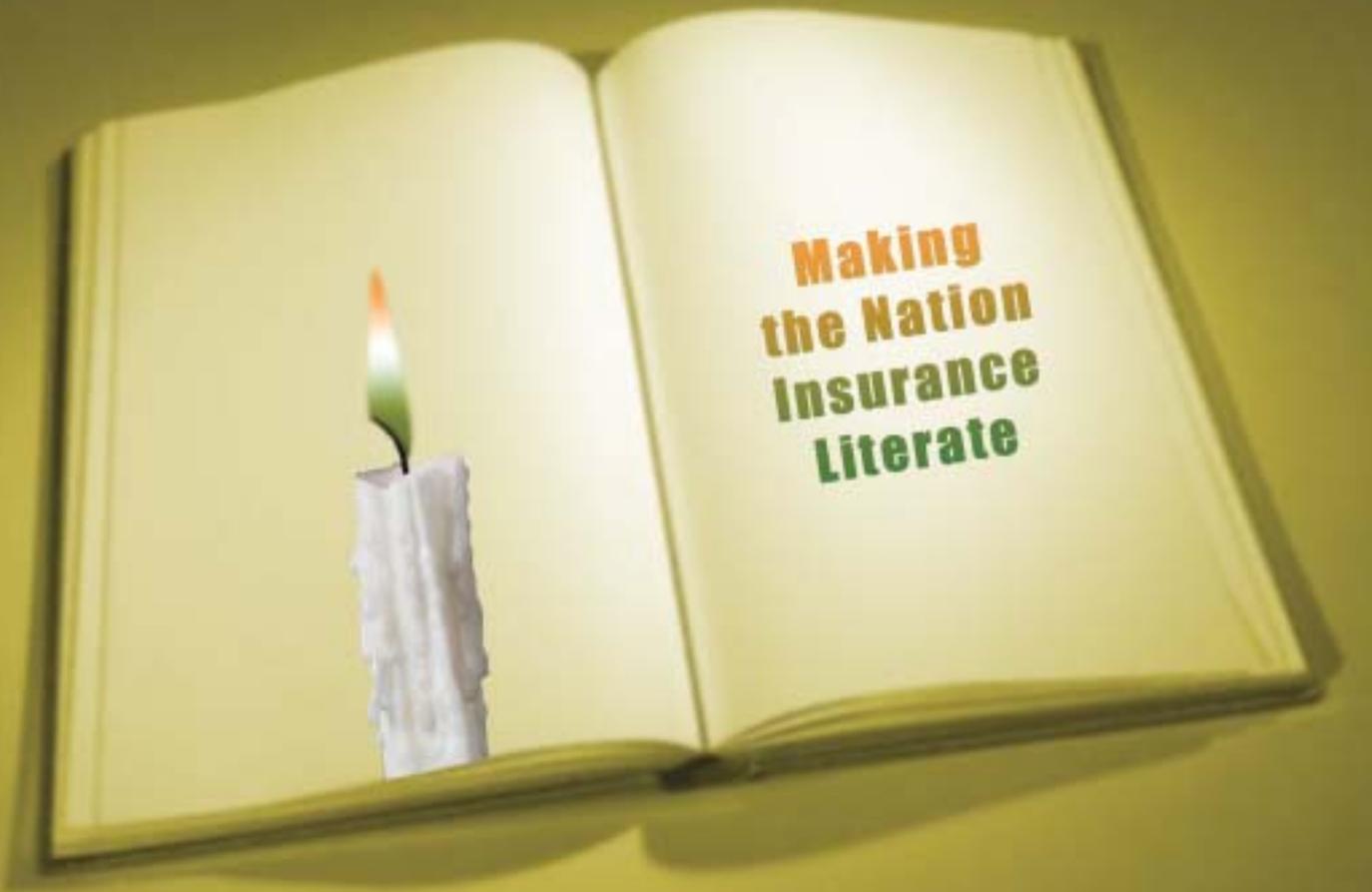


Volume V, No. 8



Journal

July 2007



बीमा विनियामक और विकास प्राधिकरण

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Printed by Alapati Bapanna and
published by C.S.Rao on behalf of
Insurance Regulatory and Development Authority.

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Printed at Kalajyothi Process Ltd.
(with design inputs from Wide Reach)
1-1-60/5, RTC Cross Roads
Musheerabad, Hyderabad - 500 020
and published from
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From the Publisher

Literacy levels are low in India and even among the most literate, awareness about the financial markets is abysmally low. Within the financial sector, insurance suffered considerable neglect. The reasons for this are not far to seek. Historically insurance has not been given its due; and it has always been treated as a tool that one would resort to if there is no escape. While the field of education has seen tremendous changes in alignment with the various developments taking place globally, insurance has never been put on the priorities of either collegiate or university education. As a result, whatever insurance education was available was picked up on the job.

For a system to flourish, it is not just the professionals who are on the job that are required to be educated. The key to effective market growth and discipline lies in consumer education. Informed and educated consumers are often the most effective means of enabling sustained market growth. There has been a marked improvement in the field of insurance

education in the post-liberalized scenario. It is gratifying to note that several universities have started courses in insurance, at least on an elective basis. This augurs well for the future of insurance growth in the country. Further, in the environment that has been created subsequent to the opening up of the insurance sector, the players in the industry are expected to create additional markets by enhancing the level of risk awareness amongst the uninsured public, thereby spreading both the message and the associated benefits of insurance across a wider cross section of people.

'Insurance Education and Awareness' is the focus of this issue of the *Journal*. To ensure that the industry functions effectively, monitoring and supervision of the insurance companies is essential. 'Monitoring and Supervision of Insurers' would be the focus of the next issue of the *Journal*.

C.S. Rao
C.S. Rao

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Achieving Higher Growth – Through Education

In terms of visible growth, India has been making tremendous progress over the last several years; and this growth level is most likely to be sustained, if not consolidated further. One should admit that one of the prime factors for such a growth is the revolution that we achieved in the area of Information Technology; and the IT enabled services. There still remain a few grey areas where this upsurge is not being matched on an even keel. For example, financial literacy is one area in which India needs to make giant strides of progress. While we have achieved great milestones generally in the field of academics, one has to admit that financial literacy, which is so vital for wealth creation and wealth management; has eluded the better part of the educated elite of the nation. Within this, however, domains like banking and capital markets are better placed; and when it comes to insurance, the level of awareness among the populace is dismally low. It is perhaps the one factor that would sufficiently explain the poor penetration of insurance in the country.

The growth that has been observed in insurance business over the last few years in a resurgent economy has far exceeded all estimations. However, most of this growth was observed in certain classes of insurance - like the Unit Linked business in the case of life insurance. This trend once again indicates that the growth may have been concentrated in some urban pockets, apart from the fact that it is not strictly risk-driven. For insurance to make a consistent growth, the spread has to be geographically universal besides the main component being risk coverage. The poor levels of understanding the benefits of insurance can be quoted to be main factor for such a skewed growth. While affordability is still paraded as a very strong reason for insurance remaining out of the reach of a section of the population, it is the lack of awareness which is a very strong factor for the poor levels of penetration. No other factor can sufficiently explain the lukewarm response that an initiative like UHIS received. Although consistent growth levels are being accomplished, year on year; a major chunk of the insurable population still remains uninsured or grossly under-insured.

Insurance education has not been at the forefront of priorities, either for schools or universities; and it has been a very recent trend that several institutes are offering insurance as one of the courses in their curriculum. India being a predominantly rural-based country, these developments must be seen beyond the realm of classrooms. Mere formal education is not going to set right the above imbalances. The values of insurance must be inculcated into the rural folk through a medium that is close to their ways of life. Only then can we really make a mark in insurance penetration; and claim to have made real progress.

'Insurance Education and Awareness' is the focus of this issue of the **Journal**. Mr. Trevor Bull sets the ball rolling with his article in which he narrates the success of more developed markets through properly educating the field force. In the next article, Mr. G.R.K. Murthy explains the need for taking a re-look at higher education itself, and within that insurance education; if India were to achieve greater success. Mr. K.C. Mishra narrates the priorities for an educational institution in promoting insurance, in his article 'Insurance Education - Business Opportunity vs. Sustained Growth'. 'The role of the distributor is immense if the message is to be rightly delivered' opines Mr. G. Prabhakara in the next article. Mr. Arup Chatterjee laments about the advantages being certainly tilted towards the urban consumer for which he feels lack of proper education among the rural folk is a prime factor. In the end, we have an article by Mr. D.V.S. Ramesh, in which he writes that providing better services to the client would be the main objective for an insurer; and for that he feels continuous education of all the personnel involved is absolutely necessary.

In a market that is evolving, the priorities for a player would be to achieve maximum business growth. But whether this enhancement is being done within the rules of the game is a matter of prime importance for a supervisor. 'Monitoring and Supervision' will be the focus of the next issue of the **Journal**.

U. Jawaharlal



Report Card:LIFE

First Year Premium of Life Insurers for the Period Ended May 2007

Sl No.	Insurer	Premium u/w (Rs. in Crores)			No. of Policies / Schemes			No. of lives covered under Group		
		MAY, 07	Up to MAY, 07	Up to MAY, 06	MAY, 07	Up to MAY, 07	Up to MAY, 06	MAY, 07	Up to MAY, 07	Up to MAY, 06
1	Bajaj Allianz									
	Individual Single Premium	26.72	34.57	201.71	5482	8290	7175			
	Individual Non-Single Premium	253.99	369.06	171.51	203086	297389	102575			
	Group Single Premium	0.79	1.41	0.60	0	0	0	688	1216	266
	Group Non-Single Premium	2.73	3.43	1.71	25	44	26	17266	96001	66446
2	ING Vysya									
	Individual Single Premium	0.94	2.60	8.92	89	194	549			
	Individual Non-Single Premium	36.28	56.24	56.56	19376	32962	25157			
	Group Single Premium	0.85	0.85	1.08	0	0	0	168	168	256
	Group Non-Single Premium	0.59	0.73	0.45	2	2	9	14987	23708	3195
3	Reliance Life									
	Individual Single Premium	7.63	10.36	31.37	1469	2288	4673			
	Individual Non-Single Premium	51.89	80.00	51.82	29461	54542	27976			
	Group Single Premium	5.81	6.88	0.46	3	7	6	1972	7351	5216
	Group Non-Single Premium	0.98	2.34	1.13	20	45	28	38772	68373	35447
4	SBI Life									
	Individual Single Premium	43.55	69.99	25.46	6407	10114	1980			
	Individual Non-Single Premium	91.65	143.53	70.48	33030	51690	18150			
	Group Single Premium	16.58	25.85	22.37	0	0	1	8678	14337	14341
	Group Non-Single Premium	27.54	30.27	33.12	5	6	72	35926	51899	122230
5	Tata AIG									
	Individual Single Premium	1.55	3.18	1.26	204	451	0			
	Individual Non-Single Premium	42.52	81.80	69.77	34545	67206	55210			
	Group Single Premium	6.10	11.17	6.12	0	0	0	38798	72320	18398
	Group Non-Single Premium	2.40	4.36	2.24	2	7	29	16859	34062	27615
6	HDFC Standard									
	Individual Single Premium	8.56	13.98	20.57	10087	12167	5421			
	Individual Non-Single Premium	124.02	180.94	99.93	39991	62676	27590			
	Group Single Premium	1.65	3.26	10.01	8	12	20	2919	16866	35460
	Group Non-Single Premium	17.86	24.52	10.51	6	9	3	2124	12803	1049
7	ICICI Prudential									
	Individual Single Premium	29.52	50.38	45.95	4681	8052	7818			
	Individual Non-Single Premium	282.51	451.73	307.35	145603	261716	159942			
	Group Single Premium	9.09	46.75	11.87	20	41	47	53024	55910	44081
	Group Non-Single Premium	39.97	83.66	73.07	47	122	80	87151	127925	57967
8	Birla Sunlife									
	Individual Single Premium	3.20	4.67	3.74	4138	6179	1303			
	Individual Non-Single Premium	45.71	69.65	60.75	21406	32844	20325			
	Group Single Premium	0.17	0.41	1.94	1	2	0	276	473	1140
	Group Non-Single Premium	7.08	9.88	21.00	4	8	15	902	6846	11212

9	Aviva									
	Individual Single Premium	1.41	3.26	3.72	254	473	244			
	Individual Non-Single Premium	49.92	83.60	77.79	23292	34742	29115			
	Group Single Premium	0.39	0.71	0.37	0	0	1	150	242	262
	Group Non-Single Premium	1.31	4.07	8.43	10	11	18	31741	60357	43422
10	Kotak Mahindra Old Mutual									
	Individual Single Premium	1.65	2.74	6.18	222	344	812			
	Individual Non-Single Premium	35.99	58.14	33.59	15299	22340	10768			
	Group Single Premium	1.35	2.12	0.43	0	0	0	5977	12182	2325
	Group Non-Single Premium	2.19	4.51	9.80	15	39	24	17341	65720	17218
11	Max New York									
	Individual Single Premium	16.58	28.53	0.08	911	1704	23			
	Individual Non-Single Premium	69.20	125.78	87.52	47464	88579	62054			
	Group Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
	Group Non-Single Premium	1.64	2.16	1.05	30	100	14	14632	44129	6023
12	Met Life									
	Individual Single Premium	2.72	3.20	0.73	368	465	125			
	Individual Non-Single Premium	30.95	48.61	23.07	11546	15519	9043			
	Group Single Premium	1.08	1.93	0.00	3	10	0	6387	36152	0
	Group Non-Single Premium	0.00	0.00	2.78	0	0	58	0	0	151717
13	Sahara Life									
	Individual Single Premium	1.49	2.02	1.55	412	569	385			
	Individual Non-Single Premium	3.25	4.46	0.19	5480	7484	1024			
	Group Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
	Group Non-Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
14	Shriram Life									
	Individual Single Premium	8.14	9.54	0.00	1707	2025	0			
	Individual Non-Single Premium	12.57	15.71	3.72	5932	7862	7047			
	Group Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
	Group Non-Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
15	Bharti Axa Life									
	Individual Single Premium	0.04	0.04		4	4				
	Individual Non-Single Premium	1.53	2.24		1529	2306				
	Group Single Premium	0.00	0.00		0	0		0	0	
	Group Non-Single Premium	0.00	0.00		0	0		0	0	
	Private Total									
	Individual Single Premium	153.72	239.06	351.23	36435	53319	30508			
	Individual Non-Single Premium	1131.97	1771.50	1114.08	637040	1039857	555976			
	Group Single Premium	43.88	101.34	55.25	35	72	75	119037	217217	121745
	Group Non-Single Premium	104.29	169.93	165.29	166	393	376	277701	591823	543541
16	LIC									
	Individual Single Premium	826.79	1320.35	2198.55	230860	376187	388127			
	Individual Non-Single Premium	1509.59	2759.88	1333.90	1865910	3309588	1605699			
	Group Single Premium	579.17	969.64	650.60	1368	2047	1838	2239589	2419311	905855
	Group Non-Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
	Grand Total									
	Individual Single Premium	980.51	1559.41	2549.78	267295	429506	418635			
	Individual Non-Single Premium	2641.56	4531.38	2447.98	2502950	4349445	2161675			
	Group Single Premium	623.05	1070.98	705.84	1403	2119	1913	2358626	2636528	1027600
	Group Non-Single Premium	104.29	169.93	165.29	166	393	376	277701	591823	543541

Note: 1. Cumulative premium upto the month is net of cancellations which may occur during the free look period.
2. Compiled on the basis of data submitted by the Insurance companies



Towards Ensuring a Sound Market ...

