers, in particular, were concerned about taking on responsibility for the actions of intermediaries outside their control. Many respondents thought that, as a result, insurers would become increasingly reluctant to do business with smaller, independent intermediaries.

An intermediary with authority to bind the insurer to provide cover, or who is the appointed representative of the insurer, or who is expressly authorized by the insurer to collect pre contract information on its behalf would be treated as the insurer's agent. In other cases, however, the intermediary would act for the insured, unless a close relationship between the intermediary and the insurer indicates the insurer has granted the intermediary authority to act on its behalf. The policy statement sets out a non-exhaustive list of factors which should be taken into account when considering whether the insurer/intermediary relationship is sufficiently close.

Branding and white labeling – where the insurer allows the intermediary to brand its services with the insurer's name, or conversely where the insurance product is branded with the intermediary's name – are factors that indicate an agency relationship between insurer and intermediary. As are other situations where the insurer exerts substantial control over the way the intermediary conducts its business.

Tied or multi-tied agents, who only place insurance with one or a limited number of insurers, are more likely to be found to be agents of the insurer. The smaller the number of insurers, the closer the relationship with those insurers is likely to be.

An intermediary, however, is more likely to be acting for the insured where he provides impartial advice, where the insured pays a fee or where the intermediary fully discloses any commission he has received from the insurer.

**CONCLUSION:**

As greater demands may be made on intermediaries, particularly brokers' skills in the vibrant paced world of commercial transactions, more obligations may also be imposed on brokers. Thus, a broker has to note the terms and conditions of cover and the exclusions and be able to advise the proponent accordingly. Direct contact between the broker and the insured is needed in order for the broker to ensure by himself, rather than through the sub-agent, that the proponent realizes the obligation to disclose all material facts which might be relied upon by the insurer as grounds for avoiding the contract.

Source: Law gazette com UK

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# प्रकाशक का संदेश

**बीमा उद्योग में मध्यवर्तियों की भूमिका**

बीमे की एक विलक्षण विशेषता यह रही है कि जनसाधारण द्वारा खरीदे जाने के लिए व्यवस्थित रूप में उद्यमशीलता के साथ इसका विपणन करने की आवश्यकता है। खास तौर से यह भारत जैसे बाजारों के लिए जो 'इतने वित्तीय रूप से साक्षर बाजार नहीं है, अधिक आवश्यक है। बीमाकर्ता संकल्पना और अभिकल्पन करते हैं तथा अनुमोदन प्राप्त करते है और तब अपने उत्पादों का प्रस्ताव करते है। परंतु इस क्रम में कि उत्पाद अभीष्ट लाभार्थी तक पहुँचे और लाभार्थी उसे खरीदने के लिए स्वीकार करे, एक प्रभावशाली मध्यवर्ती - जो विक्रता और खरीदार के बीच सेतु का कार्य करता है - अत्यंत आवश्यक है। यहीं पर उद्योग एक महत्वपूर्ण भूमिका का निर्वा करने के लिए एजेंटों, दलालों, बैंकों, बीमा विपणन फर्मों आदि के लिए गुंजाइश रखथा है।

समय के चलते, विनियमनकर्ता ने मध्यवर्ती अंतराल में नवोन्मेषण के लिए स्वीकृति दी है जिसके द्वारा बीमा वितरण व्यवस्थाओं की पहुँच का विस्तार करने के लिए बीमा विपणन फर्म, सामान्य सेवा केन्द्र, बैंकों के लिए पुन:संरचित कॉरपोरेट एजेंसी प्रणाली, वेब संग्राहक, विक्रय-स्थल पर विक्रेता आदि अस्तित्व में आये है। इसके अतिरिक्त, आगे और नवोन्मेष भी प्रगति पर है, जैसे बीमा सेवा केन्द्र, जिनके द्वारा एक ही स्थान पर अनेक बीमा कंपनियों की विक्रयोत्तर सेवाएँ उपलब्ध कराना प्रस्तावित है।

पिछले कई वर्षों से इस प्रकार के मध्यवर्तियों को दय कमीशनों और व्ययों के संबंध में तथा इस बात को लेकर भी चर्चा हो रही है कि क्या बीमाकर्ताओं के समग्र व्यय-अनुपात को घटाने के लिए इन्हें कम किया जा सकता है। जबकि सिक्के के दोनों पहलुओं पर तर्कों के (कमीशन के स्तरों को बनाये रखने अथवा उन्हें घटाने के लिए) अपने-अपने गुण और दोष है, उद्योग के लिए आखिरकार यह बेहतर होगा कि ऐसे कमीशनों और व्ययों को, प्रदान की जा रही सेवा (दोनों विक्रय-पूर्व और विक्रयोत्तर) की गुणवत्ता के उपयुक्त बनाया जाए। जहाँ विनियमनकर्ता पॉलिसीधारकों के हितों कोा ध्यान में रखते हुए ऐसे भुगतानों के संबंध में विभिन्न बीमाकर्ताओं के बीच समानता बनाने रखने के लिए प्रयास करेगा, वहीं यह अत्यावश्यक है कि एक अत्यधिक प्रतिस्पर्धी बाजार में पुरस्कारों अथवा कमीशनों की माँग करने के बजाय उन्हें अर्जित किया जाए। ऑश्रलाइन विक्रय और बीमा उत्पादों की सेवा जैसी तकनीकी उन्नति के एक वास्तविकता बन जाने के साथ ही, केवल मध्यवर्ती की सेवा की गुणवत्ता (विक्रय से पहले और विक्रय के बाद, दोनों ही) ही अदा किये जानेवाले पारिश्रमिक अथवा कमीशन की राशि के संबंध में निर्णायक कारक होगी। इस बात को ध्यान में रखने की आवश्यकता है तथा सेवा की गुणवत्ता में आगे और सुधार लाने के लिए अवश्य आत्यंतिक सावधानी बरतनी होगी और प्रयास करने होंगे ताकि किसी भी मध्यवर्ती के विरुद्ध पॉलिसीधारक की ओर से शिकायत के लिए कोई गुंजाइश न रहे।

मुझे आशा है कि प्रस्तुत अंक में प्रकाशित आलेख रोचक पाये जाएँगे। प्राकृतिक और मानवनिर्मित आपदाओं में जोखिम-प्रबंध के महत्व को ध्यान में रखते हुए अगले अंक का फोकस **''आपदा प्रबंधन में बीमे की भूमिका''** पर होगा।

टी.एस. विजयन

**टी.एस. विजयन**
अध्यक्ष

# पॉलिसी चयन : मध्यस्थ भूमिका

**- डॉ. सुबोध कुमार एवं डॉ. राज पाल सिंह रावत**

दीपा नेगी देवप्रयाग थाने में हैड कॉस्टेबल है। क्षेत्र के सभी लोगों से परिचय है। एक परिचित बीमा एजेन्ट है। वह जीवन बीमा सरल पॉलिसी के लिये आग्रह कर रहे हैं। निगम की पॉलिसी होने के कारण इसमें 'सेलरी सेविंग स्कीम' का विकल्प है जिसके अन्तर्गत प्रीमियम की राशि वेतन से प्रतिमाह कट जाती है। बार-बार प्रीमियम जमा करने का झंझट नहीं रहता। गढ़वाल के देवप्रयाग जैसे स्थान पर अभी ऑनलाइन आदि विकल्पों का चलन और सुविधा आदि बहुत सीमित है। श्रीमती नेगी विचार कर रही हैं कि बीमा भविष्य का विषय है। आने वाले समय में उन्हें अपने बेटे की शिक्षा और व्यवसायिक प्रशिक्षण के लिए बड़ी राशियों कि आवश्यकता सम्भावित है। अब उनकी बीमा और निवेश की योजना बालक की जरुरतों के अनुरुप हो। साथ ही, यह प्रश्न एक बार पुन: उपस्थित है कि बीमा पॉलिसी परिवार में किसके नाम में होना उपयुक्त होगा। बीमा सुरक्षा प्रदान करता है और बीमित सदस्य के न रहने की दशा में आर्थिक समस्या के समाधान की प्रस्तुति करता है। यही जीवन बीमा का मौलिक हेतु है। दीपा छ: वर्ष से इसी पुलिस स्टेशन पर तैनात हैं। आठ साल का एक बेटा है, साथ रहता है। लगभग तीन वर्ष पूर्व, पति की सड़क दुर्घटना में मृत्यु हुई। इस घटना ने उन्हें हिलाकर रखा दिया। दोनों ने अपनी पसंद से शादी की थी। ऋषिकेश में बी.कॉम करते समय परिचय हुआ था। दीपा को तेज लड़की माना जाता था। सरकारी सेवा में होने के नाते कोई वित्तीय कठिनाई नहीं है, लेकिन भावनात्मक रुप से बहुत आहत हैं।

भारतीय जीवन बीमा निगम की एक 'जीवन श्री' बीमा पॉलिसी दीपा के नाम है, उन्नीस हजार रुपये वार्षिक प्रीमियम जाता है। उस समय यह पॉलिसी बीमा एजेन्ट शर्मा जी ने उनके पति मनोज नेगी के नाम से करने का सुझाव दिया था। लेकिन, दीपा ने सभी विनियोग अपने नाम पर रखने का विचार बनाया हुआ था। 'जीवन श्री' पॉलिसी अधिक आय वाले व्यक्ति ही लेते हैं। अन्यथा, दोनों रोजगार प्राप्त युगल इस योजना के ग्राहक हैं। इस पॉलिसी का प्रीमियम भुगतान करते समय श्रीमती नेगी के अन्तर्मन में एक बार जरुर आता है कि यदि यह बीमा प्लान मनोज के लिए होता तो उन्हें बड़ी राशि मिली होती। वह देहरादून में एक टू-बीएचके फ्लैट लेने की इच्छुक हैं। बीमा का उद्देश्य विनियोग से भिन्न है। यद्यपि, इसमें विनियोग तत्व भी विद्यमान रहता है।

## विमर्श

यदि ऑन लाइन व्यवहारों को छोड़ दें, तब जीवन बीमा में पॉलिसी का विक्रय अभिकर्ता के माध्यम से होता है। एजेन्ट की भूमिका जीवन बीमा व्यवसाय में अत्यन्त महत्वपूर्ण रहती है। एजेण्ट का प्राथमिक दायित्व माना जाता है कि प्रस्तावक की आर्थिक स्थिति के अनुरुप बीमा उत्पाद का चयन कराये। इसके अतिरिक्त जोखिम अभिगोपन के परिप्रेक्ष्य में एजेन्ट का दायित्व होता है कि जोखिम का परीक्षण सावधानीपूर्वक करें। विशेष रुप में, बिना मेडीकल जीवन बीमा में एजेण्ट की भूमिका और अधिक विस्तृत हो जाती है क्योंकि मेडीकल रिपोर्ट के अभाव में अभिकर्ता रिपोर्ट को ही जोखिम आकलन का आधार बनाया जाता है।

व्यवहार में देखा गया है कि एजेंट की रुचि अपने कमीशन की दर तक सीमित रहती है जबकि उससे अपेक्षा है कि वह ग्राहक हित को सर्वोपरि प्राथमिकता दे। अभिकर्ता प्राय: बीमा खरीददार के परिचित होते है। अत: उनके लिये सुगम है कि अपने ग्राहकों को उनकी जरुरत के मुताबिक उत्पाद की सलाह दे सकें। साथ ही, यह भी देखा गया है कि कई बार एजेण्ट स्वयं इतने सजग और सूचना सम्पन्न नहीं होते कि उन्हें बीमा के जटिल उत्पादों के तुलनात्मक गुण दोषों की सटीक जानकारी हो। यह दायित्व बीमा कम्पनियों का है कि अपने अभिकर्ताओं को समुचित रूप से प्रशिक्षित करें जिससे वह अपनी भूमिका का निर्वहन न्यायोचित ढंग से कर सकें। सर्वेक्षणों में यह पाया गया है कि अभिकर्ताओं को पॉलिसी की शर्तों का पूरा ज्ञान नहीं होता और वे ग्राहक का सही मार्गदर्शन नहीं कर पाते है।

## विनियोग बनाम सुरक्षा

जीवन बीमा उत्पादों की विशेषता है कि उनमें विनियोग और सुरक्षा दोंनों तत्व विद्यमान रहते है। ग्राहक प्राय: यह भेद नहीं कर पाते कि वह बीमा उत्पाद को किस निमित्त ले रहे है और उनका प्रधान प्रयोजन क्या है? जब तक स्वंय को उद्देश्य स्पष्ट नहीं होगा तब तक निर्णय सटीक

नहीं हो सकता। यद्यपि दृष्टिकोण में में सुधार करना आसान नहीं होगा फिर भी एक बीमा एजेन्ट अपने ग्राहक के प्रोफाइल को देखकर बेहतर सिफारिश की पेशकश अवश्य कर सकता है। यह जरुरी है कि परामर्श देते समय अभिकर्ता के मन में ग्राहक हित चिन्तन प्रमुखता से हो। अन्यथा, कम उपयुक्त पॉलिसी का चयन हो सकता है। ऐसे अनेक अवसर देखने में आते हैं कि पॉलिसी चयन में समझदारी नही बरती गई।

### पूर्ण प्रकटन नियम एवं फ्री लुक अवधि

सुरक्षाकर्मियों के जीवन में कार्यस्थलपरक जोखिम अपेक्षाकृत अधिक रहती है। यह उल्लेखनीय है कि महिला वर्ग सुरक्षाकर्मी को तुलनात्मक रुप से सुरक्षित कार्य सौंपने में स्वभाविक वरीयता दी जाती है। इस प्रकार, पुरुष सुरक्षा कर्मी जीवन में कतिपय अधिक जोखिम निहित होता है। बीमा संविदा में 'पूर्ण प्रकटन नियम' का पालन करना दोनों पक्षकारों - बीमा क्रेता और बीमा विक्रेता को करना अनिवार्य है। प्रस्ताव पत्र के लिखित रुप से होने के कारण यह नियम बीमा ग्राहक पर सहज रुप से लागू हो जाता है, किन्तु बीमादाता की ओर से पॉलिसी की उपयुक्तता और गुणदोष का वाचन सम्पक् ढंग से हुआ अथवा नहीं इसका पता नहीं लगाया जा सकता क्योंकि यह विचार विनियम मात्र मौखिक है। यहाँ उल्लेखनीय है कि ऑन लाइन संविदाओं में बातचीत की रिर्कार्डिंग की जाती है। वहाँ यह प्रमाण उपलब्ध रहेगा कि एजेन्ट कि भूमिका नियम और न्याय संगत थी अथवा नही थी। संविदा होने के बाद, एक बार फिर बीमाधारक को अवसर मिलता है - फ्रीलुक अवधि के अन्तर्गत। विधि सम्मतता के स्थान पर यदि श्रेष्ठ व्यवसायिक नैतिक मर्यादा दृष्टिकोण अपनाया जाये तब बीमा व्यासाय का सर्वाधिक हित होगा। पॉलिसी धारक और बीमा एजेन्ट के मध्य विश्वासाश्रित सम्बन्ध होता है। बीमा का प्रमुख सिद्धांत है - परम सद्भाव का सिद्धांत। यहाँ बीमा अभिकर्ता की भूमिका बहुत व्यापक हो जाती है। उसका कर्तव्य है कि वह पॉलिसी चयन, भुगतान विकल्प, राशि निर्धारण, नामांकन आदि में सावधानीपूर्वक सत्य निष्ट से युक्तिपूर्ण परामर्श प्रस्तुत करने को तत्पर रहे। आईआरडीएआई इस सन्दर्भ में जीवन बीमा अभिकर्ता के लिये आदर्श संहिता के रुप में कुछ दिशा निर्देश जारी कर सकता है।

### मृत्यु की अनिश्चितता और शाश्वतता

बीमा अनिश्चितता का किया जाता है। बीमा की विषय वस्तु जोखिम है और ऐसी जोखिम जोकि पूरी तरह से अनिश्चित है। बीमा जोखिम के समाधान की एक विश्वस्त रीति है, यदि विषयगत जोखिम बीमा योग्य हो। अन्यथा, सभी जोखिम बीमा योग्य नहीं होती। जीवन के बारे में ध्रुव सत्य है कि मृत्यु निश्चित है। साथ ही यह एकदम अनिश्चित है कि मृत्यु कब होगी। यहीं कारण है कि एक ओर अल्पायु का बीमा होता है तब दूसरी ओर दीर्घायु का बीमा होता है, जिसे पेन्शन प्लान के रुप में लिया जाता है। बीमा प्रस्तावक से अपेक्षा है कि वह एजेन्ट को सभी प्राथमिकतायें स्पष्ट करे। चाहे वे नितान्त व्यक्तिगत स्वभाव की ही हों। अन्यथा, एजेन्ट के लिए यह संभव नहीं हो सकेगा कि वह सर्वोत्तम उपयुक्त पॉलिसी के चयन में युक्तिपूर्ण परामर्श कर सके।

### परिवार में बीमा किसका कराया जाये

जीवन बीमा कम्पनियां परिवार के सभी सदस्यों को ध्यान में रखकर पृथक-पृथक किस्म की योजनायें प्रस्तुत करती है। परिवार प्रमुख के लिए अधिकांश पॉलिसियां उपलब्ध है। साथ ही, कामकाजी महिलाओं, गृहिणी और बालकों-बालिकाओं को ध्यान में रखकर भिन्न-भिन्न विधि योजनायें उपलब्ध है। यह प्रश्न कि किसी परिवार में किस सदस्य का बीमा हो और किस राशि के लिये रखना उपयुक्त होगा, इसका समाधान काफी हद तक वैयक्तिक स्तर पर हो सकेगा। यह प्रमुखता से इस बात पर निर्भर करेगा कि परिवार की आय संरचना कैसी है और व्यय प्रवृत्ति किस प्रकार की है। पति-पत्नी दोनों रोजगार प्राप्त है, तब दोनों के लिये जीवन बीमा लेने की सलाह दी जायेगी। वित्तीय सलाहकार उनके जीवन के आगामी व्यय अवसरों को भी अवश्य ध्यान में रखेगा। आयकर में छूट भी बीमा निवेशकों के लिये बड़ा आकर्षण रही है। कतिपय कारणों से आयकर छूट के आकर्षण में बीते वर्षों में काफी कमी हुई है, क्योंकि इसकी सीमा में उतनी वृद्धि नहीं हुई और इसके प्रतियोग विकल्प अनिवार्य श्रेणी के अथवा श्रेष्ठतर है। संतान की आयु के आधार पर उनकी भावी आवश्यकताओं के लिये प्रत्याशित राशि के नियोजन के लिये बीमा धन का निर्धारण और पॉलिसी का चयन किया जाता है।

वित्तीय सेवाओं में जिनमें बीमा सेवा भी सम्मिलित है, 'ट्रीट योर कस्टमर फेअरली' संकल्पना को साकार किया जा रहा है जिसके छः आधारभूत उपादनों में से एक है कि ग्राहक को उसकी आवश्यकता अनुरुप उत्पाद चुनने में उसक मदद की जाये। इसी प्रकार श्रेष्ठ नैतिक व्यवसायिक मानदण्डों में भी यह निर्धारित है कि ग्राहकों को सम्पूर्ण विक्रय प्रक्रिया में परामर्शी सुविधा सक्रियता से प्रदान की जाये जिसका आशय यह है कि विक्रय के पूर्व से लेकर, विक्रय के दौरान और विक्रय के बाद में भी। यहां तक अपेक्षा की जाती है है कि परिवार की दशा में परिवाद प्रस्तुत करने में भी ग्राहक का यथा संभव सहयोग किया जायेगा। फलस्वरुप, यथेष्ठ ग्राहक हित पोषण हो सके और सभी पक्षकारों के अधिकारों का सम्यक् संरक्षण हो।

डॉ. सुबोध कुमार एवं डॉ. राज पाल सिंह रावत विचार लेखक के व्यक्तिगत हैं।

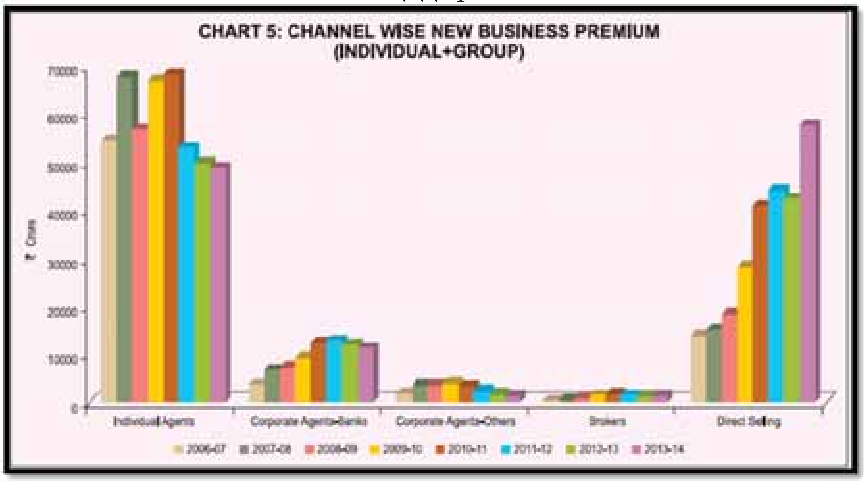
# जीवन बीमा मध्यस्थ - समस्याऐं अनेक पर कार्य सराहनीय।

- डॉ अजय कुमार मिश्रा

किसी भी व्यवसाय के सबसे महत्वपूर्ण घटकों में से एक महत्वपूर्ण स्थान मध्यस्थों का होता है जो कि उस कम्पनी के उत्पाद को जन मानस के मध्य पहुॅचाते है प्रतिफल के रुप में पारिश्रमिक अर्जित करते है। पर यह सामान्य व्यवस्था जीवन बीमा के क्षेत्र में इतनी आसानी से लागू नहीं होता है। क्योंकि बीमा मध्यस्थों के लिये यह अत्यंत आवश्यक है की बीमा के समस्त पहलुओं के बारे में अच्छी, तरह समझ रखते हो साथ ही साथ उचित प्रकटीकरण का भी गुण उनमें विद्यमान हो। कई तरह के सहयोग की आवश्यक्ता ग्राहकों को बीमा मध्यस्थों से बीमा उत्पाद बेचने के पश्चात करनी ही पड़ती है, जैसे की दावा में सहयोग करना, पॉलिसी सेवा संम्बंधित कार्यों में सहयोग करना, समय-समय पर बीमा के बारे में नवीनतम जानकारी से पूर्ण रहना। यदि देखा जाय तो कम्पनी के प्रथम जोखिम अंकन का कार्य वो स्वयं करते है साथ ही साथ आवश्यकता आधारित विक्रय में अपनी महत्वपूर्ण भूमिका अदा करते है। यानि की किसी भी बीमा कम्पनी की नींव यदि यह कहा जाय की बीमा मध्यस्थों पर टिकी है तो कोई अतिश्योक्ति नहीं होगी। जीवन बीमा के निजीकरण के पश्चात बीमा मध्यस्थों ने अनेकों परिवर्तन देखे है कुछ उनके हित में रहे हैं और कुछ उनके हित में प्रत्यक्ष तौर पर नहीं रहे हैं। निजीकरण के एक दशक से भी अधिक का समय व्यतीत हो जाने के पश्चात भी बीमा मध्यस्थ अपनी कोई स्थाई पहचान नही बना पाये हैं और परिवर्तन के मार्ग से अभी भी गुजर रहे हैं। इस पूरी व्यवस्था के लिए जितनी जिम्मेदारी बीमा कम्पनियों, बीमा नियमाक की रही है उससे कहीं अधिक बीमा मध्यस्थ स्वयं रहे है। बीमा मध्यस्थों के बारे में समझने से पूर्व यह अति आवश्य है की विगत वर्षों में उनके द्वारा किये गए व्यवसाय में हिस्सेदारी को समझा जाय।

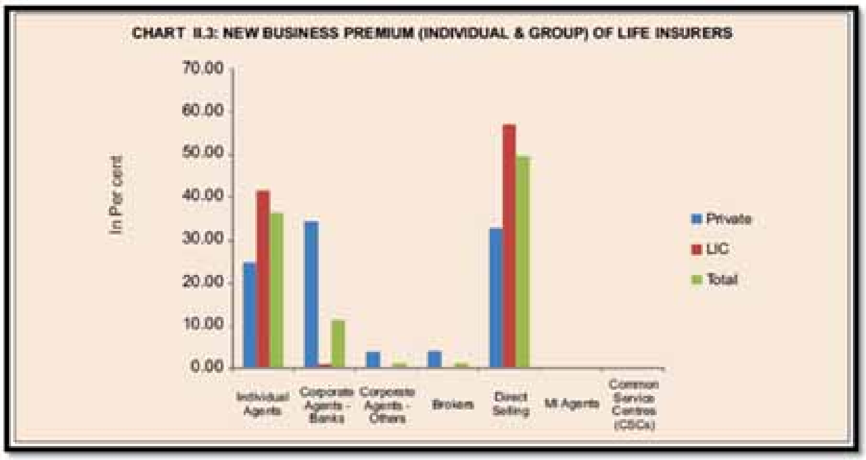
**बीमा मध्यस्थ और उनका योगदान:** व्यावहारिक रूप से देखा जाय तो बीमा उत्पाद के विक्रय में सहयोग करने वाले है 1) अभिकर्ता