‘IN LIGHT OF THE OPENING UP OF THE INSURANCE INDUSTRY TO PRIVATE PARTICIPATION, THE RULES OF THE GAME HAVE CHANGED; AND ONE CAN SENSE KEEN COMPETITION IN THE AIR. TO BE CONVINCED THAT IT IS NOT LEADING TO A CHAOTIC SITUATION, MONITORING AND SUPERVISION IS ABSOLUTELY ESSENTIAL’
INFERS U. JAWAHARLAL.

Management gurus firmly believe that close supervision is detrimental to performance; and this holds good either for an individual or for a corporate body. On the one hand, it tends to stifle the freedom and on the other, it gives an impression that the person supervising is skeptical about the working of the performer; and accordingly it acts as a demotivator. Nonetheless, in order to ensure that businesses are being run on sound lines and that there is no transgression of the rules of the game, monitoring and supervision remains a management prerogative.

In a competitive scenario, the prime consideration for each of the players would be to garner maximum business. Towards

achieving this, there may be an occasion for the players to lose sight of the standards and norms within which to operate. Especially, when the market is an emerging one, it is possible that such a situation may arise even inadvertently. Hence, the role of the supervisor assumes a great deal of importance. Insurance industry in India has been opened up for private participation with the intent to trigger competition so that the customers get the best deal. The insurance regulator of the country is independent of the Government; and in order to ensure that the autonomy bestowed upon the regulator is well-placed, monitoring and supervision of the insurance companies plays a vital role.

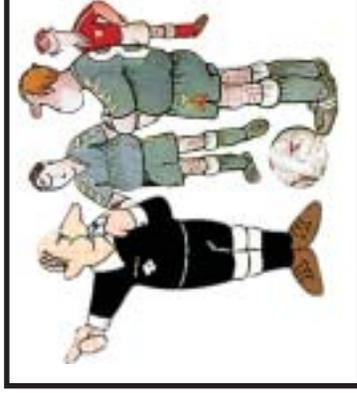
Insurance supervision is one of oversight to ensure that insurers have financial resources required to pay all claims as and when they fall due; and that insurers treat consumers in an equitable manner in all financial dealings. Financial soundness of the players has to be ensured at all times, commensurate with the business position of each player. This is one of the most vital areas to be supervised. Further, the market conduct of the players has to be in tune with the accepted norms of business. Areas where monitoring and supervision have to be looked into include advertisements, promotional campaigns and sales practices. One more area that needs to be supervised closely is with regard to the operational risk. Insurers have to necessarily put in place practices of due diligence. If a player consistently involves in repudiation of claims, it smacks of poor management

practices if not a deliberate attempt to defraud. Similarly, a high incidence of early claims, lapsation of contracts etc. in life insurance have all to be considered carefully.

The non-life domain has been de-tariffed recently and it has resulted in a great deal of operational freedom for the players. As this is a very sensitive area, the players have to show high levels of maturity in underwriting the risks and not get carried away by lucrative business opportunities. Further, the settlement of claims, pricing of products and customer service are some of the functional areas wherein the insurers have to acquit themselves creditably without necessitating an avoidable comment by the supervisors.

Insurance business is all about making promises for payment of a sum of money, contingent upon the happening of an event in future. Since Government protection does not exist, the public needs assurance that their funds are safe and the affairs of the companies are managed prudently. It is the supervisor's responsibility to ensure that this confidence is in place and that they would step in when a need arises. Above all, it should be remembered that a self-regulated conduct is what is desired in the long run; and the need for the supervisor to step-in and wield the stick is avoided.

'Monitoring and Supervision of Insurers' will be the focus of the next issue of the Journal. We look forward to an open and frank discussion of the issue.



Monitoring and Supervision in Insurance

in the next issue...

CIRCULAR

14 May 2007

Circular No. 007/IRDA/CIR/ADV/MAY-07

To
All the Insurers

Guidelines on Advertisement, Promotion & Publicity of Insurance Companies, and insurance intermediaries.

The success of sales communication depends on public confidence and the faith they repose in the insurance companies, when they receive a communication from them promoting their products. As such the insurers are expected to adopt honest and fair practices in the market-place and avoid practices that tend to impair the confidence of the public. As it is very difficult for the public to understand and evaluate the latent intricacies involved in the various insurance products, it is of paramount importance that the publicity material is relevant, fair and transparent enabling informed decision making about whether or not to buy a specific insurance product. The verbal communication that the prospects receive from their advisors can be supplemented by the written material that is made available to them.

These guidelines issued with the above background are intended to protect the interests of the insuring public, enhance their level of confidence on the nature of sales material used and ultimately encourage fair business practices. They are to be considered as the minimum standards to be adhered to, in addition to compliance with the IRDA (Insurance Advertisements and Disclosure) Regulations, 2000 (hereinafter referred to as 'Advertisement Regulations') and the code of conduct prescribed by the Advertisement Standards Council of India (ASCI) and any other regulations as applicable. These guidelines reinforce the extant regulations on all promotional communications with policyholders/prospective policyholders or targeted market segment with the objective of soliciting insurance business or otherwise.

2. Categories of Advertisements:

For the purpose of these guidelines an advertisement may be classified into two types:

- 2.1 Institutional Advertisements
- 2.2 Insurance Advertisements

2.1. Institutional advertisement: This is the advertisement of any nature which is not, either directly or indirectly, intended to solicit the insurance business, but only promotes the brand image of the insurance companies and/or its intermediaries and may contain the registered name, address, toll-free number, logo or trademark thereof. Advertisements issued in any mode including those that highlight sponsorships fall under this category.

Any inclusion of product names or information about the products, performance of the companies or their funds,

or the information about the product launches constitute insurance advertisements as defined in para 2.2 below.

2.2. Insurance advertisement: Any advertisement issued with the specific purpose of soliciting insurance business, and / or to influence the choice, opinion or behavior of the prospective policyholders will fall under this category. Advertisement, for this purpose, means Insurance Advertisement as defined in 'advertisement regulations' and is classified as under:

- 2.2.1 "Invitation to Inquire": This is an advertisement which highlights the basic features of insurance/ insurance products issued through recognised marketing media in any mode to create a desire to inquire further about them.
- 2.2.2 "Invitation to Contract": This is an advertisement containing the detailed information regarding the insurance/insurance products mainly to induce the public to purchase, increase, modify, reinstate or retain a policy.

3. Guidelines on Advertisements:

3.1. These Guidelines are to be complied with by:

- All the insurers (life insurers, non-life insurers and health insurers)
- The insurance intermediaries

3.2. Coverage: These guidelines apply to advertisements, issued through all recognised marketing media, in any mode including printed material, radio, television, e-mails, hosting on the Internet and any other audio/visual electronic media.

3.3. General Requirements:

- 3.3.1. Dos: All insurance advertisements (as indicated in para 2.2 above) should ensure that:
 - 3.3.1.1. Communications are clear, fair and not misleading whatever be the mode of communication. They should use material and design (including paper size, colour, font type and font size, tone and volume) to present the information legibly and in an accessible manner.
 - 3.3.1.2. Sales material and advertisements are comprehensible in the light of the complexity of the product being sold.
 - 3.3.1.3. Brand names of the product as proposed in the File and Use application are adhered to.
 - 3.3.1.4. When issued in vernacular languages, the mandatory disclosures are also in the same vernacular language.

3.3.2. Don'ts

- 3.3.2.1. The design, content or format shall not disguise, obscure or diminish the significance of any statement, warning or other matter which an advertisement should contain as required by these guidelines.
- 3.3.2.2. Use or denigrate names, logos, brand names, distinguishing marks, symbols etc., which may be similar to those already used by others in the market that may lead to confusion in the market place.

3.4. Specific Requirements for an "Invitation to Contract" (Refer para 2.2.2):

3.4.1. Dos': Advertisements should ensure that:

- 3.4.1.1. Any expression of opinion of the insurer is a fair and honest representation.
- 3.4.1.2. Any statement of fact, promise or projection discloses all the relevant assumptions; and indicates in a clear and prominent way significant limitations / criteria on which any special offers are available.
- 3.4.1.3. Where attention is drawn to insurer's past financial performance it should indicate that the past performance is not an indication of future performance.
- 3.4.1.4. The contents should necessarily include:
 - a. The nature of the insurance contract (i.e., whether traditional/unit linked) and the type of the product (i.e., its uniqueness or otherwise, whether annuity, pension, health or whole life, home owners', shop keepers policies and any combination thereof, etc.);
 - b. The risks involved; the limitations and exclusions of the contract;
 - c. Illustrations which indicate the exact costs and charges; reasonable projections of benefits; and full disclosures of the basis and sources of information (e.g., disclose date of NAV);
 - d. The commitment of the insurer and the policy holder under the contract (e.g. the minimum amount to be invested; minimum and/or maximum sum assured; lock-in period; the reasonable safety norms to be adopted in case of non-life insurance products etc.,)

3.4.1.5. Where illustrations are provided, they

should adhere to the guidelines issued, if any, by the Authority or the Council.

3.4.2. Don'ts: The advertisements should not:

- 3.4.2.1 Highlight the potential benefits of an insurance contract without giving a fair indication of the risks.
- 3.4.2.2 Draw attention to favorable tax treatment without stating that they are subject to changes in the tax laws.
- 3.4.2.3 Highlight the positive financial condition of the parent (or promoting partner) company without mentioning the financial condition of the insurer and/ or indicate that the assets of parent company can be banked upon when desired.
- 3.4.2.4 Disclose benefits partially without disclosing the corresponding limitations/ conditions/ implications.
- 3.4.2.5 Indicate that acceptance of risk and/or settlement of claims are liberal and generous without an intent to do so.
- 3.4.2.6 Use ambiguous words or phrases which are likely to exaggerate the underlying benefits of the policies or plans and/or capable of limiting the actual exclusions or the limitations of the underlying benefits of the plan.
- 3.4.2.7 Denigrate or Damage the reputation of the competitor or the industry.

3.5. Mandatory disclosure in 'invitation to inquire': Every advertisement in the nature of 'invitation to inquire' should disclose the following statement "For more details on risk factors, terms and conditions please read sales brochure carefully before concluding a sale".

3.6. Advertising through the Internet and other electronic media: Provisions applicable to published advertisements apply equally to advertising through electronic media i.e., advertisements through a telephonic interactive mode or on the internet.

3.6.1. Internet:

- 3.6.1.1. In case of communications on/through internet an insurer should ensure that the recipients/viewers have the opportunity to view the full text of the relevant key features; terms and conditions; any other applicable risk information required by these guidelines and they shall not be hidden away in the body of the text. It shall be easily obtained, before any application form

is offered. In case of e-mail communications there should be a provision to unsubscribe from the mailing list.

3.6.1.2. Text, graphics, hyperlinks and sound should be entirely consistent with all the requirements specified in these guidelines.

3.6.1.3. Insurers should take an undertaking from the prospective policyholders that they have read the entire text, features, disclosures, terms and conditions, etc., while applying for insurance on-line.

3.6.1.4. Mandatory provision of a helpline or help number to further provide all information that a policyholder would reasonably expect.

3.6.1.5. Insurers should provide hard copy of the necessary information on request.

3.6.2. Telephonic Interactive Mode:

3.6.2.1. Promotional activities through Cold-calls shall be preferably by a licensed intermediary. In case it is done by other than licensed intermediary, responsibility of compliance with advertisement regulations and the guidelines vests with the insurer/intermediary that has outsourced this activity.

3.6.2.2. The telephone caller shall take necessary steps to ensure that they do not intrude into the privacy of the receiver. They should disclose their identity and proceed to converse only after permission.

3.6.2.3. A reference on the access to full information about the available products and the importance of financial need analysis along with the contact phone numbers which can provide such information shall be placed before closing the call.

3.6.2.4. Every insurer shall facilitate an access to 'do not call registry' with the contact numbers of the persons who wish not to be contacted, which should be referred to, before every call.

3.7. Joint Sale Advertisements (JS):

Any insurance advertisement brought out jointly by an insurer either with its corporate agent or with a micro-insurance agent would fall under this category. These could relate to promotional activities where the logo/trademark/trade names of the participating parties are displayed jointly.

3.7.1. Joint sale advertisements in the nature of insurance advertisements (as defined in para 2.2 above) can be released only after obtaining prior approval from the Authority. Every application for approval shall carry a certificate from the Appointed Actuary that it presents the same features of the product as cleared under File and Use.

3.7.2. The contents of these guidelines will apply in mutatis mutandis to all the JS advertisements, as applicable. These guidelines supercede the circular IRDA/ADVT/2004 dated 6th December 2004 regarding "Products Co-branded with Corporate Agents/Brokers".

4. Branding with Third parties: (Third parties for this purpose shall mean any individual/association/entity other than insurance intermediary)

4.1 Can be used on any advertisement of insurance company/intermediary only when it does not urge the prospect or a policyholder to purchase, renew, increase, retain or modify a policy of insurance.

4.2 An exemption is however, given to insurance schemes sponsored/subsidized by Central/State government (s) in which case branding is permissible in any category of advertisements.

4.3 The onus vests with the insurer as to the compliance requirements of 'advertisement regulations' and the guidelines issued from time to time, in such cases.

5. Rating/Ranking/Awards:

5.1. Any claim of rating/award should be based only on those declared by entities which are independent of the insurance company and its affiliates. Insurance company and its affiliates should not however, procure services from such independent entities so as to get a rating/award.

5.2. Source of such rating/award is to be disclosed conspicuously and legibly in such advertisements.

5.3. No claim of ranking by an insurance company, as regards its position in the insurance market, based on any criteria (like premium income or number of policies or branches or claims settlements etc.,) is permissible in any of the advertisements.

6. Mandatory disclosure as specified by 'advertisement regulations' and applicable guidelines as may be specified from time to time should be clear, conspicuous and legible and should find at least 10% of the total space utilized for the advertisement in print/visual mode with a minimum print equivalent to font 'Times New Roman' No. 7. In case of audio mode, these disclosures should be spelt for at least 10% of the total time slot of the advertisement.

7. All the advertisements should carry a unique identifiable



- reference number as maintained in the advertising register in accordance with regulation 3 (v) (a) of the regulations.
8. Where material is filed with the Authority in accordance with the 'advertisement regulations', in other than English/ Hindi language, true translation of the same in English/ Hindi duly certified by an Authorised officer of the insurer, is to be enclosed.
 9. Advertisements filed in accordance with Regulation 3(v) of the 'advertisement regulations should be filed within 30 days of its release.
 10. In Unit linked business, advertisements should also adhere to the advertisement norms prescribed in circular no: 032/ IRDA/Actl/Dec-2005 dated 21st December, 2005.
 11. These guidelines come into force from 1st July 2007. Those advertisements inconsistent with the provisions of these guidelines should be withdrawn within 2 months of the guidelines coming into force.

(C.S. Rao)
Chairman

CIRCULAR

11 May 2007

CIRCULAR NO: 008/IRDA/Actl/ULIP_G/May-2007

LIFE INSURANCE PRODUCTS-Guidelines for Unit Linked Life Insurance Products

This has reference to the Guidelines for Unit Linked Life Insurance Products CIRCULAR NO: 032/IRDA/Actl/Dec-2005 Dated: 21/12/05 and 010/IRDA/Actl/May-2006 Dated: 26/05/06 issued by the Authority. In this connection, the Authority has examined various representations received from the Life insurance companies and Life Insurance council. Clarifications on the above references are given in the enclosure (Annexure)

for guidance. This circular will come into force with immediate effect, except item no: 7 which will come into effect from June 01, 2007.

(R. Kannan)
Member (Actuary)

Encl: Annexure

Annexure

S.No	Relevant part of the circular no 032/IRDA/Actl/ Dec-2005 dt.21/12/05	Description	Clarifications
1	Free-look period-Not related to the circular, but related to the unit linked contracts	Though this is not related to the above said guidelines, it is observed that the amount to be refunded if the policy is surrendered during the free look period is interpreted in different ways.	During the free-look period, the policyholder shall be entitled to an amount which should at least be equal to non-allocated premium plus charges levied by cancellation of units plus fund value at the date of cancellation less expenses as stated in the IRDA (Protection Of Policyholders' Interests) Regulations 2000, if the policyholder returns the policy stating the reasons for his/her objection.
2	Age admission- Not related to the circular, but related to the unit linked contracts	At the time of age admission (at a later stage), if the age of the policyholder is found to be not acceptable as per the product specifications, the contract becomes null and void.	At the time of age admission, if the age of the policyholder is found to be not acceptable as per the product specifications, the policyholder shall be entitled to at least refund of surrender value.
3	Para 1 of PART-I	When the customers' insurance needs are reduced the Unit Linked products do not offer the option to reduce the cover. This option becomes more valuable as the age advances.	Reduction in sum assured shall be allowed provided, at least the minimum sum assured condition as per the above circular shall be maintained at all times during the contract term.
4	Para 5 of PART-I	The above said guidelines appear to be silent on payment of a benefit on death or surrender, if the policyholder lapses the policy at any point of time in the first three years. Whether	Where premiums are discontinued during the first three years, the policyholder shall be entitled to:

S.No	Relevant part of the circular no 032/IRDA/Actl/ Dec-2005 dt.21/12/05	Description	Clarifications
5	Para 5 of PART-I	it is allowed to offer products without any benefit payable on death and surrender, if policyholder lapses the policy at any point of time in the first three years. On revival of unit linked contracts-whether all the due premiums have to be collected at the time of revival?	(i) a Death benefit which shall be at least equal to the fund value, if death occurs in the first three years (ii) A Surrender value at least from second year onwards which shall become payable only at the end of three years or at the end of the revival period whichever is later. Yes
6	Para 9 of PART-I	Whether partial withdrawals and switches are allowed during the settlement period.	Basically as the contract has come to an end on maturity, partial withdrawals and switches do not have any relevance. As such, these are not allowed
7	Para 10.6 of PART-I	Uniform cut-off timings for applicability of Net Asset Value	The uniform cut-off timings for applicability of Net Asset Value in respect of allocations and redemptions shall be 3p.m.

CANCELLATION OF BROKER LICENSE

14 May 2007

IRDA/DB-047/02

CANCELLATION OF BROKER LICENSE NO 208.

WHEREAS, M/S. Crystal Gold Insurance Brokers Ltd., (hereinafter referred to as the 'Broker') having its Registered Office at A/ 102, Krishna Building, Shantivan, Opp: Sona Cinema, Borivali (East), Mumbai-400 066 has been granted license by the Authority to act as a Direct Broker vide License No. 208 on 29th day of August, 2003 pursuant to the provisions of the IRDA (Insurance Brokers) Regulations, 2002.

WHEREAS, vide its letter dated 17.01.2007, the Broker expressed that it will not apply for renewal of the license and requested the Authority to permit it to surrender the license granted.

WHEREAS, the Broker vide its letter dated 09.04.2007 submitted the original license No.208 for cancellation.

NOW THEREFORE, pursuant to the request made by the Broker for voluntary surrender of the direct broking license, the Authority hereby cancels the Direct Broker License No. 208 granted to M/S. Crystal Gold Insurance Brokers Ltd., with immediate effect.

(K.K.Srinivasan)
Member

CIRCULAR

Date 21-05-2007

Ref: 011/IRDA/CIR/BRO/MAY-07

Re: Insertion of word `Insurance Broker/Brokers/ Broking` in the Name of Company

The Authority has decided that all Broking Companies should have the word `Insurance Broker` / `Insurance Brokers` / `Insurance Broking` in the name of every Insurance Broking Company to reflect its line of activity and to enable the public to differentiate IRDA licensed insurance brokers from other non licensed insurance related entities such as consultants, risk managers etc.

Therefore, all the licensed insurance brokers not meeting the above requirement are advised to file an application with

Registrar of Companies for inserting the word `Insurance Broker` / `Insurance Brokers` / `Insurance Broking` in their name and submit proof of filing an application to us. The certificate of incorporation on name change approved by ROC shall be submitted along with original license for effecting the name change.

(Suresh Mathur)
Joint Director



NOTICE

23 May 2007

IRDA/DB-222/03

CANCELLATION OF BROKER LICENSE NO 242.

WHEREAS, M/S. K.S. Insurance Broking Pvt. Ltd., (hereinafter referred to as the 'Broker') having its Registered Office at New No. 15, Venkatraman Street, R.A. Puram, Chennai- 600 028 has been granted license by the Authority to act as a Direct Broker [General Insurance] vide License No. 242 on 19th day of January, 2004 pursuant to the provisions of the IRDA (Insurance Brokers) Regulations, 2002.

WHEREAS, vide its letter dated 30.11.2006, the Broker expressed that it will not apply for renewal of the license and requested the Authority to permit it to surrender the license granted.

WHEREAS, the Broker has also undertaken to service the existing clients whose policies are in force for a period of six months as

required under Regulation 40 of the IRDA (Insurance Brokers) Regulations, 2002.

WHEREAS, the Broker vide its letter dated 07.05.2007 submitted the original license No.242 for cancellation.

NOW THEREFORE, pursuant to the request made by the Broker for voluntary surrender of the Direct Broking [General Insurance] License, the Authority hereby cancels the Direct Broker License No. 242 granted to M/S. K.S. Insurance Broking Pvt. Ltd., with immediate effect.

(K.K.Srinivasan)
Member

CIRCULAR

04/07/07

CIRCULAR NO: 021/IRDA/ACTL/FUP/VER 1.0/ JULY 2007

FILE & USE PROCEDURE FOR RIDERS GENERAL INSTRUCTIONS TO LIFE INSURERS

1. These instructions are for submitting the application form to riders which are to be attached to specific base/main products.
2. Life Insurers must use appropriate forms for riders. "Form IRDA-Life-Rider" shall be the application form for riders which are to be attached to a specific product (s) which could be either Linked or Non-Linked. The same form has to be used for group riders too until specified by the Authority.
3. If a life insurer wishes to offer rider(s) along with a basic life insurance product:
 - i. Insurer must furnish the information in respect of each rider separately using the Form IRDA-Life-Rider.
 - ii. If a rider which was earlier cleared, subsequently being attached to another base product,
 - a. This fact has to be reflected in the F & U Application form for the base product in items no 8.10 in respect of non-linked products and in item no 8.12 in respect of linked products (the insurer shall mention that the product will have the specified riders along with the unique identification number allotted by the Authority and the dates of clearance / modification clearance) and
 - b. item nos 12 (j) & (k) and item no 13 of Form IRDA-Life-Rider for the combined (base product plus rider) profit margin figures have to be furnished.
4. Unless the rider is cleared by the Authority, it should not be attached to any of the base products.
5. The Form IRDA- Life-Rider has to be used:-
 - i. whenever a rider is first filed with the Authority and attached to life insurer's product for the first time;
 - ii. whenever a rider is modified (already attached to a product); this form should be used for modification of the existing rider. Only the items relevant to the proposed modification has to be filled in and all the other items should reflect "NO CHANGE from the earlier filing".
 - iii. whenever a rider is further added to second or subsequent product, the relevant portions [3 (ii) (b)] of the said form has to be furnished.
6. All items in the Forms with the relevant details must be furnished.
7. Insurer should furnish together NOT piecemeal the Forms along with the necessary enclosures: (1) Specimen Policy Endorsement for the rider, (2) Specimen Sales Literature/ illustrations for the rider, (3) Questionare form forming part of the main product proposal form. and the (4) Statement of Financial Projections, otherwise the application would not be considered.
8. Insurers must not alter the riders in any manner subsequent to clearance under the File & Use procedure without concurrence of the Authority. If an insurer wishes to modify an existing rider which is already in use in the market, then it is required to comply with 'File & Use' procedure afresh, depending upon the nature of modification.
9. If an insurer wishes to withdraw an existing rider in the market, it may do so. But it must inform the Authority giving reasons for withdrawal, within 7 days from the date of withdrawal.
10. If an insurer does not receive any query (either formal or

informal) from the Authority within 30 days from the date of receipt of the application form at the Authority, it may attach the rider to the stated product in the market after the expiry of 30 days from the said date of receipt of the application form at the Authority. If the insurer receives any query with regard to the rider filed either formally in writing or informally from the Authority, it should not offer for sale in the market unless and until the queries are clarified to the Authority and a specific clearance and a unique identification number is provided by the Authority.

11. If an insurer does not launch the rider within a reasonable period from the date of clearance (say 3 months), it will be required to comply with 'File & Use' procedure afresh. Clearance will need revalidation from the said date.
12. Insurers should note that **no change in name** of rider is permitted once cleared and a unique identification number is allotted by the Authority, and the name of rider along with the unique identification number must appear in all relevant documents as given in Section A item no 3 of the file and use application.

13. The Appointed Actuary must initial on all the pages of the Application Form and the enclosures thereto.
14. The insurer shall furnish the premium rates and a facility of a premium calculator in their web-site.
15. The insurer shall also furnish the name of the software used in the matter of designing and filing the products/riders (for instance the software can be AXIS, PROPHET). If the insurer is using his own software, this should be informed to IRDA. This is for the information of the Authority only.
16. This circular comes into effect from today onwards (i.e. 04/07/07). Regarding the riders which are offered by companies as of today, there is no need to file their features in the new format with the Authority. However, if any modification is proposed, then the new format must be used. Those riders filed with the Authority for which approval is in the process, they need not file the features in the new format.

(R. Kannan)
Member (Actuary)

Form IRDA-Life-Rider

Notes:

- (1) Please read the instructions carefully before the form is filled in.
- (2) Sections A, C & E are compulsory for all filings.
- (3) Sections B & D are required only at the first filing of the rider and subsequently for modifications of sections B & D.

File and Use Application for Rider.

Section A:

1. **Name of Life Insurer:** [give the name of Insurer alongwith Registration No.alloted by IRDA]
2. **Name of Appointed Actuary:** [Give the name of Appointed Actuary certifiying this rider. Please note that his appointment should be in force as on the date of this application.]
3. **Brand Name of rider (market name):** [Give the name of

the rider which will be printed in Sales Literature and known in the market. This name should not be changed afterwards. This name shall appear in all returns etc. which would be submitted to IRDA.]

4. **Date of introduction /modification / withdrawal of the rider (proposed in case of new riders; actual date in case of existing rider):** [In case of new riders.being launched for the first time in the market, give the date (however the date cannot be within 30 days from date of this application) from which Insurer wants to market. In case of existing riders, the actual date from which rider was launched in the market, and also the proposed date from which modifications would apply . In case the Insurer wishes to withdraw the existing rider from the market, the date of withdrawal along with reasons for such withdrawal must be furnished under this item. In such withdrawal cases, the first 4 items, and item 19 only need to be filled in]

5. Rider details:

5.1 (i) Is the Rider filed for the first time? Yes /No

If yes, furnish the name of the Product (s) to which it is to be attached?[give the names & unique identification number of the main/base products (which are already cleared or for which the application is pending for clearance. If the application for such product is pending for clearance, please indicate specifically):

S.No	Name of the product	UIN	Date of clearance



5.1 (ii) If no, give the following details:-

(a) Date of first filing of the rider:

(b) Name & unique identification number of the Product(s) to which the rider was attached/removed from the date of clearance in the table below:

Table: I Furnish the information in respect of products to which this rider is attached in tabular form:-

S No	Date of filing of the rider as an attachment to the main product	Name & unique identification number of the Product to which the rider is attached	Date on which the rider attachment is removed from the product, if any. Date of intimation to the Authority also to be furnished	Date of clearance of the attachment of the rider to the product

5.2 Whether the rider features/assumptions have been modified from the date of clearance? Yes/No

(i) If Yes, Please give the information of all the modifications carried out till date in tabular form:-

Table_II History of modifications carried out till date:

S No	Date of modification	Features/Assumptions as on date of clearance of the rider i.e. before the proposed modification	Features/Assumptions modified from the first/ subsequent filing i.e. after the clearance of the modification	Date of clearance of the modification from the Authority and the unique identification number allotted

5.2 (ii) If No, (i.e. if the rider or any of the rider features/ assumptions/documents etc have not undergone any change since inception):

Table-III Please give the proposed changes in tabular form (where the modification proposed is for the first time):-

S No	Features/Assumptions as on date of clearance of the rider	Features/Assumptions proposed to be modified from the first filing

5.3 If the existing rider features/assumptions/documents etc have modified for at least once from the date of clearance of the rider:

Table-IV Please furnish the proposed changes along with the other details in the table furnished below (where the modification of the rider was cleared at least once):-

S No	Date of modification of the existing rider	Features/Assumptions as on date of clearance of the modification of the rider	Proposed Features / Assumptions to be modified

Section B:

6. Terms and Conditions

[All the items should be filled in properly and carefully. No item must be left blank.]

6.1 Whether the rider is offered to: [Tick the appropriate boxes]

- a) [Males] / [Females] / [Both]
- b) [Smokers]/[Non Smokers]/ [All]
- c) [Individuals] / [Groups] / [All]
- d) [Standard Lives] / [All types of Lives - including impaired lives]
- e) [Specific geographic locations in India]/ [All geographic locations in India]
[if specific geographic locations, specify the locations.]
- f) [Urban population]/ [Rural population]/ [All]
- g) [Targeted Section]/ [Socially weaker sections] / [Any other] / [All]
- h) market for:
limited period: [if so give here the number of months/years]: / *unlimited period.*

6.2. State:[All the items to be filled in without omitting any one.]

7. General Description of the Rider. [This section should describe the various contingencies under which the benefits would be payable and how these would be determined. It should be made clear that rider benefit is available only when the base/ main product is in force for the full/ contracted sum assured]

[Model table]

Events	How and when Benefits are payable	Size of such benefits/policy monies
Accidental Death	Payable on death due to accident on or before the end of the policy term	Sum Assured
Disability due to accident	Payable on disability due to accident before the end of the policy term	10% of Sum Assured
Critical illness	Payable on affliction with CI on or before the end of the policy term	Sum Assured

- a) Minimum rider Sum Assured/Benefit Amount. : Rs. [] in 000's
- b) Maximum rider Sum Assured/ Benefit Amount p.a.: Rs. [] in 000's
- c) Minimum / Maximum Premium : Rs. [] / []
[State the premium charged indicating the mode of payment of premium as well as the coverage amount]
- d) Minimum Entry Age: [] last /nearest / next birthday
- e) Maximum Entry Age: [] last /nearest / next birthday
- f) Maximum Maturity Age: [] last /nearest / next birthday
- g) Terms allowed: [] years
- h) Premium paying terms allowed [] years
- i) Any other parameter specific to the rider (like waiting period, survival period, group sizes etc):

6.3 Specify whether terms and conditions include: [If there is restriction, the same should be furnished.]

- a) [restriction on travel outside India] / [No restrictions on travel]
- b) [restriction on future occupation] / [No restrictions on future occupation]



8. Features.

8.1 Category of Rider: Category of rider such as par/non-par, linked/non-linked, health/non-health etc-This is the same as that of the main product to which the rider is attached. (Insurer to note this.)