चित्र-1




*Source : IRDAI Hand Book 2013-14*

चित्र-2

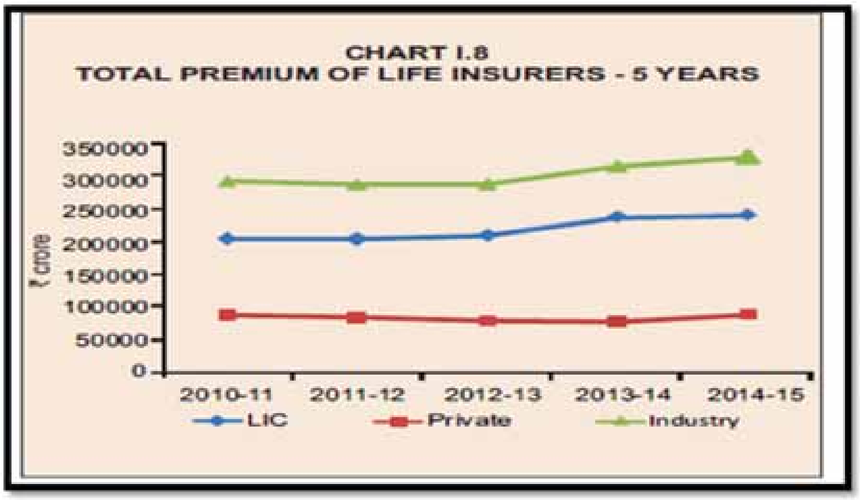



*Source : IRDAI Hand Book 2013-14*

2) कार्पोरेट अभिकर्ता 3) ब्रोकर्स 4) प्रत्यक्ष बिक्री 5) सूक्ष्म बीमा अभिकर्ता 6) सीएससी 7) वेब एग्रीगेयण और नयी विचारधारा के रूप में 8) बीमा विपणन फर्म है। इन सब में यदि देखा जाय तो अभिकर्ता द्वारा विक्रय परम्परागत विक्रय के रूप में माना जा सकता है जिनकी संख्या जीवन बीमा के क्षेत्र में 31 जनवरी 2016 तक 20.18 लाख है। भारतीय जीवन बीमा निगम की नींव ही बीमा अभिकर्ताओं पर टिकी हुई है जिनके पास में 10.69 लाख अभिकर्ता 31 जनवरी 2016 तक कार्यरत है। हालाँकि वर्तमान प्रतियोगी बाजार में भारतीय जीवन बीमा निगम ने अपने को नये रूप में प्रस्तुत किया है और विक्रय के अन्य माध्यमों से भी पॉलिसी का विक्रय कर रही है जिनमें सीधी बिक्री भी शामिल है। निजी क्षेत्र के कुल 23 जीवन बीमा कम्पनियों के पास मात्र 9.40 लाख बीमा अभिकर्ता 31 जनवरी 2016 तक है। यानी की औसतन 00.42 लाख जीवन बीमा अभिकर्ता प्रति निजी बीमा कम्पनी के साथ कार्यरत है। अभिकर्ता के अतिरिक्त विक्रय के माध्यम है बीमा विपणन फर्म जिन्हें अभी अपनी उपयोगिता को प्रमाणित करना बाकी है। यदि विगत के वर्षो के मध्यस्थों द्वारा किये गये कार्य को देखे तो स्पष्टत: चित्र-2 में एक बात निकल कर सामने आ रही है की सीधी बिक्री की हिस्सेदारी दिन प्रतिदिन बढ़ती चली जा रही है। जीवन बीमा के उत्पाद विक्रय में मध्यस्थों की भूमिका अत्यंत ही महत्वपूर्ण है। मध्यस्थ चाहे जो भी हो सराहनीय कार्य इस लिये है की देश में कही न कही बीमा के विस्तार में सहायक है। यहाँ नवीनतम उपलब्ध (वित्तीय वर्ष 2014-15) के जीवन बीमा व्यवसाय चैनल वाइज देखना अनिवार्य है। सीधी बिक्री में वृद्धि होने का प्रमुख कारण लोगों में जागरूकता और इन्टरनेट की पहुँच में वृद्धि को माना जा सकता है।

**बीमा मध्यस्थों की समस्यायें:** बीमा मध्यस्थों की अनेकों समस्याएं है जिनकी वजह से वो अपना त्वरित योगदान जीवन बीमा के क्षेत्र में नहीं कर पाये है। अनेकों मूलभूत परिवर्तन किये गये परन्तु उन सब में बीमा मध्यस्थों की सहूलियत को ध्यान में नहीं रखा गया नतीजन अनेक बीमा मध्यस्थों ने इस व्यवसाय से दूरी बना लिया। आकड़े कम्प्यूटर में अच्छे लगते है और नीति और नियम किताबों में। जो नियम व्यवहारिक न हो वह लोगों को अपने साथ लम्बी अवधि तक जोड़ें नहीं रख सकता। यह सत्य है की जीवन बीमा के विक्रय का कार्य अत्यंत ही जटिल है और शायद यही वजह थी की बीमा बिक्री करने वाले मध्यस्थों को आकर्षक कमीशन राशि का भुगतान किया जाता था परन्तु विगत वर्षों के कुछ उत्पाद परिवर्तन के नियमों ने बीमा मध्यस्थों की पारिश्रमिक को कम कर दिया नतीजन अनेक मध्यस्थों ने इस व्यवसाय से पलायन कर लिया। बेरोजगारी की बीमारी से ग्रसित इस देश में मध्यस्थों के रूप मे अनेक लोगों को न केवल बीमा व्यवसाय में रोजगार प्राप्त हो सकता है बल्कि बीमा का प्रचार प्रसार भी तेजी से हो सकता है। रही सही कसर सेवाकर ने पूरी कर दी न केवल बीमा अभिकर्ताओं को सेवाकर उनके द्वारा अर्जित आय पर देना पड़ता है बल्कि पॉलिसी धारक को प्रीमियम के साथ सेवाकर देना पड़ता है। सबसे आश्चर्यचकित कर देने वाला विषय यह है कि आयकर की धारा 80सी के अन्तर्गत प्राप्त होने वाली निवेश में आयकर से छूट के उपलब्ध समस्त निवेशों में इकलौता जीवन बीमा क्षेत्र ही है जिसपर सेवाकर लागू होता है। इन सबके आलावा बीमा मध्यस्थों के रूप में कार्य करने की एक जटिल प्रक्रिया है जिसकी पूर्ति सभी के द्वारा संभव नहीं है एवं उसके पश्चात् भविष्य की सुनिश्चितता नही है। समस्त कार्य वर्षों में एक ही तरह का कार्य करना है - बीमा विक्रय। नये और पुराने बीमा मध्यस्थों में कोई भेद नही है। जमीनी सुविधा जो एक नौकरी पेशा

चित्र-3




*Source : IRDAI Hand Book 2013-14*

आदमी को प्राप्त होती है जैसे ऋण, ग्रेच्युटी, पेंशन, रिटायर्मेंट, कार्य प्रोमोशन आदि बीमा मध्यस्थों को प्राप्त नही है। बीमा मध्यस्थों को व्यक्तिगत अभिकर्ता बनने के माध्यम को छोड़ कर अन्य बीमा विक्रय के माध्यम के रूप में कार्य करने के लिए भारी पूँजी की आवश्यक्ता है जो सबके बस की बात नहीं है। जीवन बीमा उत्पाद में नयापन न होना भी बीमा अभिकर्ताओं की रुचि और विक्रय में प्रभाव डालता है। बीमा मध्यस्थों से सम्बंधित नियम कानून थोड़ा जटिल है। जो बीमा मध्यस्थ कार्य कर रहे हैं उनमें स्थायित्व नहीं है। इन सब समस्याओं के होते हुये भी एक बहुत ही अच्छी बात यह है की आज भी बीमा मध्यस्थों द्वारा ही बीमा के उत्पाद का विक्रय किया जा रहा है और समस्त जीवन बीमा कम्पनी की नींव इन पर विद्यमान है। बीमा मध्यस्थों की आवश्यकता के लिये भारतीय जीवन बीमा बाजार के स्वरुप को समझना अति आवश्यक है। नवीनतम उपलब्ध डेटा का विवरण निम्न है।

**निष्कर्षात्मक टिप्पणी:** कोई भी व्यवस्था यदि चल रही है तो उसे अच्छा माना जा सकता है परन्तु उस व्यवस्था में छोटे-छोटे सुधार कर और प्रभावी बना देना अत्यंत आसान है न की व्यवस्था को परिवर्तित कर देना। बीमा मध्यस्थों की आवश्यक्ता और उनकी समस्यायों के निवारण के लिये यह अत्यंत आवश्यक है की भारतीय व्यावसायिक परिवेश में इनके बारे में हर बड़े छोटे पहलुओं के बारे में गहन विचार किया जाय और इनमें सुधार किया जाय। नियमों और कानूनों को और व्यावहारिक बनाया जाय। बीमा मध्यस्थों के पेशे को और आकर्षक बनाया जाय और बीमा उत्पाद में नवीनता लायी जाये। बीमा व्यवसाय को तुरन्त सेवाकर मुक्त किया जाय जिससे पॉलिसी होल्डर के साथ साथ बीमा मध्यस्थों की रुचि इसमें बनी रह सकें। बीमा मध्यस्थ के उपलब्ध समस्त माध्यमों में व्यक्तिगत अभिकर्ता माध्यम सबसे भरोसे योग्य माना जा सकता है जिनमें कार्य करने के लिये कम पूँजी की आवश्यक्ता होती है और कार्य करने का त्वरित मौका मिल जाता है।

भारतीय जीवन बीमा निगम ने अपने कार्यो से यह प्रमाणित भी किया है की परम्परागत जीवन बीमा विक्रय प्रतिनिधि अत्यंत महत्वपूर्ण है और इनके बारे में अलग से सोचने की जरुरत है। किसी देश का आर्थिक विकास तभी हो सकता है जब वित्तीय सेवाओं का न केवल प्रचार प्रसार हो बल्कि लोगों की हिस्सेदारी हो। जीवन बीमा भी अपने आप में बेमिसाल है जो न केवल वित्तीय संकटों की समस्यायों को दूर करता है बल्कि स्थिर धन को देश के विकास में लगाता है। और यह तभी संभव हो पाता है जबकि बीमा का विक्रय भारत देश के प्रत्येक नागरिकों को किया जाय और यह तभी सम्भव होगा जब जीवन बीमा मध्यस्थों को आधुनिक आवश्यकता और भारतीय बीमापरिवेश के अनुरूप तैयार किया जाय। बीमा मध्यस्थ किसी भी बीमा कम्पनी की सफलता के आधारभूत स्तम्भ है।

डॉ. अजय कुमार मिश्रा, विचार लेखक के व्यक्तिगत हैं।

# Snapshot of Life Insurance Industry as at 31.01.2016

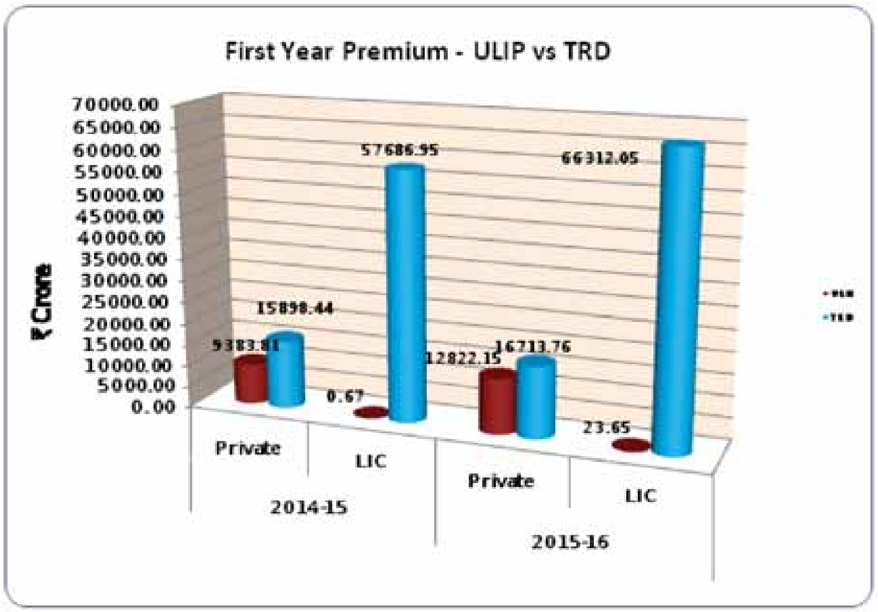
The Life Insurance Sector procured Rs. 95871.62 crore First Year Premium with a growth of 15.55% as at the end of 31st January, 2016. LIC procured Rs 66335.70 Cr with a growth of 14.99% where as Private Sector procured Rs 29535.92 Cr posting a growth of 16.82%. Private sector experienced a growth in both Individual NB and Group NB where as LIC shown a growth in Group NB and decline in Individual NB.

The number of individual policies has shown a growth of 2.03% by public sector and 8.30% by private sector and a overall growth of 3.47% at the industry level. The number of lives covered under Group policies has shown a growth by 42.05% at the industry level.

ULIP business has shown a growth of 36.88% up to the period ended 31st January, 2016 compared to the corresponding previous period. The Life Insurance Industry has procured Linked Premium of Rs.12845.80 crore as at 31st January, 2016 as against Rs. 9384.48 crore for the same corresponding period of previous year. This entire growth may be attributed to the Private Sector (growth of 36.64%) while LICI has a growth of 3429.85% with Rs.23.65 crore against the Rs. 0.67 crore business in the previous year corresponding period.

The share of Pension (30.64%), Annuity (8.29%) and Health (0.15%) segments has shown growth where as Life (60.92%) segment has shown a decline when compared to last year's performance. The individual pension business shows a decline both in terms of number of policies and premium. Group Pension premium has a growth of 22.86% for private sector and 42.64% for LICI. However, the share of individual pension premium out of the total pension premium remains at just around 2.7%.

The number of individual agents* in life insurance sector stood at 20,17,916 with a net reduction of 49,920 (2.4%) for the period. There is a net addition of 44,715




*(* Source data is from Life Council's MIS for the month of January, 2016)*

(4.9%) agents in private sector which has ended up with a total of 9,48,947 agents while there is a net reduction of 94,635 (8.1%) in case of LIC which closed the month of January 2016 with a total of 10,68,969 individual agents.

**Analysis of ULIP business:**

The Life Insurance Industry has procured Linked Premium of Rs.12845.80 crore as at 31st January, 2016 as against Rs.9384.48 crore for the same corresponding period of previous year. It shows an increase of 36.88%.