8.2 Non-forfeiture benefits (cash surrender value, paid-up value, automatic premium loans, etc.) (Please see section 113 of the Insurance Act, 1938):

8.3 Options available under the rider. (e.g. to increase or decrease benefits) [This section should specify the various options available under the product. The charges, if any, towards the cost of the option should be specified.]

8.4 Modes of premiums permitted and the charges applied for different modes of payment premiums and quantum of sum assured, if any. [Specify here modes allowed, such as SP, AP, HP, QP, MP, FP; charges applied for the selection of each mode, which might or might not depend upon the size of the policy : FP=fortnightly premium]

8.5 Scales of commissions/remuneration payable to the agents/insurance intermediaries.

[This section should specify the scales of commissions / remuneration payable to all the distribution channels explicitly like for agent, brokers etc. The Section -40(B) of the insurance Act, 1938 and the IRDA regulations should be referred to for ascertaining the various limits on commissions/remunerations payable to different distribution channels]

8.6 Any other features that may be relevant for the rider.

9. Treatment of Different Classes for the purpose of underwriting. [This section should discuss how the different segments of the population will be dealt with for the purpose of underwriting (to the extent they are relevant and a brief detail of procedure adopted for assessment of various risk classes may be given.)] e.g.

- a) Males and females.
- b) Smokers / non-smokers
- c) Limitations on entry ages
- d) Sub-standard lives.
- e) Non-medical limits for individuals/Free cover limits for groups:
- f) Any other classifications that may be relevant to the rider (such as group of lives)

10. General Policy Provisions.

a) **Suicide Claim provisions.** [The amount of claim payment, if any, to be made on suicide should be specified here. The suicide exclusion provision should

be clearly spelt out here.]

- b) **Exclusions, if any (e.g. occupational hazard, travel)**
- c) **General approach to be used for revivals or reinstatements..**

11. Reinsurance. [This section should describe the reinsurance arrangements. The retention limit should be indicated. The name of the reinsurer and the terms of reinsurance (reinsurance premium rates, commissions, type of reinsurance etc.). Any recapture provisions should be described. Please enclose a copy of the reinsurance program and a copy of the Treaty, if not filed with the Authority.]

FINANCIAL PROJECTIONS

12. Pricing Assumptions. The pricing assumptions will depend on the nature of rider. Give details of the following (Also, give the actuarial formulae, if any, used; if not, state how premiums are arrived at, separately):

- a) **Rate of mortality** [The tables used must be prescribed one. Please get in touch with Actuarial Society of India.]
- b) **Rates of morbidity** [The tables used must be prescribed one, if any. Please get in touch with Actuarial Society of India.]
- c) **Rates of terminations.** [The rates used must be in accordance with insurer's experience, if such experience is not available, this can be from the industry/reinsurer's experience.]
- d) **Rate of interest.** [The rate or rates must be consistent with the investment policy of the insurer.]
- e) **Commission scales (split according to distribution channels).** [Give rates of commission. These are explicit items.]
- f) **Expenses: Split into:-** [Expense assumptions must be company specific. If such experience is not available, the Appointed Actuary might consider industry experience or make reasonable assumptions.]
 - I) **First year expenses by : sum assured related, premium related, per policy related**
 - II) **Renewal expenses (including overhead expenses) by : sum assured related, premium related, per policy related**
 - III) **Claim expenses**
(The expenses should include a provision for future inflationary increases)
- g) **Average sum assured, if any, assumed for pricing:**
- h) **Allowance for transfers to shareholder, if any:** [Please see section 49 of the Insurance Act, 1938]
- i) **Taxation.** [Please see the relevant sections of the Income Tax Act, 1961]

Section C:

- j) **Profit margins.** [The profit margins should be shown for various model points for base, optimistic and pessimistic scenarios in a tabular format, as in item 13 below. The definition of profit margin should also be given, i.e. the present value of net profits to the present value of premiums. Profit margin has to be furnished for (a) main product (as mentioned in the filing for the main product); (b) for rider; and (c) for main product and rider combined. The assumption with regard to the proportion of riders attached to the new business volumes expected for base product should also be given. For e.g. in base scenario, the proportion of rider contracts assumed to be attached to the new business volumes of the base product may be for e.g. about 60-70%, and in case of optimistic: 70-90%; and in case of pessimistic: 30-50%]
- k) **Volume of new business** (By distribution channels, give expected premium income for the next 5 years for the base product and base product along with the rider as well as rider separately, and give the proportion of rider premium income as per cent of main product premium income.)
- l) **Any other parameter assumed relevant for the rider.**
- m) **Assumptions made for calculating the reserve:**

13. Results of Financial Projections. [The financial projections should show the following, for each model point (age, sum assured and term combination). The insurer should indicate the model points such as entry ages 20, 30, 40, 50, 60; sum assured minimum sum assured, average sum assured and the maximum sum assured (a higher sum assured where no maximum sum assured is desired) and terms, say 10, 20, 30, depending upon the product]

- a) **New business strain in each of the projection years for the next 5 years (for the rider alone and the base product along with the rider).**
- b) **ROI on the product (ROI :Return on Investment) (or profit margin, giving basis)** [The definition of the return of investment and how it has been calculated should be furnished.]
- c) **Profit test conducted/ Sensitivity Analysis, if any :** [The assumptions and results of such an analysis should be furnished in a tabular format for each scenario, with the basis for calculations clearly spelt out, like risk discount rate etc.]

Section D:

14. Proposal Form and Sales Literature:

14.1 Proposal form: [only the relevant provision/questions

for the rider made in the proposal form to be highlighted and furnished]

14.2 Sales Literature: This is the literature which is to be used by the various distribution channels for selling the product in the market. This should enumerate all the salient features of the product along with the exclusions applicable for the basic benefits. Sales literature along with a sample benefit illustration should be furnished.]

15. Policy Endorsement for the rider [insurance contract].: [Enclose a specimen copy of the policy endorsement of the rider to be attached to the base product.]

16. Rider Premium Tables: [Enclose a copy of the premium table to be used by the distribution channels. Please write the name of the website (of the insurer) on which the premium rates along with the premium calculator would be made available. See the General Instructions.]

Section E:

17. Certification. The Insurer shall enclose a certificate from the Appointed Actuary, countersigned by the principal officer of the insurer, as per specimen given below:

(The language of this should not be altered at all)
 “ I, (name of the appointed actuary), the appointed actuary of the life insurer: (name), hereby solemnly declare that the information furnished above is true and certify that, in my opinion, the premium rates, advantages, terms and conditions of the rider (market name of the rider) *being attached/ *already attach to the product: (market name of the base product), *which is a new insurance rider to be launched in the market/ *which is an existing rider but being *modified/ *withdrawn now, * are workable and sound, the assumptions are reasonable and premium rates are fair.”
 *=strike off whichever is not applicable

Name and Signature of the Appointed Actuary.

Place

Date:

Counter Signature of the principal officer along with name, and Company's seal.



Insurance Training and Development

MOVING INDIA FORWARD

'THROUGH EDUCATION OF THE INDUSTRY'S FIELD FORCE, THE INDUSTRY IS RAISING PUBLIC AWARENESS AND EDUCATING THE POPULATION ON THE MANY BENEFITS OF INSURANCE AND RISK MANAGEMENT' OPINES
TREVOR BULL.

The Indian economy has witnessed a rapid expansion over the past decade having its roots in the introduction of economic liberalization of the early 1990s. The population's standard of living has been raised and the insurance industry has played a significant and important role in this process of wealth accumulation. Today the insurance industry is widely recognized as an integral part of the financial services sector, but there is still room to grow. In a population of 1.3 billion people, the number of lives insured is only about 15%.

With a large population and a relatively untapped market, insurance is a big

opportunity in India. According to IRDA annual report, the insurance business measured by first year premium grew at 48% in 2005-06, surpassing growth of 32% 2004-05. The market penetration of insurance is low at less than 3% of GDP and vast sections of the population are either uninsured or inadequately insured. Experts generally regard low market penetration as a result of a low level of awareness among consumers of the benefits insurance can provide.

Currently, the insurance industry is working hard to improve awareness of the benefits of its products. Both the industry and the IRDA are looking to improve insurance literacy, in general, through sustained efforts in public education and industry training. The IRDA has mandated a rigorous new agent training requirement and most companies have a comprehensive training program for agents and employees. Media wise, it is not uncommon to open a newspaper or financial publication and see an article explaining the benefits of insurance. The financial networks on TV or Radio regularly interview industry executives on

the advantages of certain strategies and products. But the biggest effort aimed at improving public awareness and insurance literacy has been mounted internally by the industry itself. Through education of the industry's field force, the industry is raising public awareness and educating the population on the many benefits of insurance and risk management.

Improving Insurance Literacy

Insurance literacy is the ability to analyze, communicate, and manage personal risk factors that affect material well being. It includes the ability to discern protection and savings choices, discuss insurance and related financial issues without discomfort, plan for the future, and respond competently to life events that may affect one's financial situation. In mature insurance markets around the world, a strong commitment to industry education has led to a highly professional workforce and a population that is educated on the benefits of insurance. Without question, the Indian situation requires that the industry develop a high level of literacy among its

In mature insurance markets around the world, a strong commitment to industry education has led to a highly professional workforce and a population that is educated on the benefits of insurance.

professional Agents and Managers and in doing so, transfer education to the population at large.

Current initiatives within the industry are largely implemented independently by each company. The primary goal is to impart insurance literacy by educating existing or potential employees with knowledge and skills. As per regulation, insurance agent licenses are issued only to applicants who complete specified pre-licensing courses and pass the IRDA examination. The 100 hrs course covers the rudiments of insurance, claims, policy protection and an exhaustive background study on the insurance industry. Later, most licensed agents are trained by the insurer on the company's products, sales processes, application forms, underwriting and servicing the customer. Most insurers value their employees and agents and they remain committed to developing a highly professional workforce.

To accomplish the education and training of employees and agents, most insurance companies have a highly organized training and development program. These internal training programs may cover IRDA regulations and the strategies used to protect against risk. For example, a comprehensive training program is mandatory for agents and managers at Tata AIG Life. After completing the 100 hrs IRDA training, newly licensed agents are placed in a mandatory 90 day training program. The program covers the fundamental knowledge and skills needed to become a professional agent. During the program, Trainers and Managers are equally responsible for a new agent's development and much of the curriculum is designed to develop positive habits that form the basis of success. By following a structured sales process, it is believed that new agents will learn the importance of needs-based selling and recommending an appropriate product. Once the 90 day

program is completed, advanced sales courses and Management development courses are available for agents meeting the qualification criteria. It also regularly reviews and updates the Training Road Map to meet the needs of both the company and its agents.

Similarly, other companies too have rigorous training programs for its agents and managers. The majority of foreign companies use curriculum developed for use in other countries and then adapt the material to the local Indian market. Insurance industry best practices and company sales practices form the basis of the curriculum and most companies rely on the combination of regional and local support when modifying the materials. When developing new agents, many of the training programs focus on the Knowledge-Attitude-Skills-Habits formula. When combined with Product training, this approach provides a new agent with an excellent opportunity to achieve success in the insurance business.

It is important to note, however, that a key factor in the effectiveness of any company training program is the monitoring of results before and after training. It's long been an industry adage that "what gets measured gets done". And as part of the learning process, many companies have found that they must monitor sales results before training and then monitor the implementation of training and sales results post training to maximize effectiveness.

Professional Development

While product training is also a key part of the new agent curriculum, there is a need for agent education on retirement planning, the consequences of debt-based consumerism, advanced methods to protect assets and human life value. Coverage for hospitalization expenses, natural and industrial catastrophes, increasing life expectancy, and the growing number of new home owners are areas requiring a new public awareness. The choices for consumers are on the increase and individuals need to be educated on the basics of establishing financial and insurance goals in the context of their incomes and expenses. The fast-changing nature and growing needs of the public provides both an opportunity and a responsibility for professional development.

Insurers are now placing greater emphasis on continuing professional education as the diversity of financial products increases. It is important for insurance agents to keep up to date on changes in tax laws, government benefits programs, and other State and Central Government regulations. Agents can enhance their selling skills and broaden their knowledge of insurance and other financial services by taking courses at colleges and universities and by attending institutes, conferences, and seminars sponsored by insurance organizations. Many companies require Agents to complete a specified number of hours of continuing education to retain their contract.

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To provide quality service, an insurance advisor needs to provide a wide array of advice for the consumer. From tax planning to investments, an insurance advisor needs to offer competent, professional advice.

Most insurance companies expect their employees to take continuing education courses to improve their professionalism and their knowledge of the industry. They encourage their employees to enroll for various insurance related professional courses from domestic or international institutes. Presently, there are several institutes imparting insurance education in the Indian domain. These institutes aim at imparting the best of insurance education which augurs well for the Indian insurance industry.

More than an Agent

Rapid changes and reforms in the financial sector have changed buying behavior. Consumers are becoming more informed and there are many options available when choosing a service or product. To provide quality service, an insurance advisor needs to provide a wide array of advice for the consumer. From tax planning to investments, an insurance advisor needs to offer competent, professional advice. The Financial Planner's job is to then develop a strategy for the client to build their wealth and protect it, to work towards achieving their goals, to identify their financial issues, risks and make recommendations about suitable investments and insurances. It is a blueprint for handling risk management, cash flow, and investments.

Many insurers support Agent career development through industry professional designation programs that

certify one's expertise in specialties such as life, health, general insurance, and Financial Planning. To become qualified Financial Planner, a candidate has to sit for the Certified Financial Planner (CFP) Certification Program conducted by Financial Planning Standard Board (FPSB), India. A candidate can become an Associate Financial Planner (AFP) by completing two out of six CFP modules. It is one of the greatest motivators to keep an employee happy and engaged. Apart from CFP & AFP Certification, many insurers have introduced international courses like LOMA or LIMRA for its employees and performing agents.

The Life Office Management Association (LOMA) is one of the world's most recognized and reputable professional education institutions with more than a hundred courses available in life insurance, financial services, annuities, management, reinsurance, compliance, underwriting, customer service, and more. LOMA's Fellow, Life Management Institute (FLMI) Program is the global standard of professional education in insurance and financial services for Home Office professionals. Self-study courses provide a comprehensive business education in the context of the insurance and financial services industry.

The Life Insurance Market Research Association (LIMRA) is one of the global industry's best known organizations aimed at supporting and enhancing the marketing function of life insurance

companies through research. LIMRA certificate programs are available for Agents and Managers and the National Quality Award (NQA) recognizes excellence in persistent business. Many LIMRA programs use industry experts and proven systems to develop professionals. The Management Development Program and Agency Management Training Course are management training courses that feature industry experts from North America, Europe and Asia.

Other resources are available from groups like the International General Agents and Managers Association (GAMA International) and the Education Resources Group. These organizations provide a highly professional curriculum for Agency Managers based on proven systems and processes. In the future, look for these resources to be made available through web casts and other technology based delivery methods.

Going forward, the need for educated insurance professionals will never diminish. The domestic insurance industry requires more insurance professionals, and hence there is a need to promote insurance education in India on a large scale. As individuals and companies alike take initiative for their development, the public awareness of risk protection and the benefits of insurance will improve and India will profit.

The author is Managing Director, Tata AIG Life Insurance Company Ltd.

Insurance Literacy in India

A CRITIQUE

'INSURANCE EDUCATION IN INDIA NEEDS A REJIG; AND THE EARLIER, THE BETTER' SAYS GRK MURTY. HE FURTHER STATES THAT THERE IS ACUTE NEED FOR A PARADIGM SHIFT IN OUR HIGHER EDUCATION SYSTEM ITSELF.

Globalization has emerged as a reality. It has helped realize the benefits of free trade, and thus comparative advantage and the division of labor. It has enhanced efficiency and productivity¹. It is also subtly leading towards increased interdependence among countries on a number of dimensions that are pretty divergent - growing integration of the world's economies; speedy connection almost with no barriers; a growing connection between all the segments of society; and increase in the speed at which ideas and people are moving around the world.

Amidst these emerging realities, we have embarked on transforming our regulated economy into an open market economy by launching reforms - both economic and financial - essentially to wriggle out of the Balance of Payments crisis of 1991. It is also hoped that the resultant 'growth' from the reforms will create jobs that 'pull up' the poor into gainful

employment by providing more economic opportunities, revenue with which the government can build more schools, more health facilities for the poor, incentives that enable the poor to access these facilities, and also opportunities for the advancement of the progressive social agenda.²

As a part of these reforms, the Government has in 2001 thrown open the insurance market, much like pulling down the Berlin wall, for private investment - both foreign and domestic. As a result, many private insurance companies have sprung up - both in life and non-life segment - most of them as joint ventures with equity participation from global insurance players. Today there are as many as 15 life and 8 non-life corporates functioning from the private sector. Ever since private sector participation has become a reality, the insurance market has witnessed an average growth rate of 25% plus as against the earlier rate of 10-15%.

The opening up of insurance sector for private participation/global players has generated stiff competition among the players, with each offering better quality products. This has certainly offered the consumer the choice to buy a product that best fits his or her requirements. In the process, the expectations of consumer have also gone up: he is expecting value added services in terms of excellence in product price and service, financial security, quality, after-sales service, review of terms and conditions as frequently as desired, simplification of claim procedures, etc.³

Growing economy: Impact on Insurance Industry

The Indian economy is in the midst of an unprecedented growth spurt. Its GDP is currently growing at the rate of 9% plus. Such a growth in economy is sure to increase business volumes of insurance companies for, "the level of a country's income has been found to be the most important factor in explaining the level

1 Edward S. Herman, *The Threat of Globalization*, April 1999, <http://www.globalpolicy.org/globaliz/define/hermantk.htm>

2 Jagdish Bhagwati, "Growth Poverty and Reforms", *A Decade of Economic Reforms in India* (2002) Academic Foundation, New Delhi.

3 GRK Murty (2002) Insurance Education In India: A Prospective View. *Asia Insurance Review*, February 2002.

The opening up of insurance sector for private participation/global players has generated stiff competition among the players, with each offering better quality products.

of national insurance consumption. The higher a country's income, the other things being equal, the more it spends on all types of insurance. Also, at the microeconomic level, the higher a household's income, the greater would be the insurance consumption. Thus, for India with some 200 million citizens believed to be in the middle to upper income range, insurance demand should be strong, based on this factor" (Harold Skipper).⁴ The changes are already visible: insurance penetration - premium as a percentage of GDP - has increased from 2.32% in 2000 to 2.88% in 2003. Likewise insurance density - as per capita premium - too has gone up from Rs 435.89 in 2000 to Rs 722.09 in 2003⁵.

The prosperity and progress of an economy even in such an "enabling environment" is largely dependent on the social norms and institutions of a country. The citizens' attitude towards work, their level of mutual trust, standards of ethics and social norms form the foundation for economic activity and prosperity of the society. It is only when individuals maximize their own selfish utility, the economy as a whole can sustain its growth rate. This becomes feasible only when the market can supply 'efficient' work-force. We therefore need to assemble a large pool of science, technology, and managerial talent. This calls for excellent educational system. And insurance is no exception to this requirement. In fact, with privatization and the emerging convergence in markets, both in terms of finance and technology; insurance companies are looking for competent managers to handle their business that involves a typical amalgamation of soliciting business from the young and highly demanding work force of the new economy, managing the so acquired 'risk' using the ever-changing, globally tested risk management practices, and complying with stiff regulatory demands, while, of course, striving for profits.

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Ground realities

As against this growing demand for skilled work-force, the supply position is not that encouraging. McKinsey Global Institute is of the opinion that 18.3 million jobs in services could have been shifted to low-cost countries. It also predicts that by 2008, 160 million jobs in services are likely to be performed away from the customer. According to Nasscom-McKinsey Study, 2005, if we maintain the current global leadership level in IT and BPO industries, our off-shoring industries could, by 2010, well become one of the world's great export industries on par with France's luxury goods industry or Japan's automotive sector. But to maintain the growth momentum, the report says that "India will need a 2.3 million strong IT and BPO workforce by 2010".

Interestingly, we have another advantage: the median age of our people is just over 24 years, and by 2025, it is likely to touch 29 years compared to 48 years in Japan, 45 years in West Europe, and 37 years in China and the US. It means several tens of thousands of global jobs are likely to move to India. But the same Nasscom-McKinsey Study, 2005 report warns that India will encounter a potential shortage of skilled workers in the next decade or so. According to the report, only 25% of technical graduates and 10% to 15% of general college graduates were suitable for employment in the offshore IT and BPO industries respectively. To stay in the lead, the report states that India needs to improve the quality and skills of its

workforce. It recommends the establishment of focused-education zones to improve the quality of higher education, deregulate higher education, and shift to a largely demand-based funding system for colleges and universities.

That aside, a recent KPMG report titled 'Global Skills for Graduates in Financial Services'⁶ says that 58 percent of Indian financial services organizations are facing difficulties in recruiting the right people with the right set of skills. The report also states that the graduates are coming out of universities "with inspiring theoretical knowledge." But what the financial companies are looking for is business soft skills such as: team work, communication, client relationship management, customer services, business awareness, problem solving and achievement orientation skills that are essential for financial services companies to operate in today's global competition. As customers are becoming more and more demanding, retention of their loyalty has become a big challenge for financial services providers, including insurance companies; and that is where the relative importance of 'soft skills' has increased.

The net result is: acute shortage of skilled work-force for the financial services companies that are today contributing 7% plus to the country's GDP, which is likely to increase further. This obviously calls for a paradigm shift in our higher education system, that too, a fast paced one.

4 As quoted - GRK Murty, Banks Foray into Insurance: Adaptation Challenges. The ICAI Journal of APPLIED FINANCE. Vol.7, No.3, (July 2001)

5 8th international conference on insurance: Indian insurance sector: Achievements and Prospects, Address by Shri CS Rao, Chairman, IRDA, October 15-16, 2003, New Delhi.

6 Business Standard, June 6, 2007.

Higher Education in India: Current Status

Although there is growth in the infrastructure under higher education, which is rated to be the second largest in the world (after the US), it hardly covers 7 percent of the population and is lower than even that of developing countries such as Indonesia (11 percent), Brazil (12 percent), and Thailand (19 percent) (Source:UGC Annual Report 2000-01). In qualitative terms, it is depicting a still agonizing scenario: “There are serious complaints at all levels about the lack of responsiveness in the system. Academic activities are at low ebb and the academic calendar itself gets seriously disrupted almost every year. The system of higher education continues to encourage memorization of facts and regurgitation rather than creativity. While the results in higher education are clearly determined by the foundation laid in school education, we cannot wait for the ills of school education to be remedied before bringing in meaningful improvements in higher education. We cannot ignore the fact that we do not have many colleges today which can pride themselves of imparting under-graduate education of the higher quality, comparable to some of the well known institutions in the world” (Ramamurti committee report, 1990). The findings of this report, though old, still hold good and for that matter the current situation may be worse than what has been described in the report. The current plight of our university system is well described, by Andre Beteille who laments that “our universities are simply functioning as a degree giving institutions concentrating on conducting examinations rather than becoming a system that transmits, generates and interprets knowledge.”

Need for Public-Private Participation

As against the deteriorating standards in higher education, the Ministry of Finance opined in its paper on government

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subsidies (1997) that higher education is a ‘non-merit’ good based on the reasoning that higher education benefited individuals more than the society. The Birla Ambani report submitted to the Prime Minister too suggested that government subsidies to higher education should be minimal and the funds thus saved should be invested in expanding facilities at the primary and secondary stages of education. All this means poor growth in fresh investments on higher education except for the Central government’s proposed investment towards the creation of Institutes of Excellence at the national level.

In the light of these facts, there is an urgent need for public - private partnership in higher education. The autonomous setup of universities in the US that are surviving on private income, such as fees, endowments and investments, is an example of how private investment can be channelized into higher education. Institutes such as Gokhale Institute of Politics and Economics, Manipal Academy of Education, The Icfai University,⁷ Symbiosis Institute of Management, Narsee Monjee Institute of Management and Higher Studies, etc have already made their presence felt by offering programmes that satisfy the needs of the industry - particularly financial services providers. The need of the hour is encouraging the entry of many such private institutes to take to the cause of the growing needs of higher education and also encourage universities- both private and government

- to design new courses as the evolving market forces demand; and also redesign their existing courses to align them with the job-markets by granting academic freedom.

Academic Freedom to Universities

If our youth has to acquire and enjoy a unique competitive advantage in the global job market, we should not cripple the universities, be they private or public, with bureaucratic procedures. They must be allowed to capitalize on the market opportunities by granting them freedom to redesign their courses or design new courses with least time lag so as to produce ‘employable’ graduates from time to time.

They must also be given freedom to recruit faculty from a cross cultural system to obviate in-breeding in faculty and thereby generate cross-fertilization that can result in innovative teaching styles. Here, it would be interesting to look at the observations of the recently appointed Oversight Committee of Reservation for OBCs in IITs & IIMs

(2005): “One key issue in faculty recruitment is the need for cross-fertilization of ideas in institutions of higher learning. All the great universities of the world have an inflexible policy of recruiting only alumni of other universities into the faculty. In India too, in earlier decades, faculty was from diverse backgrounds and drawn from other universities and states in large measure. But over the past three decades

or so, increasingly faculty is drawn largely from among the alumni of the same university. Such academic incest is leading to a stultifying atmosphere of limited intellectual interaction and undermining fresh thinking, new ideas and innovative research. As part of the effort to rejuvenate our universities, we need to adopt the global best practices in recruitment”.

To address the growing perception that a substantial section of graduates leaving the universities are not aware of the business environment and that they do not have essential business skills, institutes, on their part, must maintain active contact with industry and work in collaboration with them to bridge the gap between their requirements and the current curriculum. The faculty by constantly interacting with industry and by acting on the feedback emanating from such dialogue, can generate best symbiotic and synergistic results.

Way Forward

Moving from the macro view of higher education and the need for its improvement to the micro view of institutes engaged in teaching insurance, the following action program may be suggested:

- As the financial services companies are looking for soft skills - exclusively for team work, communications, negotiation, client relationships management, customer services, business awareness, problem solving and achievement orientation; institutes engaged in offering insurance programme must draft, besides the regular credits relating to domain knowledge, a suitable curriculum and offer it for a minimum of two credits, starting from the first semester for its effective imparting.
- The teaching of quality and the quality of a teaching often overlap and cannot be easily differentiated. According to Ronal Barnett, the central philosophy of higher education must essentially aim at turning out students with right

Institutes must engage in upgrading the skills of the existing teachers by equipping them with tools of positive thinking, effective communication, leadership and coping with stress and self development.

experience, learning and achievement rather than focusing on institutional performance in terms of IT efficiency, economy, research ratings and student out put. Teachers have to therefore pursue ‘beyond teaching strategies’. This can be achieved by encouraging students for independent learning, which is only possible through the case study method of teaching, particularly in disciplines such as insurance, finance and human resources management.

- Institutes must engage in upgrading the skills of the existing teachers by equipping them with tools of positive thinking, effective communication, leadership and coping with stress and self development. It is only then that they can take the concept of ‘beyond teaching strategies’ to their logical end.
- To impart authentic learning experience, educational institutions must place their students on summer internship at the corporates of such of industries, which the students are likely to join ultimately.
- Today, the faculty quality is emerging as the biggest challenge for real learning to take place. And the obvious culprit here is teacher’s emoluments. The current levels of payments do not make teaching an attractive proposition, particularly in the professions of insurance, finance, risk management, etc. The obvious need is to make them competitive.
- There is also a fear that many institutes do not provide a conducive atmosphere for the faculty to deliver quality intellectual out put. There is no ‘incentive’ for performance. As a

result, the main stakeholders of the system - students - are destined to live with mediocre teachers, recruited at times even for nonacademic considerations. Corrections must be made wherever warranted.

- Institutes must allocate time and grades to students in order to encourage them to undertake social work to better the lives of the less-endowed in the society, so that such interactions would build a right mindset at the right age among the youth for cultivating the concept of ‘social inclusiveness’, besides eliminating acrimony between the ‘haves’ and the ‘have-nots’. This shall also help them in establishing relationships with their future customers with confidence and ease.

Conclusion

There is a strong feeling in the market that growth in insurance business is likely to be impaired by: one, capital; and two, shortage of work force with right set of skills. While there is an increasing clamor for relaxation in FDI norms to offset the first obstacle, the insurers are beholden to the educators to offset the second. Insurance educators must therefore strive to build long-term relationships with financial companies and offer in conjunction with them a mix of professional training to their existing employees, their agency force, besides offering the industry well-trained graduates who are ready to hit the ground running and contribute to the growth of the business.

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Insurance Education

BUSINESS OPPORTUNITY VS. SUSTAINED GROWTH

'INSURANCE IS A SUBJECT MATTER OF SOLICITATION AND THE ENVIRONMENT REQUIRES A HIGH LEVEL OF BILATERAL ACADEMICS, CONTINUOUS PROFESSIONAL EDUCATION OF PROVIDER CONSTITUENTS AND AWARENESS EMPOWERMENT EDUCATION OF CONSUMERS' INSISTS K.C. MISHRA.

management as two well defined cutting edges. Insurers see things which others don't.

Once a participant of my programme said "21st century is going to be the century of insurers," and I agreed. The reason is that innovation and entrepreneurship are flowering all over the world in unprecedented fashion, not only in now well-publicized BRIC cases, but everywhere except those areas that foolishly continue to reject creative destruction. The word "globalization" is accurate enough, but if anything it understates the case, in part because of the information revolution worked out by the cyber world. This situation makes management harder and more challenging than it's ever been before. As a student of management, I don't say that lightly. When ethos of time propels the economy in trajectory defined by innovation, entrepreneurship, creative destruction and cyber world; the economy has to protect its historical tangible and intangible assets as also productive wealth of the time through specialist risk

managers and their backward value chain, the producers of insurance. This is my source of agreement in favour of an insurers' century.