LIC's Premium is Rs.23.65 crore (PY Rs.0.67 crore), an increase of 3429.85%

Private players have collected linked Premium of Rs.12822.15 crore (PY Rs.9383.81 crore), an increase of 36.64%.

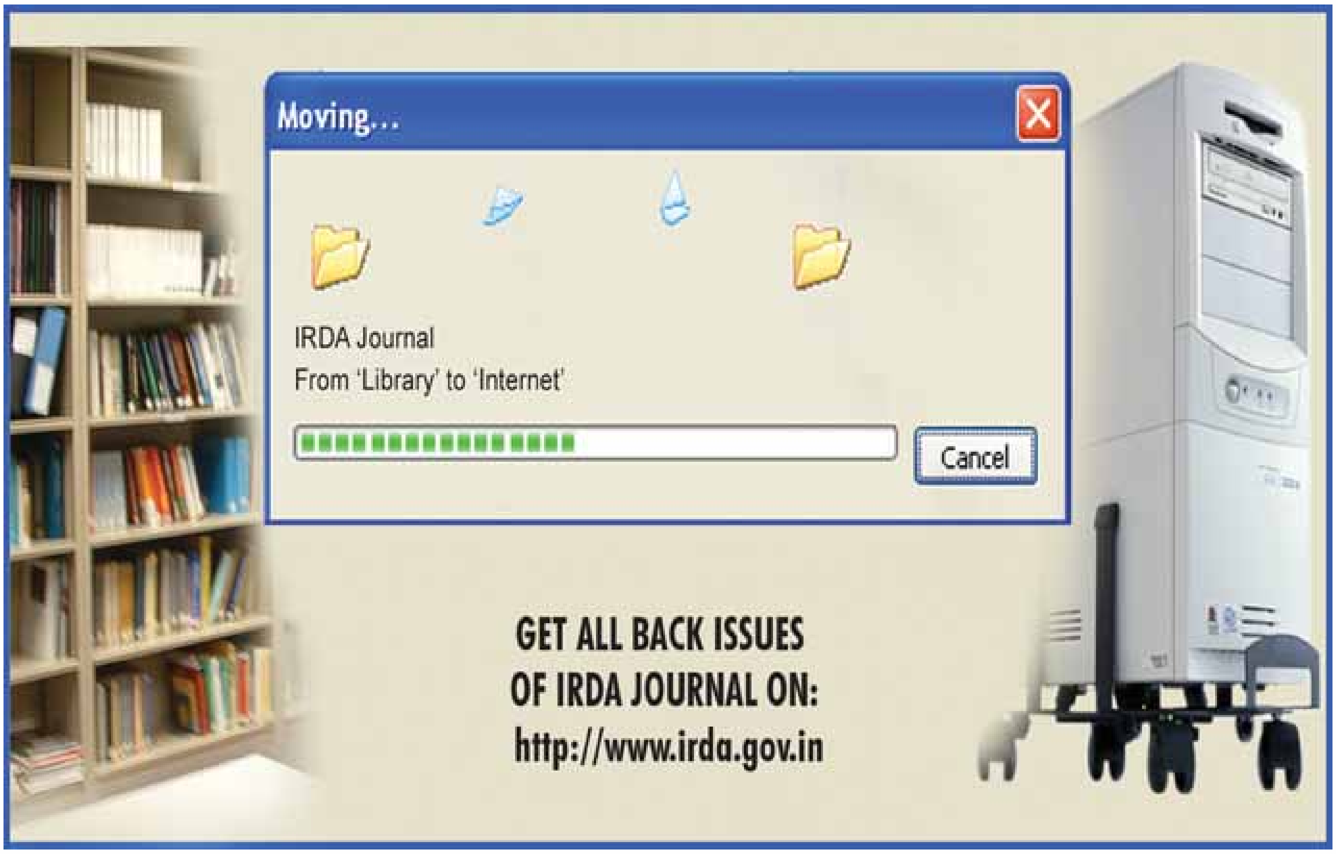
**Analysis of Traditional Business:**

The Life Insurance Industry has procured Non-Linked Premium of Rs.83025.82 crore as at 31st January, 2016 as against Rs.73585.38 crore for the same corresponding period of previous year. It shows a growth of 12.83 %.

LIC's Premium is Rs.66312.05 crore (PY Rs. 57686.95 crore), a growth of 14.95%.

Private players have collected Non-linked Premium of Rs.16713.76 crore (PY Rs.15898.44 crore), an increase of 5.13%.

Compiled by Life Dept., IRDAI



## SUMMARY OF NEW BUSINESS PERFORMANCE OF LIFE INSURERS FOR THE PERIOD ENDED FEB-2016 (PROVISIONAL)

| Sr. No. | Particulars | Premium in Rs. Crore | | | | | No. of Policies / Schemes | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Month of Feb-2016 | Upto Feb-2016 | Month of Feb-2015 | Upto Feb-2015 | YTD Variation in % | Month of Feb-2016 | Upto Feb-2016 | Month of Feb-2015 | Upto Feb-2015 | YTD Variation in % |
| A | B | C | D | E | F | G | H | I | J | K | L |
| 1 | **Aegon Life Insurance Company Limited** | | | | | | | | | | |
| | (formerly known as AEGON Religare Life Insurance Company Limited) | | | | | | | | | | |
| | Individual Single Premium | 0.1 | 1.59 | 0.13 | 0.79 | 99.98 | 12 | 217 | 1035 | 3408 | -93.63 |
| | Individual Non-Single Premium | 12.06 | 107.69 | 25.1 | 153.54 | -29.87 | 3860 | 39636 | 6083 | 45768 | -13.4 |
| | Group Single Premium | 0.05 | 0.05 | 0.02 | 0.09 | -39.06 | 1 | 1 | 0 | 1 | 0 |
| | Group Non-Single Premium | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | 12.22 | 109.33 | 25.25 | 154.42 | -29.2 | 3873 | 39854 | 7118 | 49177 | -18.96 |
| 2 | **Aviva Life Insurance Company India Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 2.2 | 7.55 | 0.74 | 9.2 | -17.91 | 3049 | 6890 | 1891 | 6568 | 4.9 |
| | Individual Non-Single Premium | 10.93 | 126.92 | 25.51 | 223.44 | -43.2 | 2663 | 30961 | 5875 | 58117 | -46.73 |
| | Group Single Premium | 0 | 0.05 | 0 | 0.49 | -89.64 | 0 | 0 | 0 | 1 | -100 |
| | Group Non-Single Premium | 9.22 | 130.33 | 8.34 | 201.36 | -35.27 | 5 | 43 | 8 | 41 | 4.88 |
| | Total | 22.35 | 264.85 | 34.58 | 434.5 | -39.04 | 5717 | 37894 | 7774 | 64727 | -41.46 |
| 3 | **Bajaj Allianz Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 12.28 | 170.63 | 29.47 | 250.12 | -31.78 | 836 | 11687 | 1850 | 14696 | -20.47 |
| | Individual Non-Single Premium | 67.03 | 514.87 | 71.49 | 600.3 | -14.23 | 20437 | 193056 | 28081 | 218925 | -11.82 |
| | Group Single Premium | 159.46 | 875.95 | 68.52 | 618.89 | 41.54 | 12 | 59 | 10 | 106 | -44.34 |
| | Group Non-Single Premium | -22.62 | 592.1 | 43.24 | 673.01 | -12.02 | 4 | 126 | 17 | 409 | -69.19 |
| | Total | 216.14 | 2153.55 | 212.72 | 2142.32 | 0.52 | 21289 | 204928 | 29958 | 234136 | -12.47 |
| 4 | **Bharti AXA Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 0.22 | 3.38 | 0.33 | 1.45 | 133 | 350 | 3395 | 12 | 59 | 5654.24 |
| | Individual Non-Single Premium | 31.88 | 297.66 | 29.06 | 283.73 | 4.91 | 8483 | 73410 | 7166 | 72049 | 1.89 |
| | Group Single Premium | 14.93 | 148.45 | 9.5 | 101.34 | 46.48 | 0 | 1 | 0 | 4 | -75 |
| | Group Non-Single Premium | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | 47.03 | 449.49 | 38.88 | 386.53 | 16.29 | 8833 | 76806 | 7178 | 72112 | 6.51 |
| 5 | **Birla Sunlife Insurance Company Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 2.36 | 27.08 | 2.81 | 25.02 | 8.24 | 98 | 786 | 41 | 414 | 89.86 |
| | Individual Non-Single Premium | 62.59 | 515.47 | 58.44 | 576.11 | -10.53 | 29392 | 228030 | 26551 | 227468 | 0.25 |
| | Group Single Premium | 0.96 | 11.12 | 0.82 | 9.78 | 13.63 | 0 | 5 | 3 | 5 | 0 |
| | Group Non-Single Premium | 45.85 | 954.83 | 35.17 | 831.94 | 14.77 | 34 | 431 | 33 | 431 | 0 |
| | Total | 111.77 | 1508.5 | 97.24 | 1442.86 | 4.55 | 29524 | 229252 | 26628 | 228318 | 0.41 |
| 6 | **CANARA HSBC OBC LIFE INSURANCE COMPANY LTD.** | | | | | | | | | | |
| | Individual Single Premium | 19.01 | 50.38 | 0 | 0.67 | 7465.1 | 65 | 198 | 0 | 11 | 1700 |
| | Individual Non-Single Premium | 52.68 | 343.1 | 31.19 | 278.25 | 23.3 | 10374 | 59116 | 5585 | 50909 | 16.12 |
| | Group Single Premium | 124.36 | 327.42 | 6.59 | 71.36 | 358.82 | 6 | 28 | 0 | 5 | 460 |
| | Group Non-Single Premium | 0.36 | 2.17 | 0.17 | 9.14 | -76.23 | 0 | 0 | 2 | 26 | -100 |
| | Total | 196.42 | 723.06 | 37.95 | 359.41 | 101.18 | 10445 | 59342 | 5587 | 50951 | 16.47 |
| 7 | **DHFL Pramerica Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 6.35 | 18.91 | 0 | 0.01 | 134935.97 | 406 | 1287 | 0 | 1 | 128600 |
| | Individual Non-Single Premium | 9.06 | 130.39 | 14.18 | 120.72 | 8.01 | 4284 | 46168 | 4625 | 47301 | -2.4 |
| | Group Single Premium | 53.15 | 481.42 | 40.18 | 347.52 | 38.53 | 23 | 192 | 0 | 1 | 19100 |
| | Group Non-Single Premium | 0 | 0 | 3.45 | 33.5 | -100 | 0 | 0 | 10 | 82 | -100 |
| | Total | 68.56 | 630.71 | 57.81 | 501.75 | 25.7 | 4713 | 47647 | 4635 | 47385 | 0.55 |
| 8 | **Edelweiss Tokio Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 1.11 | 4.82 | 0.18 | 1.51 | 218.91 | 35 | 450 | 16 | 202 | 122.77 |
| | Individual Non-Single Premium | 16.2 | 94.17 | 10.28 | 72.47 | 29.94 | 3806 | 27067 | 2984 | 21227 | 27.51 |
| | Group Single Premium | 1.49 | 14.01 | 0.77 | 11.75 | 19.27 | 1 | 3 | 0 | 3 | 0 |
| | Group Non-Single Premium | 1.47 | 9.18 | 0.27 | 7.9 | 16.3 | 12 | 81 | 4 | 70 | 15.71 |
| | Total | 20.27 | 122.18 | 11.49 | 93.63 | 30.5 | 3854 | 27601 | 3004 | 21502 | 28.36 |
| 9 | **Exide Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 2.75 | 59.98 | 20.03 | 199.75 | -69.97 | 89 | 502 | 59 | 1355 | -62.95 |
| | Individual Non-Single Premium | 47.33 | 396.35 | 38.16 | 343.22 | 15.48 | 17561 | 160088 | 14569 | 130769 | 22.42 |
| | Group Single Premium | 0 | 0 | 0 | 0.04 | -100 | 0 | 0 | 0 | 0 | 0 |
| | Group Non-Single Premium | 2.01 | 68.66 | 2.25 | 8.12 | 745.65 | 20 | 326 | 23 | 130 | 150.77 |
| | Total | 52.09 | 524.99 | 60.44 | 551.14 | -4.74 | 17670 | 160916 | 14651 | 132254 | 21.67 |
| 10 | **FUTURE GENERALI INDIA LIFE INSURANCE COMPANY LIMITED** | | | | | | | | | | |
| | Individual Single Premium | 0.24 | 3.11 | 0.51 | 5.47 | -43.14 | 31 | 291 | 58 | 613 | -52.53 |
| | Individual Non-Single Premium | 13.87 | 94.58 | 15.5 | 96.07 | -1.55 | 2817 | 23319 | 3588 | 30560 | -23.69 |
| | Group Single Premium | 0.77 | 1.02 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 |
| | Group Non-Single Premium | 2.47 | 90.32 | 1.07 | 54.74 | 65 | 17 | 107 | 6 | 81 | 32.1 |
| | Total | 17.35 | 189.04 | 17.08 | 156.29 | 20.96 | 2865 | 23720 | 3652 | 31254 | -24.11 |
| 11 | **HDFC STANDARD LIFE INSURANCE COMPANY LIMITED** | | | | | | | | | | |
| | Individual Single Premium | 35.87 | 297.02 | 52.76 | 334.02 | -11.08 | 38139 | 247637 | 33893 | 163687 | 51.29 |
| | Individual Non-Single Premium | 353.45 | 2728.93 | 275.9 | 2412.78 | 13.1 | 86578 | 731253 | 57595 | 553076 | 32.22 |
| | Group Single Premium | 191.1 | 1992.02 | 121.03 | 1614.46 | 23.39 | 42 | 526 | 56 | 491 | 7.13 |
| | Group Non-Single Premium | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | 580.41 | 5017.98 | 449.69 | 4361.26 | 15.06 | 124759 | 979416 | 91544 | 717254 | 36.55 |
| 12 | **ICICI Prudential Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 58.12 | 356.43 | 27.88 | 208.29 | 71.12 | 3443 | 18552 | 1075 | 7223 | 156.85 |
| | Individual Non-Single Premium | 471.52 | 4313.14 | 504.33 | 3967.11 | 8.72 | 60001 | 480382 | 53736 | 563024 | -14.68 |
| | Group Single Premium | 69.67 | 1311.53 | 35.09 | 488.58 | 168.44 | 23 | 318 | 22 | 284 | 11.97 |
| | Group Non-Single Premium | 0 | 0 | 0 | 4 | -100 | 0 | 0 | 0 | 0 | 0 |
| | Total | 599.3 | 5981.1 | 567.29 | 4667.99 | 28.13 | 63467 | 499252 | 54833 | 570531 | -12.49 |