What insurance is, how and why it has worked well in some places and not others are among the most important questions that regulators and people have faced. This has been true for about three hundred years, and seldom more so than in the present and the recent past. Recall the turbulent transition from the last decade of the twentieth century to the initial one of the twenty-first. Insurance has to be assimilated by a society in rapid transition or rather transformation. Education is a non-threatening process for such assimilation and as much a capacity parameter as capital.

A steep rise in living standards would seem to be a prize of supreme value for any society. Yet capital market has a dreadful reputation for robbing the poor to profit the rich, and it has never achieved what most people regard as a fair distribution of its bounties. In some countries it still

What insurance is, how and why it has worked well in some places and not others are among the most important questions that regulators and people have faced.

If capitalism is the most influential single economic and social force of recent times, there is no better guide to understanding its power and complexity than academic umpires as the practitioners have obvious personal agenda to perpetuate. I think insurance is the most penetrating instrument of capitalism for its power of protection at the tip; contractual savings and wealth

High-performance learning organizations among insurers leverage the right blend of technologies to deliver high-impact learning experiences at the lowest possible cost.

represents a curse to be resisted and overcome. Even its fortunate beneficiaries in rich countries often have a guilty feeling that capital market is an unworthy pursuit, something to be accepted but not celebrated. These words are not different from the loud voice of Schumpeter, the late lamented Harvard Professor and his admirers. But insurance neutralizes such pungency of capital market provided the country creates situation for high mass consumption of insurance. Insurance is a subject matter of solicitation. Such solicitation environment requires high level of bilateral academics, continuous professional education of provider constituents and awareness empowerment education of consumers.

Given the pressure confronting insurers' workforces, transformation of a company's manpower resources is critical. Manpower transformation programmes that lead to improved and sustainable business performance are achievable. With proven methods and approaches, a number of leading companies have been able to transform the performance of their business-critical workforces by focusing on a few questions. Do they have the sourcing and staffing capabilities to find the best people from the right pool of potential recruits and then deploy them optimally? Do their people have the right skills and

knowledge to execute their strategy? Are their workers properly and continually aligned with strategy? The answer to all these questions is insurance academics. Insurance education at entry-level answers the first question. Insurance training at post-practice stage answers the second question. Insurance Continuous Professional Development (CPD) at performing level answers the third question.

Performance begins with identification of choices. Every choice requires its own competence backed by skill sets. Linking the choices and competences to meaningfulness of action is the route to destination of performance. But visibility of growth is the dynamic destination of performance. Achieving high performance in the insurance industry, business success that can survive the ebbs and flows of shorter-term economic cycles depends on a transformation of a company's manpower resources.

Successful insurers have manpower strategies designed so that the right people equipped with the right capabilities are in place to effectively execute the business strategy. One of the biggest changes in the insurance learning and training field today is an intensified demand that learning investments be planned and executed based on their impact on the business. High performers

focus on several common goals, including linking learning to business impact and leveraging the right mix of technologies. High performance learning organizations are more likely to have their future funding and growth tied to their ability to measure success. The business impact of learning means managing the learning function with more rigour; not as a cost center, but as any other business function that must justify its investment levels according to efficiency and return. High-performance learning organizations among insurers leverage the right blend of technologies to deliver high-impact learning experiences at the lowest possible cost.

If insurers are to meet their most important competitive challenges today, they have to fight off competition coming from new players and successfully execute a growth strategy. They must increase the energy and focus with which they address the workforce capabilities necessary to succeed. Achieving high performance in insurance today requires a highly engaged, skilled and productive workforce, the right people, with the right skills, doing the right things to contribute to the long-term success of the business.

Insurers should all be strategists; they know how important strategy is. But I think the intensity with which high-performance insurers develop and pursue their strategies is distinctive. For them, strategy is not only a matter of describing what they are trying to do, it is also a way of committing their employees to getting things done. And it is a path to competition. These employees enjoy competing.

Evidence suggests that productive

competition improves performance. The winners in competitive insurers have more finely honed functional skills, and they do things faster. Their employees personalize competition.

If you are not part of all this, it's hard to figure out what's going on. These employees are committed to understanding and having their company understand what their competitors can do, what they can do themselves, how the training is evolving, and how they can exploit changes to their own advantage, and to the detriment of their competitors.

Look at mandatory insurance training. It started off in a situation where the regulator dictated all arrangements; despite the market being deregulated. Most of the training organizations viewed this as a major opportunity to do business - not innovate learning for domain excellence. But the high-performance training organizations saw things differently; it saw an opportunity. It spent time with faculty, understanding their needs; it spent time with participants, understanding their needs; and it saw that when the regulatory mandating would be dismantled, something had to be put in its place. And it saw what was needed: revenue guarantees in financing arrangements with fee for service, take guarantees for faculty and space guarantees for participants, and

somebody to stand between them. So it stepped in and set up financial arrangements to replace the old structure. In effect, it rebuilt the fabric of the insurance management school.

Many competitors still haven't caught on. The insurance school is now providing a family of services at enormous guarantee reserve. It can do this precisely because it saw an opportunity where others saw only business. It thought about what it was good at, what its competitors were good at, what it wanted to do, and where it ought to go. It organized its structures, economics, and technologies to form a system that would deliver value to participants more effectively than ever before. Insurance schools like these are not playing with words when they call it mature growth. They are figuring out how to take advantage of their markets in ways that make sense and create opportunities. They are not kidding themselves when they set plans for double-digit growth in output despite maintaining quality.

Finally, let me finish with the insurance training ballad of a participant. "The value of the insurance training, I think the greatest opportunity it provided me was the chance to work with other people in a safe lab environment. I thought the program did an exceptional job at assigning, what seemed like random

groups of people to work together in creative exercises in insurance technicalities as study teams and obviously for our field days to come. I think the greatest contribution to my professional development was the team-based learning. And the program itself was taught on a team basis where the faculty members were co-teaching. So I would learn one subject from different dimensions. We would learn a marketing case, for example but have a faculty well-versed in law in the room while we were talking about marketing issues and they would bring into the picture, legal aspects of that. Or an organizational behavior expert would talk about the ramifications of making process changes. So I think what the insurance training did for me was really provide that holistic view of insurance business and again threw us into the fire basically of having to get things done as a group. We were graded in many cases as a group and you live or die by the decisions you make and your ability to manage those relationships and that's true obviously now especially; not unlike what I learned a little bit dealing with a partner but on a much bigger scale because we had to really delegate and trust each other to get work done and make sure that we were doing the job. We learnt ground rules and code of ethics (GRACE) in an environment of 'go to hell but give me my numbers.' We learnt in insurance more is not necessarily better but better is better. Insurance is a game of large numbers but best of the number is money and ultimately money speaks."

Insurance schools like these are not playing with words when they call it mature growth. They are figuring out how to take advantage of their markets in ways that make sense and create opportunities.

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Improving Economic and Financial Literacy

THE ROAD MAP

G. PRABHAKARA WRITES THAT THERE IS A SERIOUS LACK OF PRIORITIES IN THE INDIAN DOMAIN, WHEN IT COMES TO INVESTING IN ASSETS. HE FURTHER ADDS THAT THE IMBALANCE SHOULD BE RECTIFIED SOONER THAN LATER IF THE MASSES HAVE TO COME OUT OF THE POVERTY CYCLE.

Economy as an institution pervades society today to such an extent that it is difficult to imagine accessing any meaningful resource other than through it. It is an acknowledged fact that it has helped immensely in facilitating a systematic and just allocation of resources in a manner that is peaceful and orderly. In that sense, it has brought

about a giant leap in the evolution of human beings and has changed the way people live and work.

The massive increases in the size of the economies, reduced state interventions and rapid globalization that were witnessed in the recent times have led to unprecedented changes in the way the economies function.

In the same way the financial world too has witnessed revolutionary changes with a proliferation of new classes of products, increasing complexity of the products and a growing preference among the institutions to pass on investment risk to the investors. Recent technological innovations have changed the way the financial sector operates.

While it is indisputable that a good number of the above changes indicate progress and are therefore quite welcome, they have raised fresh demands on individuals. The new economic system

creates a host of opportunities for those who are savvy enough to understand and operate it. At the same time those lacking in awareness could expose themselves to losses, exploitation, denial of opportunities and also deprivation. Thus the knowledge arbitrage is higher now than ever before, and selection is operating more on the economic/financial basis than earlier.

In view of the increasing role of economy and finance in the society and their growing complexity, it is extremely important for an individual to make an effort to understand them. At the societal level, a population that is illiterate in these areas signifies backwardness in the society and impedes its progress. On the other hand literate populations tend to make right choices and show quicker progress. Concerted efforts therefore need to be made to rid the society of economic/financial illiteracy to enhance the well-being of its public.

The massive increases in the size of the economies, reduced state interventions and rapid globalization that were witnessed in the recent times have led to unprecedented changes in the way the economies function.

Coming to the Indian context, studies indicate that the patterns of consumption in the Indian society are not balanced and do not reflect a holistic understanding of life's needs in the order of priority. It is seen that important items such as nutrition, health, education and financial security are often bypassed for expenditure on entertainment and purchase of consumer durables. There is an underestimation of both future requirements as well as of amounts needed to be set aside from the income for the purpose. Studies have revealed that people have misplaced optimism about their financial future, which is based more on hope than on any sound calculations. Too much money is being spent on festivals, weddings and funerals at the cost of more basic and important needs. The general awareness of the sustainability of expenditures and life styles is pretty low, resulting in over-indebtedness.

Young consumers are particularly more prone to over-indebtedness. The main source of this is seen to be credit card misuse. Many young persons lack the temperament, knowledge, and above all, discipline needed for money management.

There is on the whole a serious gap in the understanding on the need for providing for future requirements. Separate provisions being made for each important need is rarely seen even among the educated and well-to-do.

Most of the financial savings of the household sector in India are in debt instruments with very low levels of participation in equity. The investors are thus foregoing the opportunities of

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investing in fast growing avenues, due to problems of the mind-set and lack of awareness.

Investors need to be oriented towards allocating their assets in a balanced way to fulfill their need for growth, security as well as liquidity.

Demographic trends indicate a significant rise in life expectancies, while the earning spans have not seen a proportionate rise. At the same time, most of the employers including the government have switched over from defined benefit to defined contribution pension schemes thereby transferring the investment risk to the employees. In any case the number of families covered by occupational pensions is less than 10%. The coverage of personal pension schemes is a paltry 3%.

With the number of persons above 60 years of age expected to go up to as high as 120 million by the year 2020, there is an urgent need to improve the awareness on retirement planning among the public.

Life style diseases which are caused by increased stress, unhealthy eating habits, addictions and lack of rest and exercise are on the rise in India in the last two decades. Despite the increased prevalence, Indians are yet to wake up into providing for the treatment of the critical illnesses caused by the above. The

fact that these diseases are afflicting large number of individuals at the peak of their working life is a matter of additional concern.

The fact that health insurance covers hardly 1% of the population and accounts for a mere 1.2% of the total expenditure on health in India is a comment in itself.

Life insurance coverage is available to less than a fourth of the insurable population. A large percentage of even those covered are grossly under insured. The appreciation of the need for life cover in our society is poor resulting in reluctance to purchase insurance.

The penetration level of insurance (as a percentage of GDP) in India at the end of 2005 was 3.14% as against the Asian average of 6.83% and global average of over 7.52%. The insurance density (per capita premium) was a poor \$22.7 against the Asian average of \$197.9 and a global average of \$518.5.

Within a short span of time after their introduction in the Indian market, Unit linked insurance products have not only occupied a respectable 56% of the new business premiums but also drastically altered the character of the insurance products. There is a strong need not only to inform the investors that the investment risk in these policies is to be borne by the investors but also to educate them in handling these investments.



A large number of people purchase costly homes, consumer durables and other assets but do not appreciate the need for insuring these assets which are prone to multiple risks.

With detariffing of premiums coming into effect, the premiums on the non-life side are now market determined. On the other hand the covers and exclusions are also getting more complex. It has therefore become imperative that one has not only the awareness of the need for insurance but also adequate knowledge of handling all the related issues.

The following strategies could be adopted to improve the literacy levels across the segments of the population:

- Comprehensive models, separate for persons of different income segments and social profiles, showing ideal budgeting, asset allocation, provisions for protection, retirement and other needs – with real life examples – can be prepared and publicized to give a clear picture to the targeted population and to make learning easy and interesting.
- Have only a reasonable number of products and consciously avoid burdening the investors with 'choice overload'.
- Wherever possible, automatic enrolment of employees into retirement schemes can be considered.
- Adopt a tiered/segmented approach in targeting different segments for spreading literacy.
- Education on avoidance of borrowing, especially at high interest rates, for life style, travel, entertainment and such other items; and restricting such borrowings exclusively for extreme

contingencies needs to be imparted in a big way.

- Training sessions, seminars and workshops have been proved to be effective in improving the participation of the employees in the retirement plans in some of the western countries. This approach can be applied in India as well.
- Exit sessions for retirees and VRS optees educating them on how to handle their retirement proceeds can help them to preserve their capital.
- Liberal use of audio visual media to educate the public on the issues mentioned above, through imaginative and catchy advertisements.
- Inclusion of economic and financial education in school curriculum goes a long way in creating an understanding of the subject at young ages.
- Credit regulation can be tightened to restrict the availability of total credit to a person based on his age, income and other parameters.

Regulators should remain ahead of the industry and watch out constantly for any exploitative practices. They have to devise indices to measure the compliance levels of the industry. The grievances received at their end, MIS, defaults percentages, lapsation ratios etc can reflect the selling practices of the businesses. The Regulators should be in

the forefront in conducting educational programs and campaigns to spread awareness among the public.

The businesses on their part should display a zero level tolerance for unacceptable practices and promptly penalize those indulging in the same.

Since it is the distributor who reaches out to the public to sell the financial products, he has a considerable amount of influence on them and has a big role to play in their financial decisions. Also, the distributor is looked upon as an expert and people take his advice seriously. Therefore, imparting comprehensive training to the distributors will help in improving financial and economic literacy.

There is need to develop a concept of 'Integrated Financial Consultant' who would be able to counsel individuals on all financial matters including savings, investments, budgeting and borrowing and he should also hold a common license to sell all the products. A compulsory certificate course can be designed for such consultants to ensure professionalism and quality.

A comprehensive nation wide survey may be conducted to develop specific understanding of the financial and economic literacy levels of each income

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segment, community, region, age group and gender. The survey can cover all the areas discussed above and can study the penetration levels of each instrument in different segments. An expert committee having members from each industry in the financial sector can be constituted to finalize the issues to be covered by the survey and also the methodology to be adopted. This survey can help design segment-specific programs based on their needs.

Most of the above is not of much relevance to the population at the subsistence level, for a number of reasons. Firstly, they barely have any disposable income and their earnings are not continuous throughout the year. They are mostly unbanked and have virtually no savings. The assets they own are minimal, confined to implements and may be a small dwelling. Their access to credit is mostly through private money lenders operating within the community.