| Sr. No. | Particulars | Premium in Rs. Crore | | | | | No. of Policies / Schemes | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Month of Feb-2016 | Upto Feb-2016 | Month of Feb-2015 | Upto Feb-2015 | YTD Variation in % | Month of Feb-2016 | Upto Feb-2016 | Month of Feb-2015 | Upto Feb-2015 | YTD Variation in % |
| A | B | C | D | E | F | G | H | I | J | K | L |
| 13 | **IDBI Federal Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 15.08 | 160.22 | 20.26 | 72.98 | 119.53 | 858 | 9057 | 1017 | 3729 | 142.88 |
| | Individual Non-Single Premium | 30.56 | 254.11 | 20.74 | 201.92 | 25.84 | 9572 | 83742 | 7217 | 69841 | 19.9 |
| | Group Single Premium | 4.42 | 63.08 | 0 | 0 | 0 | 3 | 80 | 0 | 0 | 0 |
| | Group Non-Single Premium | 0.4 | 6.8 | 4.39 | 86.63 | -92.16 | 0 | 0 | 13 | 85 | -100 |
| | Total | 50.46 | 484.2 | 45.39 | 361.54 | 33.93 | 10433 | 92879 | 8247 | 73655 | 26.1 |
| 14 | **IndiaFirst Life Insurance Co Ltd** | | | | | | | | | | |
| | Individual Single Premium | 1.21 | 19.24 | 9.56 | 35.43 | -45.69 | 62 | 788 | 271 | 1448 | -45.58 |
| | Individual Non-Single Premium | 30.01 | 161.82 | 25.12 | 119.73 | 35.16 | 11081 | 73500 | 12173 | 74873 | -1.83 |
| | Group Single Premium | 56.41 | 1092.53 | 158.64 | 1221.9 | -10.59 | 0 | 35 | 23 | 160 | -78.13 |
| | Group Non-Single Premium | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | 87.63 | 1273.6 | 193.32 | 1377.06 | -7.51 | 11143 | 74323 | 12467 | 76481 | -2.82 |
| 15 | **Kotak Mahindra Old Mutual Life Insurance Ltd** | | | | | | | | | | |
| | Individual Single Premium | 19.21 | 89.38 | 9.14 | 119.35 | -25.11 | 10437 | 29405 | 3314 | 13066 | 125.05 |
| | Individual Non-Single Premium | 90.99 | 701.37 | 66.53 | 421.19 | 66.52 | 20261 | 167740 | 16225 | 115644 | 45.05 |
| | Group Single Premium | 35 | 384.29 | 31.8 | 293.44 | 30.96 | 4 | 44 | 2 | 39 | 12.82 |
| | Group Non-Single Premium | 32.79 | 454.79 | 24.28 | 289.58 | 57.05 | 70 | 779 | 57 | 724 | 7.6 |
| | Total | 177.98 | 1629.83 | 131.75 | 1123.57 | 45.06 | 30772 | 197968 | 19598 | 129473 | 52.9 |
| 16 | **Max Life Insurance Co. Ltd** | | | | | | | | | | |
| | Individual Single Premium | 54.52 | 466.58 | 42.48 | 379.82 | 22.84 | 58 | 746 | 100 | 792 | -5.81 |
| | Individual Non-Single Premium | 222.46 | 1599.83 | 167.32 | 1550.44 | 3.19 | 42978 | 376984 | 39138 | 406338 | -7.22 |
| | Group Single Premium | 22.38 | 197.09 | 16.98 | 159.14 | 23.84 | 2 | 32 | 0 | 31 | 3.23 |
| | Group Non-Single Premium | 2.19 | 30.63 | 1.8 | 19.81 | 54.63 | 23 | 350 | 22 | 463 | -24.41 |
| | Total | 301.55 | 2294.13 | 228.58 | 2109.21 | 8.77 | 43061 | 378112 | 39260 | 407624 | -7.24 |
| 17 | **PNB MetLife India Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 0.77 | 8.11 | 1.1 | 5.77 | 40.65 | 32 | 257 | 11 | 101 | 154.46 |
| | Individual Non-Single Premium | 83.84 | 748.08 | 70.4 | 575.29 | 30.04 | 20829 | 204791 | 18270 | 166620 | 22.91 |
| | Group Single Premium | 3.9 | 27.94 | 0.51 | 6.92 | 303.81 | 0 | 0 | 0 | 0 | 0 |
| | Group Non-Single Premium | 1.49 | 40.89 | 10.23 | 89.33 | -54.23 | 22 | 336 | 32 | 406 | -17.24 |
| | Total | 89.99 | 825.02 | 82.24 | 677.31 | 21.81 | 20883 | 205384 | 18313 | 167127 | 22.89 |
| 18 | **Reliance Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 2.31 | 17.79 | 1.6 | 20.58 | -13.57 | 101 | 911 | 104 | 1153 | -20.99 |
| | Individual Non-Single Premium | 76.65 | 740.13 | 93.57 | 1023.18 | -27.66 | 31454 | 306573 | 35277 | 407397 | -24.75 |
| | Group Single Premium | 6.36 | 82.17 | 6.3 | 63.01 | 30.4 | 12 | 148 | 12 | 159 | -6.92 |
| | Group Non-Single Premium | 16.93 | 528.36 | 19.85 | 716.61 | -26.27 | 13 | 83 | 12 | 200 | -58.5 |
| | Total | 102.24 | 1368.44 | 121.32 | 1823.38 | -24.95 | 31580 | 307715 | 35405 | 408909 | -24.75 |
| 19 | **Sahara India Life Insurance Company Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 1.07 | 21.02 | 1.45 | 20.74 | 1.32 | 238 | 3897 | 314 | 4198 | -7.17 |
| | Individual Non-Single Premium | 0.87 | 9.7 | 0.67 | 8.24 | 17.75 | 925 | 11076 | 951 | 13228 | -16.27 |
| | Group Single Premium | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Group Non-Single Premium | 0 | 0.35 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 |
| | Total | 1.93 | 31.07 | 2.12 | 28.99 | 7.2 | 1163 | 14975 | 1265 | 17426 | -14.07 |
| 20 | **Sbi Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 65.27 | 639.31 | 45.44 | 555.01 | 15.19 | 3569 | 31959 | 3029 | 30393 | 5.15 |
| | Individual Non-Single Premium | 352.16 | 3485.55 | 227.89 | 2484.04 | 40.32 | 95211 | 1044911 | 80174 | 898676 | 16.27 |
| | Group Single Premium | 94.05 | 1240.38 | 85.67 | 1040.54 | 19.21 | 1 | 63 | 5 | 59 | 6.78 |
| | Group Non-Single Premium | 24.38 | 366.59 | 23.8 | 207.52 | 76.65 | 39 | 338 | 21 | 189 | 78.84 |
| | Total | 535.87 | 5731.83 | 382.8 | 4287.11 | 33.7 | 98820 | 1077271 | 83229 | 929317 | 15.92 |
| 21 | **Shriram Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 2.93 | 36.68 | 3.22 | 87.69 | -58.16 | 217 | 3366 | 428 | 8714 | -61.37 |
| | Individual Non-Single Premium | 31.16 | 294.68 | 23.63 | 195.5 | 50.73 | 21176 | 222911 | 17835 | 146432 | 52.23 |
| | Group Single Premium | 21.94 | 188.39 | 14.01 | 112.2 | 67.9 | 0 | 8 | 0 | 4 | 100 |
| | Group Non-Single Premium | 5.7 | 50.04 | 2.97 | 20.1 | 148.95 | 7 | 124 | 7 | 43 | 188.37 |
| | Total | 61.72 | 569.79 | 43.82 | 415.49 | 37.14 | 21400 | 226409 | 18270 | 155193 | 45.89 |
| 22 | **Star Union Dai ichi Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 3.61 | 70 | 4.46 | 33.18 | 110.93 | 154 | 3323 | 224 | 1873 | 77.42 |
| | Individual Non-Single Premium | 50.79 | 299.75 | 49.37 | 317.12 | -5.48 | 11225 | 74033 | 11761 | 80808 | -8.38 |
| | Group Single Premium | 2.54 | 24.32 | 3.78 | 33.29 | -26.95 | 0 | 2 | 0 | 0 | 0 |
| | Group Non-Single Premium | 1.96 | 193.68 | 2.07 | 150.92 | 28.33 | 5 | 76 | 9 | 78 | -2.56 |
| | Total | 58.91 | 587.74 | 59.67 | 534.52 | 9.96 | 11384 | 77434 | 11994 | 82759 | -6.43 |
| 23 | **Tata AIA Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 0.47 | 9.22 | 0.05 | 0.8 | 1049.32 | 25 | 316 | 1 | 15 | 2006.67 |
| | Individual Non-Single Premium | 72.7 | 433.04 | 28.35 | 163.74 | 164.47 | 16519 | 107287 | 9200 | 50079 | 114.24 |
| | Group Single Premium | 0.06 | 5.79 | 1.11 | 14.49 | -60.04 | 0 | 1 | 0 | 2 | -50 |
| | Group Non-Single Premium | 4.37 | 107.24 | 2.63 | 46.55 | 130.39 | 8 | 98 | 1 | 206 | -52.43 |
| | Total | 77.6 | 555.29 | 32.14 | 225.58 | 146.16 | 16552 | 107702 | 9202 | 50302 | 114.11 |
| | Private Total | 3489.81 | 33025.73 | 2933.59 | 28215.83 | 17.05 | 594200 | 5146800 | 513812 | 4717867 | 9.09 |
| 24 | **LIFE INSURANCE CORPORATION OF INDIA** | | | | | | | | | | |
| | Individual Single Premium | 1362.18 | 9156.29 | 635.29 | 11768.84 | -22.2 | 123564 | 836556 | 72704 | 1461561 | -42.76 |
| | Individual Non-Single Premium | 1928.56 | 16334.78 | 1608.81 | 15908.81 | 2.68 | 1835378 | 15504033 | 1625511 | 14332028 | 8.18 |
| | Group Single Premium | 4241.3 | 46107.97 | 2215.39 | 31658.83 | 45.64 | 13 | 262 | 0 | 5 | 5140 |
| | Group Non-Single Premium | 274.37 | 2543.06 | 217.51 | 3028.14 | -16.02 | 2271 | 25264 | 2006 | 28852 | -12.44 |
| | Total | 7806.41 | 74142.1 | 4677 | 62364.62 | 18.88 | 1961226 | 16366115 | 1700221 | 15822446 | 3.44 |
| | **Grand Total** | **11296.22** | **107167.83** | **7610.59** | **90580.45** | **18.31** | **2555426** | **21512915** | **2214033** | **20540313** | **4.74** |