The issues to be addressed in improving financial literacy in these segments are:

- Creation of the awareness of the various existing welfare schemes of the government offering free/subsidized schemes for housing, credit etc meant for people in this segment.
- Encouraging thrift and correction of consumption habits.
- Take banking to the door step of the

unbanked with the help of the daily collection schemes etc. This will create access, confidence and convenience that these people need to come into the fold of the financial system.

- Micro finance institutions are just now beginning to take root in our country. Taking steps to increase their presence and equipping them with capital and technology, while regulating them closely, will help fill the vacuum that the countryside suffers from at the moment.
- The IRDA has taken a developmental initiative by bringing out Micro Insurance regulations with a lot of relaxations and enabling provisions in order to promote insurance among the low-income groups. The ball is now in the court of the insurers to make a success of this experiment. They need to develop understanding of the specific requirements of this segment and offer products that fit them best. The servicing systems, distribution channels and publicity tools should also be designed taking into account the low ticket sizes, the access problems and the low level of literacy typical of this segment.
- These segments can be reached through institutions working in their environment such as village panchayats, trade and community associations, NGOs, MFIs, SHGs etc and to some extent through mass media.

Efforts to improve economic and financial literacy will be more successful if they are holistic and give the whole perspective to the individual than when the inputs are in bits and pieces, dealing with only some aspects of the subject.

Financial inclusion of the unbanked downtrodden communities through creation of access and design of suitable products can benefit them immensely. Literacy improvement programs can be meaningful only if the financial infrastructure is made available to these segments.

Right financial outlook, in addition to literacy, is also dependent on the overall culture of the community to which the person belongs. It is therefore also important to attempt to bring about a social transformation rather than merely attempt to educate individuals separately.

A synchronized effort by all the stakeholders such as government, regulators, businesses, educational institutions, voluntary organizations and media in this direction is the need of the hour.

The author is Member (Life), IRDA. The opinions expressed in the article are purely personal.



Insurance Awareness

WHERE DO WE GO FROM HERE?

ARUP CHATTERJEE
AVERS THAT FINANCIAL
LITERACY CAN EMPOWER
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AND SERVICES AT LOWER
COST.

The liberalisation of the Indian economy has dramatically broadened the opportunities of consumers, workers, investors, and firms. The sheer variety of goods and services that are easily accessible (for a price) would be breathtaking to people living just a decade ago. At the same time, the multitude of choices can be bewildering. Increasingly, taking best advantage of available opportunities places heavy demands on the ability of customers to make sensible choices. The rising complexity affects nearly all market decisions - from choices about food, whether consumed at home or in restaurants; to choices about clothing, electronic equipment, transportation, and housing; to choices about career

pathways; and to choices about savings and investing.

Viewed in this light, the widening array of alternatives in the financial marketplace in general and the insurance market place in particular is part of the larger process operating in the economy as a whole. Nonetheless, financial decisions are particularly vexing to many of today's families and many business people as well. Perhaps the confusion has arisen because of the speed at which financial markets and new financial instruments have emerged, or because of the higher levels of sophistication and the longer time horizons required for sound financial decisions.

Moreover, the added complexity is taking place just as households face increased responsibilities for financial decisions and for insuring their own financial well-being. At the same time, bad decisions can mire households in debt and lead to much lower living standards than households would enjoy, had their financial decisions been more sensible.

For the new financial freedom to help most people, they must understand their choices and the likely implications of alternative choices. Unfortunately, a majority of the population has a weak grasp of basic personal finance principles. What is lacking is not information (e.g., who is charging what for a premium?), but rather the ability to interpret the information (e.g., how well do alternative insurance products fit my needs?). Without knowing all of the circumstances of individual cases, it is difficult to determine how many people are making proper decisions. But, given the apparently weak financial knowledge of a large segment of the population, the high rates of consumer bankruptcy, and the large share of the population poorly prepared for retirement, there are reasons for concern.

One is also witness to the fact that the market has not been able to meet everyone's needs. Access to an ever-increasing range of products has remained an urban phenomenon and a significant number of people are unable to access

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even the simplest of financial services. For these people, financial exclusion means significant additional cost and loss of opportunity.

The benefits of being financially literate are high. Financial education also is essential to help consumers understand how to prevent becoming involved in transactions that are financially destructive, how to avoid becoming victims of fraud, and how to exercise their consumer protection rights. Financial literacy can empower consumers to be better shoppers, allowing them to obtain goods and services at lower cost. This optimizes their household budgets, providing more opportunity to consume and save or invest. In addition, comprehensive education can help provide individuals with the financial knowledge necessary to create household budgets, initiate savings plans, manage debt, and make strategic investment decisions for their retirement or their children's education. Having these basic financial planning skills can help families to meet their near-term obligations and to maximize their longer-term financial well being.

One fundamental challenge to improving financial literacy centers on reaching those who lack the awareness of the availability of such resources, who may not have the time to improve their level of financial literacy, or for whom existing information resources are inaccessible or inadequate. Many interested citizens may be unable to take advantage of existing educational resources for a variety of reasons, including lack of internet access, language barriers, or because they are not the targets of traditional methods of dissemination. One needs to find ways to make it easier for them to access and use

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helpful, appropriate, and timely financial education information, in a format most useful to the intended recipient.

Another challenge is helping in discerning between financial education and marketing. Occasionally, a company may try to deliver financial education in marketing materials for financial products or services. This may blur the distinction between the sales information and the important financial literacy points. That blurring may make it more difficult for consumers to evaluate products and determine if the information is accurate and complete or whether the provider is unbiased or whether the information provided is clouded by potential financial gain.

Personal financial management is an extremely complex matter that requires significant resources and commitment by consumers to understand and evaluate the multitude of products available in the broad financial services market. In addition, the marketplace is constantly changing; with new products, services, and providers emerging to meet consumer demand. As a result, the range of topics and issues that consumers must evaluate is vast and ever growing. Financial literacy efforts should aim at helping consumers understand and select the products and services that best suit their needs, goals, and circumstances.

Providing effective financial education presents great challenges not only because of the complexity of the issues surrounding the need for financial literacy, but also the individualistic nature of the approach necessary to address those issues. As a result, strategies should take account of how best it can help consumers identify reliable and unbiased sources of information besides equipping them with the skills needed to choose reliable products and services.

Given the important role of financial literacy in promoting financial well-being, there is a long-standing need towards building an environment for commitment to financial literacy from government, private industry, and nonprofit organizations. Marshaling that commitment and organizing efforts to produce the best possible result still remains a formidable challenge and can be best addressed through a national strategy.

An effective national strategy must encompass the following areas:

- *Building public awareness of available resources:* Improved financial literacy requires an increased public awareness of the issues, as well as the many state, local, and national resources that are available for financial literacy. The Government must make its financial literacy resources more easily



available. This is important in order to better leverage existing financial education resources and avoid overlap or duplication. By using direct and creative messaging, an effective media campaign can help establish web portals to which consumers can turn when they need to easily find financial education materials on a wide range of important financial topics. Using this multimedia strategy, we can begin to build national awareness of the many valuable, free resources that are available to all citizens.

- *Developing tailored, targeted materials and dissemination strategies:* A large variety of excellent financial education materials already exists. Rather than creating new teaching materials, these existing materials and resources can be tailored for particular audiences and distributed through those organizations and dissemination channels that are most trusted within individual communities. A single-source website can help educators maximise their use of free financial education resources and eliminate needless duplication of effort.

Improving the financial literacy is not an action that occurs through a one-size-fits-all approach. People learn in many different ways, and many of us benefit from hearing and seeing educational messages repeated in many

different ways on different occasions. Effective financial literacy and educational efforts require materials that reach and are clearly understood by the intended audience. Financial issues and education vary across cultures, and acquiring an understanding of these differences is critical to increasing the role of minority markets in areas such as transaction accounts and homeownership. For some, there is a lack of trust of insurance companies and government agencies. Others have varying attitudes toward spending and saving, and may use intra-cultural financial mechanisms such as peer lending and investing groups within their communities. Still others may adhere to religious restrictions, such as the Islamic prohibition on the payment of interest. In some communities and ethnically concentrated neighborhoods, there may not be an abundance of financial institutions. These communities seek specific strategies to help them better secure the financial services resources, while gaining the products, underwriting, and delivery mechanisms that are culturally compatible.

Community organisations can play an important role in efforts to enhance the delivery of financial education information. For example, technology

and innovation have resulted in the creation of a plethora of insurance products that are complex and possess features that may be inappropriate, very risky, and financially detrimental for some consumers. While some regulatory and legislative interventions have been undertaken to thwart misselling, financial literacy remains a critical component.

Tailored, targeted resources are important to reach key demographics, including uninsured populations, multicultural and multilingual communities, geographically remote communities, and consumers with special needs. It is important to appreciate that dissemination channels differ widely according to the message and intended recipient, and what may appear to be duplication of effort is often necessary in order to reach different target audiences. Needless duplication occurs only when educators and others are unaware of the existence of useable information. Developing a wide variety of effective channels is an important facet of the financial literacy challenge. Information can be disseminated in many settings, including the workplace, schools, media, and through community organizations. Each venue offers valuable outlets for reaching different demographic sectors.

A challenge to financial literacy efforts is in understanding that access to information and programmes does not always result in positive consumer behavior. Another key component of the financial literacy challenge is to integrate financial literacy into established curricula for elementary, secondary, and postsecondary learning institutions. Identifying opportunities

Developing a wide variety of effective channels is an important facet of the financial literacy challenge. Information can be disseminated in many settings, including the workplace, schools, media, and through community organizations.

to incorporate financial literacy in this manner can help younger generations grow into financially educated adults who are astute consumers and who, in turn, impart this knowledge to their children. This kind of financial literacy can result in better household budgeting and other critical life skills.

- *Tapping into public-private and private-private partnerships:* Improving the nation's financial literacy is not a task that can be undertaken solely by the Government. On the contrary, the majority of financial education and skills-building activities are those currently led by private-sector organizations. Community involvement can greatly enhance the effectiveness of collaborative resource development and dissemination efforts. Public-private and private-private partnerships therefore play an important role in equipping consumers with needed financial skills.

Partnerships are valuable components to any public awareness effort. Successful partnerships can efficiently reach key audiences with high-quality, unbiased information. These partnerships can highlight the local successes of financial literacy efforts and boost local enrollment in and access to education programmes. Partnerships within communities can be effective at addressing the issues involved with the many individuals in this country who do not maintain traditional bank transaction, credit, savings, or investment accounts.

- *Research and evaluation of financial literacy programmes:* While many excellent financial literacy efforts are ongoing throughout the nation, a theme repeatedly sounded in public

India is not the only country in the world which needs to be engaged in a serious analysis of the financial literacy and educational needs of its citizens. Virtually every other nation amongst the emerging market jurisdictions faces the same challenge.

discussions is that a systematic method of evaluation of financial literacy programs does not exist. Additionally, there is little research on successful methods for financial literacy. A broad and deep base of research on financial literacy will assist policymakers, as well as public and private sector providers of financial literacy, to improve the effectiveness of their work on financial literacy. While some good research has been conducted, more can be done. From research comes a shared body of knowledge on how to best inform and educate different and varied constituencies on financial literacy topics. Such research is essential in developing and replicating programmes that are proven to achieve results and to ensure the efficient use of resources. Ideally, financial literacy programmes would strive to incorporate findings from academic research that utilize both qualitative and quantitative measures to assess the effectiveness of financial literacy programmes.

For consumers, these data will offer confidence about programmes that work; for educators, the data will offer guidelines for developing evidence based, quality materials; and for funding agencies for financial literacy, research provides assurance of the optimization of resources.

In conclusion, India is not the only country in the world which needs to be engaged in a serious analysis of the financial literacy and educational needs of its citizens. Virtually every other nation amongst the emerging market jurisdictions faces the same challenge to increase the financial knowledge and skill set of citizens to enable them to make better financial decisions and avoid fraud. In this context, it will be important to continue a dialogue with other nations in an effort to learn from their efforts. Reaching the goal of a financially educated population will take time. With a multitude of smaller efforts that represent opportunities for learning and partnership in contributing to the larger national mosaic that comprises our nation's financial literacy and education effort achieving it shall become a much easier task.

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Educating the Educated

A VALUE ADDITION TO SERVICE

D.V.S. RAMESH OBSERVES THAT THE REPUTATION OF AN INSURER WOULD BE DETERMINED BY THE EFFICIENCY OF SERVICES THAT IT RENDERS; AND THAT A CONTINUOUS EDUCATION IS VITAL TO ENSURE SUCH EFFICIENCY.

An organization can surpass with ease its targeted goals with the whole-hearted commitment of its human resources. It is more relevant in respect of service industry, where front office personnel play a key role in the image building of organizations. Human resources, which were hitherto considered merely as one of the elements of the organization, are now regarded as its capital. Along with the main objective of retaining the existing clientele,

continuing to keep the personnel on its rolls happens to be the avowed objective of modern organizations. Of the prime factors for this phenomenal development are the scarcity of talented human resources and increasing role of the personnel in re-shaping the businesses of organizations. The business organizations are not only competing in expanding the base of their businesses but also to attract the best brains available in the market. Gone are the days when talented youngsters would wait for their turn to get an employment. Now organizations are camping at the campuses to haunt the best talents well before the completion of their education and these youngsters have no time to wait, starting their career even as interns before completing the academic schedules.

In a good number of cases the knowledge imparted at the school or the college stage cannot be implemented in real work life scenario. Especially in service oriented industries like insurance, which was never taught at any level of their academic sessions (except the recently evolved few post graduation diplomas or vocational courses at plus two level) the

newly joined need to start their academic life afresh on a different earning platform and continue the same to meet the ever changing contours of businesses of the organization. Here comes the role of insurance companies in mounting the employment styles of its personnel, especially the new recruits. Insurance education is one of the essential pre-requisites of the personnel of insurance companies in order to ensure a quality service to its clients. Knowledge of the nuances of subject enables a qualitative service both during pre-sale and post-sale services. While insurance education amongst the population and intermediaries is one of the paramount requirements for a robust and sturdy growth of insurance business, a continuous insurance education to the personnel of the insurance companies is essential for sustaining the business levels and retaining the clientele, thereby promoting further growth.

Specific job styles of service industry: Unlike in some of professional careers where personnel apply the academic knowledge they have been imparted from day one, service industry demands an

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induction course in general; and insurance industry in particular, be it for a front desk job or for back room boys. Be it during pre-sale approach or post sale service, the requirements of policyholders differ on a case to case basis. When an insurance company consolidates its position in the market, every person tends to offer an advisory role to the policyholders while rendering the services. Absence of a firm foundation, even at basic level, may vitiate the bench-marked service parameters. Though some personnel may attain the domain expertise over a period of time, the inclination to learn, unlearn and relearn is one of the essential ingredients that turn the personnel on professional lines. Here comes the role of insurers as employers in adopting the best servicing parameters through their personnel. Institutionalizing the initial training modules, establishing hands on training, ensuring job rotations and encouraging the sharing culture grooms the best learning environment in an insurance company. During the course of training it would be ideal if the modules include the live case studies of the company. All these encourage the personnel to be attentive and vigilant while rendering services to the policyholders.