*Source: Life Insurance Council*

## SUMMARY OF NEW BUSINESS PERFORMANCE OF LIFE INSURERS FOR THE PERIOD ENDED FEB-2016 (PROVISIONAL)

| Sr. No. | Particulars | Premium in Rs. Crore | | | | | No. of Policies / Schemes | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Month of Feb-2016 | Upto Feb-2016 | Month of Feb-2015 | Upto Feb-2015 | YTD Variation in % | Month of Feb-2016 | Upto Feb-2016 | Month of Feb-2015 | Upto Feb-2015 | YTD Variation in % |
| A | B | C | D | E | F | G | H | I | J | K | L |
| 1 | **Aegon Life Insurance Company Limited** | | | | | | | | | | |
| | (formerly known as AEGON Religare Life Insurance Company Limited) | | | | | | | | | | |
| | Individual Single Premium | 0.1 | 1.59 | 0.13 | 0.79 | 99.98 | 12 | 217 | 1035 | 3408 | -93.63 |
| | Individual Non-Single Premium | 12.06 | 107.69 | 25.1 | 153.54 | -29.87 | 3860 | 39636 | 6083 | 45768 | -13.4 |
| | Group Single Premium | 0.05 | 0.05 | 0.02 | 0.09 | -39.06 | 1 | 1 | 0 | 1 | 0 |
| | Group Non-Single Premium | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | 12.22 | 109.33 | 25.25 | 154.42 | -29.2 | 3873 | 39854 | 7118 | 49177 | -18.96 |
| 2 | **Aviva Life Insurance Company India Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 2.2 | 7.55 | 0.74 | 9.2 | -17.91 | 3049 | 6890 | 1891 | 6568 | 4.9 |
| | Individual Non-Single Premium | 10.93 | 126.92 | 25.51 | 223.44 | -43.2 | 2663 | 30961 | 5875 | 58117 | -46.73 |
| | Group Single Premium | 0 | 0.05 | 0 | 0.49 | -89.64 | 0 | 0 | 0 | 1 | -100 |
| | Group Non-Single Premium | 9.22 | 130.33 | 8.34 | 201.36 | -35.27 | 5 | 43 | 8 | 41 | 4.88 |
| | Total | 22.35 | 264.85 | 34.58 | 434.5 | -39.04 | 5717 | 37894 | 7774 | 64727 | -41.46 |
| 3 | **Bajaj Allianz Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 12.28 | 170.63 | 29.47 | 250.12 | -31.78 | 836 | 11687 | 1850 | 14696 | -20.47 |
| | Individual Non-Single Premium | 67.03 | 514.87 | 71.49 | 600.3 | -14.23 | 20437 | 193056 | 28081 | 218925 | -11.82 |
| | Group Single Premium | 159.46 | 875.95 | 68.52 | 618.89 | 41.54 | 12 | 59 | 10 | 106 | -44.34 |
| | Group Non-Single Premium | -22.62 | 592.1 | 43.24 | 673.01 | -12.02 | 4 | 126 | 17 | 409 | -69.19 |
| | Total | 216.14 | 2153.55 | 212.72 | 2142.32 | 0.52 | 21289 | 204928 | 29958 | 234136 | -12.47 |
| 4 | **Bharti AXA Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 0.22 | 3.38 | 0.33 | 1.45 | 133 | 350 | 3395 | 12 | 59 | 5654.24 |
| | Individual Non-Single Premium | 31.88 | 297.66 | 29.06 | 283.73 | 4.91 | 8483 | 73410 | 7166 | 72049 | 1.89 |
| | Group Single Premium | 14.93 | 148.45 | 9.5 | 101.34 | 46.48 | 0 | 1 | 0 | 4 | -75 |
| | Group Non-Single Premium | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | 47.03 | 449.49 | 38.88 | 386.53 | 16.29 | 8833 | 76806 | 7178 | 72112 | 6.51 |
| 5 | **Birla Sunlife Insurance Company Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 2.36 | 27.08 | 2.81 | 25.02 | 8.24 | 98 | 786 | 41 | 414 | 89.86 |
| | Individual Non-Single Premium | 62.59 | 515.47 | 58.44 | 576.11 | -10.53 | 29392 | 228030 | 26551 | 227468 | 0.25 |
| | Group Single Premium | 0.96 | 11.12 | 0.82 | 9.78 | 13.63 | 0 | 5 | 3 | 5 | 0 |
| | Group Non-Single Premium | 45.85 | 954.83 | 35.17 | 831.94 | 14.77 | 34 | 431 | 33 | 431 | 0 |
| | Total | 111.77 | 1508.5 | 97.24 | 1442.86 | 4.55 | 29524 | 229252 | 26628 | 228318 | 0.41 |
| 6 | **CANARA HSBC OBC LIFE INSURANCE COMPANY LTD.** | | | | | | | | | | |
| | Individual Single Premium | 19.01 | 50.38 | 0 | 0.67 | 7465.1 | 65 | 198 | 0 | 11 | 1700 |
| | Individual Non-Single Premium | 52.68 | 343.1 | 31.19 | 278.25 | 23.3 | 10374 | 59116 | 5585 | 50909 | 16.12 |
| | Group Single Premium | 124.36 | 327.42 | 6.59 | 71.36 | 358.82 | 6 | 28 | 0 | 5 | 460 |
| | Group Non-Single Premium | 0.36 | 2.17 | 0.17 | 9.14 | -76.23 | 0 | 0 | 2 | 26 | -100 |
| | Total | 196.42 | 723.06 | 37.95 | 359.41 | 101.18 | 10445 | 59342 | 5587 | 50951 | 16.47 |
| 7 | **DHFL Pramerica Life Insurance Co. Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 6.35 | 18.91 | 0 | 0.01 | 134935.97 | 406 | 1287 | 0 | 1 | 128600 |
| | Individual Non-Single Premium | 9.06 | 130.39 | 14.18 | 120.72 | 8.01 | 4284 | 46168 | 4625 | 47301 | -2.4 |
| | Group Single Premium | 53.15 | 481.42 | 40.18 | 347.52 | 38.53 | 23 | 192 | 0 | 1 | 19100 |
| | Group Non-Single Premium | 0 | 0 | 3.45 | 33.5 | -100 | 0 | 0 | 10 | 82 | -100 |
| | Total | 68.56 | 630.71 | 57.81 | 501.75 | 25.7 | 4713 | 47647 | 4635 | 47385 | 0.55 |
| 8 | **Edelweiss Tokio Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 1.11 | 4.82 | 0.18 | 1.51 | 218.91 | 35 | 450 | 16 | 202 | 122.77 |
| | Individual Non-Single Premium | 16.2 | 94.17 | 10.28 | 72.47 | 29.94 | 3806 | 27067 | 2984 | 21227 | 27.51 |
| | Group Single Premium | 1.49 | 14.01 | 0.77 | 11.75 | 19.27 | 1 | 3 | 0 | 3 | 0 |
| | Group Non-Single Premium | 1.47 | 9.18 | 0.27 | 7.9 | 16.3 | 12 | 81 | 4 | 70 | 15.71 |
| | Total | 20.27 | 122.18 | 11.49 | 93.63 | 30.5 | 3854 | 27601 | 3004 | 21502 | 28.36 |
| 9 | **Exide Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 2.75 | 59.98 | 20.03 | 199.75 | -69.97 | 89 | 502 | 59 | 1355 | -62.95 |
| | Individual Non-Single Premium | 47.33 | 396.35 | 38.16 | 343.22 | 15.48 | 17561 | 160088 | 14569 | 130769 | 22.42 |
| | Group Single Premium | 0 | 0 | 0 | 0.04 | -100 | 0 | 0 | 0 | 0 | 0 |
| | Group Non-Single Premium | 2.01 | 68.66 | 2.25 | 8.12 | 745.65 | 20 | 326 | 23 | 130 | 150.77 |
| | Total | 52.09 | 524.99 | 60.44 | 551.14 | -4.74 | 17670 | 160916 | 14651 | 132254 | 21.67 |
| 10 | **FUTURE GENERALI INDIA LIFE INSURANCE COMPANY LIMITED** | | | | | | | | | | |
| | Individual Single Premium | 0.24 | 3.11 | 0.51 | 5.47 | -43.14 | 31 | 291 | 58 | 613 | -52.53 |
| | Individual Non-Single Premium | 13.87 | 94.58 | 15.5 | 96.07 | -1.55 | 2817 | 23319 | 3588 | 30560 | -23.69 |
| | Group Single Premium | 0.77 | 1.02 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 |
| | Group Non-Single Premium | 2.47 | 90.32 | 1.07 | 54.74 | 65 | 17 | 107 | 6 | 81 | 32.1 |
| | Total | 17.35 | 189.04 | 17.08 | 156.29 | 20.96 | 2865 | 23720 | 3652 | 31254 | -24.11 |
| 11 | **HDFC STANDARD LIFE INSURANCE COMPANY LIMITED** | | | | | | | | | | |
| | Individual Single Premium | 35.87 | 297.02 | 52.76 | 334.02 | -11.08 | 38139 | 247637 | 33893 | 163687 | 51.29 |
| | Individual Non-Single Premium | 353.45 | 2728.93 | 275.9 | 2412.78 | 13.1 | 86578 | 731253 | 57595 | 553076 | 32.22 |
| | Group Single Premium | 191.1 | 1992.02 | 121.03 | 1614.46 | 23.39 | 42 | 526 | 56 | 491 | 7.13 |
| | Group Non-Single Premium | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | 580.41 | 5017.98 | 449.69 | 4361.26 | 15.06 | 124759 | 979416 | 91544 | 717254 | 36.55 |
| 12 | **ICICI Prudential Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 58.12 | 356.43 | 27.88 | 208.29 | 71.12 | 3443 | 18552 | 1075 | 7223 | 156.85 |
| | Individual Non-Single Premium | 471.52 | 4313.14 | 504.33 | 3967.11 | 8.72 | 60001 | 480382 | 53736 | 563024 | -14.68 |
| | Group Single Premium | 69.67 | 1311.53 | 35.09 | 488.58 | 168.44 | 23 | 318 | 22 | 284 | 11.97 |
| | Group Non-Single Premium | 0 | 0 | 0 | 4 | -100 | 0 | 0 | 0 | 0 | 0 |
| | Total | 599.3 | 5981.1 | 567.29 | 4667.99 | 28.13 | 63467 | 499252 | 54833 | 570531 | -12.49 |

| Sr. No. | Particulars | Premium in Rs. Crore | | | | | No. of Policies / Schemes | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Month of Feb-2016 | Upto Feb-2016 | Month of Feb-2015 | Upto Feb-2015 | YTD Variation in % | Month of Feb-2016 | Upto Feb-2016 | Month of Feb-2015 | Upto Feb-2015 | YTD Variation in % |
| A | B | C | D | E | F | G | H | I | J | K | L |
| 13 | **IDBI Federal Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 15.08 | 160.22 | 20.26 | 72.98 | 119.53 | 858 | 9057 | 1017 | 3729 | 142.88 |
| | Individual Non-Single Premium | 30.56 | 254.11 | 20.74 | 201.92 | 25.84 | 9572 | 83742 | 7217 | 69841 | 19.9 |
| | Group Single Premium | 4.42 | 63.08 | 0 | 0 | 0 | 3 | 80 | 0 | 0 | 0 |
| | Group Non-Single Premium | 0.4 | 6.8 | 4.39 | 86.63 | -92.16 | 0 | 0 | 13 | 85 | -100 |
| | Total | 50.46 | 484.2 | 45.39 | 361.54 | 33.93 | 10433 | 92879 | 8247 | 73655 | 26.1 |
| 14 | **IndiaFirst Life Insurance Co Ltd** | | | | | | | | | | |
| | Individual Single Premium | 1.21 | 19.24 | 9.56 | 35.43 | -45.69 | 62 | 788 | 271 | 1448 | -45.58 |
| | Individual Non-Single Premium | 30.01 | 161.82 | 25.12 | 119.73 | 35.16 | 11081 | 73500 | 12173 | 74873 | -1.83 |
| | Group Single Premium | 56.41 | 1092.53 | 158.64 | 1221.9 | -10.59 | 0 | 35 | 23 | 160 | -78.13 |
| | Group Non-Single Premium | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | 87.63 | 1273.6 | 193.32 | 1377.06 | -7.51 | 11143 | 74323 | 12467 | 76481 | -2.82 |
| 15 | **Kotak Mahindra Old Mutual Life Insurance Ltd** | | | | | | | | | | |
| | Individual Single Premium | 19.21 | 89.38 | 9.14 | 119.35 | -25.11 | 10437 | 29405 | 3314 | 13066 | 125.05 |
| | Individual Non-Single Premium | 90.99 | 701.37 | 66.53 | 421.19 | 66.52 | 20261 | 167740 | 16225 | 115644 | 45.05 |
| | Group Single Premium | 35 | 384.29 | 31.8 | 293.44 | 30.96 | 4 | 44 | 2 | 39 | 12.82 |
| | Group Non-Single Premium | 32.79 | 454.79 | 24.28 | 289.58 | 57.05 | 70 | 779 | 57 | 724 | 7.6 |
| | Total | 177.98 | 1629.83 | 131.75 | 1123.57 | 45.06 | 30772 | 197968 | 19598 | 129473 | 52.9 |
| 16 | **Max Life Insurance Co. Ltd** | | | | | | | | | | |
| | Individual Single Premium | 54.52 | 466.58 | 42.48 | 379.82 | 22.84 | 58 | 746 | 100 | 792 | -5.81 |
| | Individual Non-Single Premium | 222.46 | 1599.83 | 167.32 | 1550.44 | 3.19 | 42978 | 376984 | 39138 | 406338 | -7.22 |
| | Group Single Premium | 22.38 | 197.09 | 16.98 | 159.14 | 23.84 | 2 | 32 | 0 | 31 | 3.23 |
| | Group Non-Single Premium | 2.19 | 30.63 | 1.8 | 19.81 | 54.63 | 23 | 350 | 22 | 463 | -24.41 |
| | Total | 301.55 | 2294.13 | 228.58 | 2109.21 | 8.77 | 43061 | 378112 | 39260 | 407624 | -7.24 |
| 17 | **PNB MetLife India Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 0.77 | 8.11 | 1.1 | 5.77 | 40.65 | 32 | 257 | 11 | 101 | 154.46 |
| | Individual Non-Single Premium | 83.84 | 748.08 | 70.4 | 575.29 | 30.04 | 20829 | 204791 | 18270 | 166620 | 22.91 |
| | Group Single Premium | 3.9 | 27.94 | 0.51 | 6.92 | 303.81 | 0 | 0 | 0 | 0 | 0 |
| | Group Non-Single Premium | 1.49 | 40.89 | 10.23 | 89.33 | -54.23 | 22 | 336 | 32 | 406 | -17.24 |
| | Total | 89.99 | 825.02 | 82.24 | 677.31 | 21.81 | 20883 | 205384 | 18313 | 167127 | 22.89 |
| 18 | **Reliance Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 2.31 | 17.79 | 1.6 | 20.58 | -13.57 | 101 | 911 | 104 | 1153 | -20.99 |
| | Individual Non-Single Premium | 76.65 | 740.13 | 93.57 | 1023.18 | -27.66 | 31454 | 306573 | 35277 | 407397 | -24.75 |
| | Group Single Premium | 6.36 | 82.17 | 6.3 | 63.01 | 30.4 | 12 | 148 | 12 | 159 | -6.92 |
| | Group Non-Single Premium | 16.93 | 528.36 | 19.85 | 716.61 | -26.27 | 13 | 83 | 12 | 200 | -58.5 |
| | Total | 102.24 | 1368.44 | 121.32 | 1823.38 | -24.95 | 31580 | 307715 | 35405 | 408909 | -24.75 |
| 19 | **Sahara India Life Insurance Company Ltd.** | | | | | | | | | | |
| | Individual Single Premium | 1.07 | 21.02 | 1.45 | 20.74 | 1.32 | 238 | 3897 | 314 | 4198 | -7.17 |
| | Individual Non-Single Premium | 0.87 | 9.7 | 0.67 | 8.24 | 17.75 | 925 | 11076 | 951 | 13228 | -16.27 |
| | Group Single Premium | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Group Non-Single Premium | 0 | 0.35 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 |
| | Total | 1.93 | 31.07 | 2.12 | 28.99 | 7.2 | 1163 | 14975 | 1265 | 17426 | -14.07 |
| 20 | **Sbi Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 65.27 | 639.31 | 45.44 | 555.01 | 15.19 | 3569 | 31959 | 3029 | 30393 | 5.15 |
| | Individual Non-Single Premium | 352.16 | 3485.55 | 227.89 | 2484.04 | 40.32 | 95211 | 1044911 | 80174 | 898676 | 16.27 |
| | Group Single Premium | 94.05 | 1240.38 | 85.67 | 1040.54 | 19.21 | 1 | 63 | 5 | 59 | 6.78 |
| | Group Non-Single Premium | 24.38 | 366.59 | 23.8 | 207.52 | 76.65 | 39 | 338 | 21 | 189 | 78.84 |
| | Total | 535.87 | 5731.83 | 382.8 | 4287.11 | 33.7 | 98820 | 1077271 | 83229 | 929317 | 15.92 |
| 21 | **Shriram Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 2.93 | 36.68 | 3.22 | 87.69 | -58.16 | 217 | 3366 | 428 | 8714 | -61.37 |
| | Individual Non-Single Premium | 31.16 | 294.68 | 23.63 | 195.5 | 50.73 | 21176 | 222911 | 17835 | 146432 | 52.23 |
| | Group Single Premium | 21.94 | 188.39 | 14.01 | 112.2 | 67.9 | 0 | 8 | 0 | 4 | 100 |
| | Group Non-Single Premium | 5.7 | 50.04 | 2.97 | 20.1 | 148.95 | 7 | 124 | 7 | 43 | 188.37 |
| | Total | 61.72 | 569.79 | 43.82 | 415.49 | 37.14 | 21400 | 226409 | 18270 | 155193 | 45.89 |
| 22 | **Star Union Dai ichi Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 3.61 | 70 | 4.46 | 33.18 | 110.93 | 154 | 3323 | 224 | 1873 | 77.42 |
| | Individual Non-Single Premium | 50.79 | 299.75 | 49.37 | 317.12 | -5.48 | 11225 | 74033 | 11761 | 80808 | -8.38 |
| | Group Single Premium | 2.54 | 24.32 | 3.78 | 33.29 | -26.95 | 0 | 2 | 0 | 0 | 0 |
| | Group Non-Single Premium | 1.96 | 193.68 | 2.07 | 150.92 | 28.33 | 5 | 76 | 9 | 78 | -2.56 |
| | Total | 58.91 | 587.74 | 59.67 | 534.52 | 9.96 | 11384 | 77434 | 11994 | 82759 | -6.43 |
| 23 | **Tata AIA Life Insurance Company Limited** | | | | | | | | | | |
| | Individual Single Premium | 0.47 | 9.22 | 0.05 | 0.8 | 1049.32 | 25 | 316 | 1 | 15 | 2006.67 |
| | Individual Non-Single Premium | 72.7 | 433.04 | 28.35 | 163.74 | 164.47 | 16519 | 107287 | 9200 | 50079 | 114.24 |
| | Group Single Premium | 0.06 | 5.79 | 1.11 | 14.49 | -60.04 | 0 | 1 | 0 | 2 | -50 |
| | Group Non-Single Premium | 4.37 | 107.24 | 2.63 | 46.55 | 130.39 | 8 | 98 | 1 | 206 | -52.43 |
| | Total | 77.6 | 555.29 | 32.14 | 225.58 | 146.16 | 16552 | 107702 | 9202 | 50302 | 114.11 |
| | Private Total | 3489.81 | 33025.73 | 2933.59 | 28215.83 | 17.05 | 594200 | 5146800 | 513812 | 4717867 | 9.09 |
| 24 | **LIFE INSURANCE CORPORATION OF INDIA** | | | | | | | | | | |
| | Individual Single Premium | 1362.18 | 9156.29 | 635.29 | 11768.84 | -22.2 | 123564 | 836556 | 72704 | 1461561 | -42.76 |
| | Individual Non-Single Premium | 1928.56 | 16334.78 | 1608.81 | 15908.81 | 2.68 | 1835378 | 15504033 | 1625511 | 14332028 | 8.18 |
| | Group Single Premium | 4241.3 | 46107.97 | 2215.39 | 31658.83 | 45.64 | 13 | 262 | 0 | 5 | 5140 |
| | Group Non-Single Premium | 274.37 | 2543.06 | 217.51 | 3028.14 | -16.02 | 2271 | 25264 | 2006 | 28852 | -12.44 |
| | Total | 7806.41 | 74142.1 | 4677 | 62364.62 | 18.88 | 1961226 | 16366115 | 1700221 | 15822446 | 3.44 |
| | **Grand Total** | **11296.22** | **107167.83** | **7610.59** | **90580.45** | **18.31** | **2555426** | **21512915** | **2214033** | **20540313** | **4.74** |

*Source: Life Insurance Council*

## GROSS DIRECT PREMIUM INCOME UNDERWRITTEN BY NON-LIFE INSURERS WITHIN INDIA (SEGMENT WISE) : FOR THE PERIOD UPTO FEBRUARY,2016 ( PROVISIONAL & UNAUDITED ) (RS. IN CRS.)

| Insurers | Fire | Marine Total | Marine Cargo | Marine Hull | Engine-ering | Motor Total | Motor OD | Motor TP | Health | Aviation | Liability | P.A. | All Other Misc. | Grand Total | Growth % | Market % | Accr-etion |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Private Sector Insurers** | | | | | | | | | | | | | | | | | |
| **Royal Sundaram** | **96.00** | **30.85** | **29.98** | **0.87** | **36.55** | **1125.67** | **779.90** | **345.77** | **180.41** | **0.00** | **10.12** | **35.33** | **7.21** | **1522.14** | **7.14%** | **1.76%** | **101.50** |
| Previous year | 75.84 | 30.98 | 30.32 | 0.66 | 34.13 | 1042.27 | 732.80 | 309.47 | 189.18 | 0.00 | 8.50 | 33.73 | 6.01 | 1420.64 | | | |
| **Tata-AIG** | **344.10** | **249.52** | **249.52** | **0.00** | **75.34** | **1262.76** | **807.56** | **455.20** | **252.43** | **2.05** | **259.01** | **119.23** | **138.52** | **2702.97** | **10.39%** | **3.13%** | **254.44** |
| Previous year | 304.91 | 233.78 | 233.78 | 0.00 | 68.06 | 1076.61 | 689.90 | 386.71 | 221.57 | 1.76 | 231.66 | 132.05 | 178.12 | 2448.53 | | | |
| **Reliance General** | **254.53** | **49.94** | **40.74** | **9.20** | **50.55** | **1488.96** | **719.80** | **769.16** | **518.22** | **4.42** | **39.53** | **25.97** | **141.82** | **2573.94** | **3.54%** | **2.98%** | **88.11** |
| Previous year | 182.53 | 45.13 | 40.31 | 4.82 | 64.96 | 1488.79 | 685.71 | 803.08 | 448.65 | 3.00 | 32.77 | 35.80 | 184.20 | 2485.83 | | | |
| **IFFCO-Tokio** | **222.37** | **109.39** | **104.60** | **4.79** | **58.55** | **2192.16** | **1211.52** | **980.64** | **405.13** | **0.49** | **69.77** | **42.45** | **228.90** | **3329.21** | **12.45%** | **3.85%** | **368.60** |
| Previous year | 204.34 | 108.29 | 95.75 | 12.55 | 56.20 | 1940.20 | 1126.68 | 813.52 | 294.30 | 1.04 | 56.71 | 32.51 | 267.02 | 2960.61 | | | |
| **ICICI-lombard** | **595.14** | **291.44** | **229.63** | **61.81** | **187.16** | **3801.41** | **2307.69** | **1493.72** | **1356.16** | **49.88** | **177.17** | **258.21** | **790.84** | **7507.41** | **21.67%** | **8.69%** | **1337.32** |
| Previous year | 515.91 | 237.86 | 188.89 | 48.97 | 164.91 | 3116.39 | 1946.17 | 1170.22 | 1284.74 | 44.40 | 158.86 | 214.60 | 432.42 | 6170.09 | | | |
| **Bajaj Allianz** | **407.25** | **131.19** | **118.79** | **12.40** | **91.57** | **2933.30** | **1917.93** | **1015.37** | **756.13** | **3.77** | **192.88** | **91.96** | **584.72** | **5192.77** | **10.78%** | **6.01%** | **505.44** |
| Previous year | 369.15 | 113.98 | 105.97 | 8.01 | 82.91 | 2613.24 | 1773.70 | 839.54 | 654.20 | 1.90 | 171.79 | 58.25 | 621.91 | 4687.33 | | | |
| **HDFC ERGO** | **350.63** | **95.84** | **87.89** | **7.94** | **62.18** | **1054.22** | **539.20** | **515.02** | **581.29** | **26.20** | **134.91** | **427.55** | **246.23** | **2979.05** | **4.61%** | **3.45%** | **131.38** |
| Previous year | 315.07 | 100.34 | 88.14 | 12.20 | 57.22 | 955.47 | 570.59 | 384.87 | 509.86 | 26.76 | 121.33 | 355.62 | 406.00 | 2847.67 | | | |
| **Cholamandalam MS** | **179.56** | **71.63** | **71.63** | **0.00** | **18.21** | **1466.42** | **666.09** | **800.33** | **187.76** | **0.00** | **14.55** | **97.48** | **143.08** | **2178.70** | **29.99%** | **2.52%** | **502.60** |
| Previous year | 108.40 | 60.07 | 60.07 | 0.00 | 22.73 | 1126.60 | 527.31 | 599.29 | 158.03 | 0.00 | 10.67 | 56.59 | 133.01 | 1676.10 | | | |
| **Future Generali** | **145.40** | **56.46** | **56.46** | **0.00** | **34.62** | **828.04** | **578.37** | **249.67** | **146.57** | **0.24** | **36.85** | **45.00** | **114.20** | **1407.38** | **4.70%** | **1.63%** | **63.24** |
| Previous year | 121.80 | 54.78 | 54.78 | 0.00 | 34.89 | 744.92 | 527.31 | 217.60 | 133.61 | 0.06 | 35.94 | 40.06 | 178.08 | 1344.14 | | | |
| **Universal Sompo** | **118.13** | **15.09** | **13.10** | **1.99** | **19.45** | **273.72** | **167.11** | **106.61** | **120.02** | **0.00** | **6.23** | **13.14** | **211.24** | **777.02** | **33.70%** | **0.90%** | **195.87** |
| Previous year | 106.32 | 15.15 | 15.15 | 0.00 | 16.62 | 218.14 | 133.27 | 84.87 | 104.26 | 0.00 | 4.49 | 5.67 | 110.51 | 581.15 | | | |
| **Shriram General** | **17.06** | **1.22** | **1.22** | **0.00** | **8.79** | **1470.15** | **476.14** | **994.01** | **0.00** | **0.00** | **3.02** | **6.11** | **4.14** | **1510.50** | **13.73%** | **1.75%** | **182.41** |
| Previous year | 14.06 | 0.69 | 0.69 | 0.00 | 5.91 | 1296.84 | 453.11 | 843.73 | 0.00 | 0.00 | 2.03 | 5.24 | 3.32 | 1328.09 | | | |
| **Bharti AXA** | **53.99** | **23.22** | **23.22** | **0.00** | **24.03** | **931.83** | **638.05** | **293.78** | **79.10** | **0.00** | **24.30** | **15.42** | **15.25** | **1167.14** | **-12.51%** | **1.35%** | **-166.94** |
| Previous year | 72.16 | 29.21 | 29.21 | 0.00 | 29.56 | 994.99 | 685.08 | 309.90 | 145.51 | 0.00 | 21.23 | 20.65 | 20.77 | 1334.08 | | | |
| **Raheja QBE** | **0.37** | **0.03** | **0.03** | **0.00** | **0.27** | **2.19** | **0.00** | **2.19** | **0.02** | **0.00** | **19.75** | **0.14** | **0.52** | **23.29** | **19.74%** | **0.03%** | **3.84** |
| Previous year | 0.37 | 0.00 | 0.00 | 0.00 | 0.26 | 0.30 | 0.00 | 0.30 | 0.01 | 0.00 | 17.73 | 0.26 | 0.52 | 19.45 | | | |
| **SBI General** | **523.44** | **21.06** | **21.06** | **0.00** | **17.24** | **610.34** | **374.90** | **235.44** | **171.35** | **0.03** | **3.44** | **244.48** | **148.46** | **1739.84** | **29.25%** | **2.01%** | **393.75** |
| Previous year | 443.36 | 15.96 | 15.96 | 0.00 | 21.55 | 459.02 | 245.40 | 213.62 | 75.26 | 0.58 | 3.18 | 241.18 | 85.99 | 1346.09 | | | |
| **L&T General** | **54.09** | **13.34** | **13.34** | **0.00** | **16.02** | **261.60** | **155.93** | **105.67** | **56.00** | **0.00** | **5.72** | **2.40** | **2.73** | **411.91** | **43.48%** | **0.48%** | **124.83** |
| Previous year | 36.73 | 8.50 | 8.50 | 0.00 | 16.51 | 175.42 | 118.97 | 56.45 | 39.90 | 0.00 | 5.14 | 1.81 | 3.08 | 287.09 | | | |
| **Magma HDI** | **28.25** | **11.83** | **11.83** | **0.00** | **8.32** | **303.72** | **160.60** | **143.12** | **0.00** | **0.00** | **14.27** | **1.64** | **1.69** | **369.72** | **-14.49%** | **0.43%** | **-62.67** |
| Previous year | 28.70 | 10.22 | 10.22 | 0.00 | 8.64 | 364.46 | 205.08 | 159.38 | 0.00 | 0.00 | 15.71 | 1.20 | 3.47 | 432.39 | | | |
| **Liberty Videocon** | **25.66** | **6.85** | **6.85** | **0.00** | **14.23** | **247.61** | **171.62** | **75.99** | **53.29** | **0.00** | **5.39** | **10.13** | **7.57** | **370.73** | **42.75%** | **0.43%** | **111.03** |
| Previous year | 18.00 | 3.27 | 3.27 | 0.00 | 6.54 | 173.72 | 138.74 | 34.98 | 34.26 | 0.00 | 3.63 | 16.77 | 3.51 | 259.70 | | | |
| **Kotak Mahindra($$$)** | | **0.00** | | | | **1.39** | **1.02** | **0.37** | | | | | | **1.39** | **#DIV/0!** | **0.00%** | **1.39** |
| Previous year | | 0.00 | | | | 0.00 | 0.00 | 0.00 | | | | | | 0.00 | | | |
| **Private Sector Sub Total** | **3415.98** | **1178.89** | **1079.89** | **99.00** | **723.09** | **20255.50** | **11673.44** | **8582.06** | **4863.89** | **87.07** | **1016.91** | **1436.65** | **2787.12** | **35765.10** | **13.08%** | **41.38%** | **4136.15** |
| Previous Year Sub Total | 2917.64 | 1068.22 | 981.01 | 87.21 | 691.61 | 17787.37 | 10559.82 | 7227.54 | 4293.33 | 79.50 | 901.37 | 1251.99 | 2637.94 | 31628.96 | | | |
| % Growth | 17.1% | 10.4% | 10.1% | 13.5% | 4.6% | 13.9% | 10.5% | 18.7% | 13.3% | 9.5% | 12.8% | 14.7% | 5.7% | 13.1% | | | |

| Insurers | Fire | Marine Total | Marine Cargo | Marine Hull | Engine-ering | Motor Total | Motor OD | Motor TP | Health | Aviation | Liability | P.A. | All Other Misc. | Grand Total | Growth % | Market % | Accr-etion |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Public Sector Insurers** | | | | | | | | | | | | | | | | | |
| **New India** | **1512.35** | **553.77** | **300.25** | **253.52** | **410.94** | **5556.33** | **2553.94** | **3002.39** | **4309.00** | **111.22** | **272.64** | **188.02** | **620.56** | **13534.83** | **14.54%** | **15.66%** | **1718.44** |
| Previous year | 1430.77 | 607.17 | 296.03 | 311.15 | 351.95 | 4829.49 | 2351.45 | 2478.04 | 3531.54 | 107.37 | 240.51 | 165.52 | 552.07 | 11816.39 | | | |
| **National** | **750.69** | **235.94** | **157.82** | **78.12** | **217.95** | **5290.94** | **2150.73** | **3140.22** | **3498.22** | **63.29** | **79.00** | **226.35** | **423.44** | **10785.82** | **7.60%** | **12.48%** | **762.23** |
| Previous year | 795.54 | 270.81 | 169.26 | 101.54 | 254.63 | 4601.28 | 1951.16 | 2650.12 | 3237.03 | 70.31 | 83.63 | 121.98 | 588.39 | 10023.59 | | | |
| **United India** | **1150.41** | **408.07** | **234.75** | **173.32** | **428.57** | **4209.91** | **1546.45** | **2663.46** | **3624.58** | **46.74** | **155.88** | **198.98** | **600.56** | **10823.70** | **13.75%** | **12.52%** | **1308.64** |
| Previous year | 1102.91 | 494.76 | 254.46 | 240.30 | 462.92 | 3709.08 | 1591.90 | 2117.18 | 2792.41 | 52.87 | 139.82 | 164.34 | 595.95 | 9515.06 | | | |
| **Oriental** | **872.13** | **387.61** | **210.41** | **177.20** | **278.90** | **2825.16** | **1146.53** | **1678.63** | **2379.97** | **94.93** | **114.78** | **127.65** | **438.66** | **7519.79** | **11.98%** | **8.70%** | **804.41** |
| Previous year | 861.72 | 378.02 | 207.97 | 170.05 | 302.34 | 2575.49 | 1098.11 | 1477.38 | 1821.48 | 99.37 | 105.64 | 116.63 | 454.69 | 6715.38 | | | |
| **Public Sector sub Total** | **4285.58** | **1585.39** | **903.23** | **682.16** | **1336.36** | **17882.34** | **7397.65** | **10484.70** | **13811.77** | **316.18** | **622.30** | **741.00** | **2083.22** | **42664.14** | **12.07%** | **49.37%** | **4593.73** |
| Previous Year Sub Total | 4190.94 | 1750.76 | 927.72 | 823.04 | 1371.84 | 15715.34 | 6992.62 | 8722.72 | 11382.46 | 329.92 | 569.59 | 568.47 | 2191.10 | 38070.41 | | | |
| % Growth | 2.3% | -9.4% | -2.6% | -17.1% | -2.6% | 13.8% | 5.8% | 20.2% | 21.3% | -4.2% | 9.3% | 30.4% | -4.9% | 12.1% | | | |
| **Stand-alone Health Insurers** | | | | | | | | | | | | | | | | | |
| **Star Health** | | **0.00** | | | | **0.00** | | | **1649.20** | | | **41.17** | **0.00** | **1690.37** | **36.23%** | **1.96%** | **449.51** |
| Previous year | | 0.00 | | | | 0.00 | | | 1213.56 | | | 27.30 | 0.00 | 1240.86 | | | |
| **Apollo Munich** | | **0.00** | | | | **0.00** | | | **808.57** | | | **60.27** | **0.00** | **868.84** | **27.45%** | **1.01%** | **187.13** |
| Previous year | | 0.00 | | | | 0.00 | | | 641.94 | | | 22.46 | 17.31 | 681.71 | | | |
| **Max Bupa** | | **0.00** | | | | **0.00** | | | **409.70** | | | **0.35** | | **410.05** | **29.77%** | **0.47%** | **94.06** |
| Previous year | | 0.00 | | | | 0.00 | | | 315.42 | | | 0.57 | | 315.99 | | | |
| **Religare** | | **0.00** | | | | **0.00** | | | **401.45** | | | **37.39** | | **438.84** | **83.19%** | **0.51%** | **199.28** |
| Previous year | | 0.00 | | | | 0.00 | | | 226.17 | | | 13.39 | | 239.56 | | | |
| **Cigna TTK** | | **0.00** | | | | **0.00** | | | **115.44** | | | **6.31** | | **121.75** | **647.39%** | **0.14%** | **105.46** |
| Previous Year | | 0.00 | | | | 0.00 | | | 16.14 | | | 0.15 | | 16.29 | | | |
| **Stand-alone Health sub Total** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **3384.36** | **0.00** | **0.00** | **145.49** | **0.00** | **3529.85** | **41.51%** | **4.08%** | **1035.44** |
| Previous Year Sub Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2413.23 | 0.00 | 0.00 | 63.87 | 17.31 | 2494.41 | | | |
| % Growth | | | | | | | | | 40.2% | | | 127.8% | -100.0% | 41.5% | | | |
| Specialised Insurers | | | | | | | | | | | | | | | | | |
| **ECGC (Export & Credit)** | | **0.00** | | | | **0.00** | | | | | | | **1150.97** | **1150.97** | **-3.43%** | **1.33%** | **-40.84** |
| Previous year | | 0.00 | | | | 0.00 | | | | | | | 1191.81 | 1191.81 | | | |
| **AIC (Crop)** | | **0.00** | | | | **0.00** | | | | | | | **3312.51** | **3312.51** | **39.71%** | **3.83%** | **941.49** |
| Previous year | | 0.00 | | | | 0.00 | | | | | | | 2371.02 | 2371.02 | | | |
| Specialised sub Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4463.48 | 4463.48 | 25.28% | 5.16% | 900.65 |
| Previous Year Sub Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3562.83 | 3562.83 | | | |
| % Growth | | | | | | | | | | | | | 25.3% | 25.3% | | | |
| **Industry Total** | **7701.56** | **2764.29** | **1983.12** | **781.16** | **2059.44** | **38137.85** | **19071.09** | **19066.76** | **22060.01** | **403.24** | **1639.21** | **2323.14** | **9333.82** | **86422.57** | **14.08%** | **100.00%** | **10665.96** |
| Previous Year Sub Total | 7108.58 | 2818.98 | 1908.73 | 910.25 | 2063.45 | 33502.70 | 17552.44 | 15950.26 | 18089.02 | 409.42 | 1470.96 | 1884.32 | 8409.18 | 75756.61 | | | |
| **% Growth** | **8.3%** | **-1.9%** | **3.9%** | **-14.2%** | **-0.2%** | **13.8%** | **8.7%** | **19.5%** | **22.0%** | **-1.5%** | **11.4%** | **23.3%** | **11.0%** | **14.1%** | | | |
| **% Market Share** | **8.9%** | **3.2%** | **2.3%** | **0.9%** | **2.4%** | **44.1%** | **22.1%** | **22.1%** | **25.5%** | **0.5%** | **1.9%** | **2.7%** | **10.8%** | **100.0%** | | | |
| **Previous Year Market Share** | **9.4%** | **3.7%** | **2.5%** | **1.2%** | **2.7%** | **44.2%** | **23.2%** | **21.1%** | **23.9%** | **0.5%** | **1.9%** | **2.5%** | **11.1%** | **100.0%** | | | |

Note: Compiled by GI Council on the basis of data submitted by the Insurance companies
$$$ Commenced operations in December 2015

# PUBLIC NOTICE

Bima Bemisaal

## IRDAI CAUTIONS PUBLIC AGAINST SPURIOUS CALLS AND FICTITIOUS OFFERS

Insurance Regulatory and Development Authority of India (IRDAI) has been receiving complaints, through email/letters and in its Integrated Grievance Management System, from members of public informing the Authority that they are receiving spurious calls from unidentified persons:

- Claiming to be representatives of IRDAI and offering insurance policies of different insurance companies with various benefits.
- Claiming that IRDAI is distributing bonus to insurance policyholders out of the funds invested by insurance companies with IRDAI.
- Claiming that the policyholder would receive bonuses being distributed by IRDAI if they purchase an insurance policy and wait for a few months after which the bonus would be released by IRDAI.
- Advising customers to subscribe to fresh policy after surrender of the existing policy and wait for a few months after which the fresh policy would be entitled for additional enhanced returns/ benefits.
- Informing that 'Survival Benefit or Maturity Proceeds or Bonus' is due under their existing policy and investing in a new insurance policy is mandatory to receive the amounts which are due.
- Advising public to invest in insurance policies to avail gifts, promotional offers, interest free loans, or setting up of Telecom towers or other such offers.

The general public is hereby informed that IRDAI is a regulatory body established by an Act of Parliament, i.e. the Insurance Regulatory and Development Authority Act 1999, to protect the interests of the policyholders, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto. Further, IRDAI informs the members of public that:

- IRDAI is not involved directly or through any representative in sale of any kind of insurance or financial products.
- IRDAI does not invest the premium received by insurance companies.
- IRDAI does not announce any bonus for policyholders or insurers.
- Any person making any kind of transaction with such individuals/agents will be doing the same at his own risk.

IRDAI hereby urges the public to remain alert and not to fall prey to frauds or scams perpetrated by miscreants who impersonate to be employees / officers of IRDAI or other insurance companies.

If any member of the public notices such instances, he or she may lodge a police complaint, along with the details of the caller and telephone number from which the call was received , in the local police station

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## BEWARE OF FAKE TELEPHONE CALLS

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**I.R.D.A of India:**

- Never sells any insurance or financial products
- Never invests the premium of insurance companies
- Never endorse any bonuses

***Report the name, phone number and other details of such callers to your nearest Police Station.***

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