Manpower factor in operational risk: The extent of operational risk that a servicing/finance company is likely to be exposed to is evident in the revised Basel II accord for banks, introducing the concept of minimum capital requirement exclusively for operational risks. Amongst other factors responsible for a company

to be exposed to operational risks, people manning the company are regarded as one of the major contributing factors in the definition portion of Basel - II. Out of the seven event types that the Basel committee categorized to capture the most significant causes that lead to operational losses, three areas viz. employment practices, internal fraud and execution delivery, and process management directly deal with the ability of managing the man-force of the companies. Though, these prescriptions relate to banking industry, the importance of placing suitably trained personnel is equally relevant to insurance industry.

Knowledge flows down: Knowledge, by and large, flows down through generations. That is why perhaps, knowledge is hailed as soul of a society. Same is the case with reference to imparting training, be it at home or office. The manner in which the members of a family or the personnel of a corporate body evolve over a period of time depends on the lines they are groomed. An apt attention by top management of companies is required towards attaining this objective. There are three p's that are relevant with educating the man force of a company. They are; practice, profess and preach. To see that personnel at all levels follow the same set of training principles imparted, the learning curve shall start at higher level and shall percolate down the line. The senior management of the company has to adopt the best business and operational practices, profess them and then preach through the cadres down the line.

Independent directors play a decisive role in imparting the best business and operational practices. However, domain knowledge is essential even to this elite section of the board. The role of insurers' boards begins from imparting the related knowledge to these independent directors and ends in ensuring its percolation down the line. Thus, the relevance of job related education is indisputable at every level of hierarchy in insurance companies. Right from the directors of the board to the managers of a unit that leads a few insurance advisors, they will be the role models to the rest of members of their organization/team. Hence, insurers should continuously strive to impart the job related knowledge to all its personnel in all the operational areas. In particular, imparting the job knowledge on the following operational areas is more vital.

Underwriting: Underwriting is one of the technical areas that needs the expertise of the man in charge, for every contract. The latent intricacies like moral hazard, adverse selection or insurable interest which are not exactly defined elsewhere, but are matters of subjective judgment are elements of discretion of underwriters. As the acceptance of a liability is a prudent business practice of an insurer, there will be no guidelines on underwriting, especially in life insurance, from either regulators or from self regulatory organizations like insurance councils. Issues like income proof would also be judgmental matters especially in high sum assured cases. With the changing contours of insurance business, risks are susceptible to issues like frauds, money laundering etc. and it needs updated job knowledge to the dealing personnel to secure that insurers are not made the conduits of a fraudulent activity. Appropriate job knowledge not only enhances the quality of business underwritten but also leaves a sense of pride and job satisfaction to the personnel involved, instead of monotonic feeling.



Claims: One of the most promising operational areas of an insurance company is claims settlement as the principal motto of insurers' business is timely settlement of claims. Absence of appropriate job knowledge may mislead the involved personnel that claims are a drain on the revenues of the businesses. Hence, he or she may work with the objective of denying a claim. A better informed operations person, who is made aware that the organization is in the business of claims settlement too, brings accolades to the organization, thereby reinforcing the confidence and loyalty of the customers on the system of insurance as a whole. Unless insurer imparts an up-to-date knowledge of the nuances of claims, the personnel cannot support the corporate objectives of the company.

Policy Servicing: The practices in this operational area faced differ from those prescribed in the servicing manuals. Almost all operating personnel of this operational area need to render some or other advisory services in the course of their job. Updated job knowledge not only is a value added service to a policyholder but also an image enhancer to the insurer in the long run, as a satisfied customer is a source of publicity.

Servicing for an industry like insurance needs empathy. This is one of the basic concepts of training to be imparted to the operational staff of insurance companies. An empathetic person serves with a philosophical bent of mind to render the best possible and positive

services to policyholders of an insurance company.

Internal corporate communications: Education is a continuous process. With the changing dynamics of market, operational and regulatory practices etc; an effective internal communication establishes the best learning culture in the insurance company. Though in-house training injects the required job knowledge, internal communications from corporate offices encourage personnel to update their job knowledge. Here insurers have to play a pioneering role. Merely forwarding the statutory and regulatory prescriptions would not suffice. To reach the understanding levels at various stages, a clear description as to the contents along with the objectives need to be focused in all internal communications. Also, it would be worthwhile if insurers establish a sharing platform within the organization whereby, there will be sharing of experiences in the form of case studies amongst all the employees of the insurance company.

Role of Government: An emerging subject that needs attention of the future generations is to be nurtured from the grassroots. The conceptual issues that make inroads at academic stage will leave an indelible impression on the minds of matured lives. Perhaps with this intention policymakers introduce concepts like disaster management, green house emissions at various stages of school education in some parts of the globe. In India also, certain schools have introduced subjects on disaster

management from the middle school level onwards. Without loading the academic burden on the targeted students, a similar course on insurance deserves to be a part of their academic chores.

Role of institutions like IIRM, III, and ACA etc.: As a Chinese proverb says 'a person who envisions the generations ahead establishes educational institutions', the role of academic institutions is not just delivering to the enlightened strata, but building the generations for a future world. The objective of an academic institution shall not cease with awarding degrees and diplomas, but continue keeping the products updated about the latest developments of the industry. Institutions like IIRM, III etc are contributing their best to the society by producing exclusive professionals in insurance field. Even professional institutions like ACA are gearing up their professionals by introducing exclusive courses on insurance. It is high time that these institutions introduced the continuous professional development courses to their respective members. Continuous professional development programs referred as CPDs in some institutions and advanced markets, keep the members of these academic institutions abreast with up-to-date information. Synergizing their strengths, these professional institutions may run workshops/seminars at various parts of the country, preferably in renowned academic centers, to bring up the awareness levels about insurance.

The competition amongst the next generation insurance companies will be on how best the policy services can be rendered; an area where an insurer's human resources, be it back-end or front-end, play a pivotal role.

Updated job knowledge not only is a value added service to a policyholder but also an image enhancer to the insurer in the long run, as a satisfied customer is a source of publicity.

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प्रकाशक का संदेश

भारत में साक्षरता दर कम है तथा बहुत ही पढ़े लिखों में वित्तीय बाजार की समझ भी कम है। वित्तीय क्षेत्र के अंदर बीमा को पर्याप्त रूप से अनदेखा किया गया है। इसके कारणों को प्राप्त करना कठिन नहीं है। ऐतिहासिक रूप से बीमा को वह सम्मान नहीं मिला जिसका वह हकदार था। इसे ऐसे औजार के रूप में प्रयोग किया गया कि अगर अन्य कोई बचाव न हो तो इसका उपयोग किया जाये। जबकि शिक्षा के क्षेत्र में जैसे विश्वस्तर पर विभिन्न विकास सामने आये हैं। बीमा को कभी भी महाविद्यालय या विश्वविद्यालय शिक्षा की प्राथमिकता में नहीं रखा गया। परिणामस्वरूप जहाँ कहीं भी बीमा शिक्षा उपलब्ध थी इस कार्य को किया गया।

एक प्रणाली जिसको आगे बढ़ाना है न केवल पेशेवर जो इस कार्य में हो जिसमें शिक्षा दी जानी हो। प्रभावशाली बाजार की वृद्धि तथा अनुशासन के केन्द्र बिन्दु में ग्राहक सेवा है सूचना तथा उपभोक्ता शिक्षा बाजार को आगे बढ़ाने में सबसे प्रभावशाली कारक है। बीमा शिक्षा के क्षेत्र में कथन योग्य सुधार हुआ है विशेषतः आर्थिक

उदारीकरण के समय। यह गर्व से कहा जा सकता है कि कई विश्वविद्यालयों ने बीमा पर विभिन्न पाठ्यक्रम प्रारंभ किये हैं यह भारत में बीमा उद्योग की वृद्धि के लिये महत्वपूर्ण है। ऐसे वातावरण में जहाँ बीमा क्षेत्र को खोला जा रहा है बीमा पेशेवरों से अपेक्षा है कि वे अतिरिक्त बाजार गैर बीमित जनता को जोखिम के प्रति सजकता प्रदान करके इसके द्वारा दोनों संदेश तथा संबंधी लाभ बीमा का बड़े पैमाने पर लोगों तक पहुँचा सकते हैं।

बीमा जागरूकता तथा शिक्षा जर्नल के इस अंक के केन्द्र बिंदु हैं। इसे सुनिश्चित करने के लिये कि उद्योग प्रभावशाली ढंग से चले बीमा कंपनियों का पर्यवेक्षण तथा निरीक्षण आवश्यक है। कंपनियों का पर्यवेक्षण तथा निरीक्षण जर्नल के अगले अंक के केन्द्र बिन्दु में होगा।

श्री. ए. एस. राव
सी. एस. राव
अध्यक्ष



// दृष्टि कोण //

सरकार बीमा उद्योग पर सख्त विनियमन लागू करेगी, जिसमें शामिल है उच्च न्यूनतम पूँजी आवश्यकता तथा निगमित प्रशासन के मानक शामिल हैं।

डॉ अहमद फोउद रहमानी

संगठन पर्यवेक्षण एजेंसी इंडोनेशिया तथा पूँजी बाजार के प्रमुख

बीमा परिषद तथा उनके सदस्य न्यू साऊथ वेल्स सरकार तथा आपातकाल सेवा के साथ निकटता के साथ कार्य कर रहे हैं। जिससे रिकवरी प्रक्रिया को सुविधा दी जा सके। साधारण बीमा के प्रतिनिधि एकल रोक दुकान पर उपलब्ध होंगे जिससे पॉलिसी धारक को सहायता प्रदान की जा सके।

सु. केरिन कैली

ऑस्ट्रेलिया बीमा परिषद के मुख्य कार्यपालक, एनएसडब्ल्यू स्टोर्म दावों पर विचार व्यक्त करते हुये।

माइक्रो बीमा को निकट से जाँचने तथा विश्लेषण से तथा मूल सिद्धांतों से विनियामक पर्यवेक्षकों से निरंतर संवाद बनाये रखने में सहायता मिलेगी।

श्री मधु मुंजाल

माइक्रो बीमा पर आईएआईएस-सीजीएपी संयुक्त कार्य दल के अध्यक्ष

कई गृह स्वामी बीमा को ठीक प्रकार से न समझ पाने के कारण वित्तीय रूप से गंभीरता से चोटिल हुये हैं। यह आवश्यक है कि उपभोक्ता अपनी पॉलिसी को निकटता से देखें तथा अपने बीमा एजेंट से विस्तृत प्रश्न कर यह सुनिश्चित करें कि किसे आवरण प्राप्त है तथा किसे नहीं।

श्री वाल्टर बैल

एनएआईसी अध्यक्ष तथा अलाबामा बीमा के कमिश्नर

पूँजी बाजार में जाना, बैंक के भेदभाव पूर्ण ऋण तथा पूल को बड़ा करना नेताओं का बैंक के आगे जिसमें शामिल है पेंशन फंड, बीमा कंपनियाँ तथा खुदरा निवेशकर्ता। यह मदद करेला उन निधियों से अलग से प्राप्त करने के लिये जो बैंक ऋण प्रदान करते हैं।

श्री नेग नाम सिन

कार्यकारी निदेशक, मोनेटरी सिंगापुर प्राधिकरण

निर्यात वित्त तथा बीमा निगम (ईएफआईसी) को अलग से शक्तियाँ दी जायेंगी जो छोटे तथा मध्यम आकार के निर्यातकर्ता (एसएमई) के विश्वस्तरीय प्रसार के लिये उन्हें आपूर्ति तथा वितरण की श्रृंखला को बनाना होता।

श्री वारेन ट्रेस

ऑस्ट्रेलिया के वाणिज्य मंत्री

अच्छे विज्ञापनों की दरकार है बीमा कंपनियों को

अमरीश सिन्हा के मत में हम और हमारा देश प्रगति के पथ पर बढ़ चले हैं तथा अब कोई बंदिश या रूकावट इसे पीछे नहीं धकेल सकता। अब विश्व की निगाहें हमारी ओर अचरज एवं संभावनाओं से देखने लगी हैं।

वस्तुतः विचारों में बड़ी ताकत होती है। दुनिया में सभी अच्छे-बुरे परिवर्तन विचारों के कारण ही हुये। अंधों के बेटे अंधे होते हैं - जब द्रौपदी ने यही बात दुर्योधन से कही तो वह अपमानित हो गया। कहते हैं कि इसी कडवी बात के कारण महाभारत हुआ। कलिंग विजय के बाद के सम्राट अशोक के मन में जो विचार उठे उनसे उनकी जीवनधारा ही बदल गई। ये विचार ही कल्पना शक्ति के स्रोत हैं और विज्ञापनों का आधार। उत्पाद की बिक्री में ये विचार ही विज्ञापन के मूल में कार्य करते हैं।

पिछले दिनों एक समाचार पत्र में कुछ दिलचस्प सर्वे प्रकाशित हुये जो आपकी नजर कर रहा हूँ।

- भारतीय प्रतिदिन 35 हजार दुपहिये वाहन खरीदते हैं।
- भारतीय प्रतिदिन 72 हजार जीस पैट खरीदते हैं।
- भारतीय प्रतिदिन 1 करोड़ मूवी टिकट खरीदते हैं।
- भारतीय प्रतिदिन 1 लाख हवाई यात्रा के टिकट खरीदते हैं।

यह भी प्रकाशित हुआ है कि इस देश में मिनरल वाटर से ज्यादा बीयर की बोतलें बिकती हैं (हर रोज 57 लाख मिनरल वाटर की बोतलें देश में बिकती हैं जबकि बीयर की बोतलों की प्रतिदिन बिक्री 57 लाख है)। ये सभी आंकड़े वर्ष 2006 के हैं तथा 31 दिसम्बर तक के आंकड़ें सर्वे में समाहित किये गये हैं। इन आंकड़ों से कई बातें सामने आती हैं। सरसरी तौर पर इतना तो जाहिर है कि व्यक्ति अब जीवन की बुनियादी जरूरतों को पूरा करके संतोष प्राप्त नहीं कर लेता। वह इससे आगे कुछ विकास के नाम पर, कुछ शिक्षा के नाम पर, कुछ बढ़ती आमदनी और क्रय शक्ति के बिना तथा कुछ नया करने या यूं कहें थ्रिल के नाम पर हासिल करना चाहता है। आर्थिक दृष्टि से सुरक्षा मिलने पर आधारभूत आवश्यकताओं से ध्यान

हट जाता है और तब और आगे की चाह बढ़ जाती है। इसमें नकारात्मकता की गुंजाइश भी रहती है, खासकर जब हम विवेकशील न हों तथा भटकन या गुमराह होने की और उन्मुख हो जाये। युवा वर्ग के साथ ऐसा अधिकतर होता है, जैसा कि पिछले दिनों पुणे में रेव पार्टी के दौरान हुआ। कॉलेज के युवक-युवतियाँ, आई टी सेक्टर में कार्यरत युवा यहाँ तक कि एअर होस्टेज भी इस पार्टी में शामिल थी। पैसे से सभी सम्पना लेकिन उक्त सर्वे का हम गहरे में जाकर अध्ययन करें तो कई सकारात्मक बातें उजागर होती हैं। पहली बात तो यही है कि हम और हमारा देश प्रगति के पथ पर बढ़ चले हैं तथा अब कोई बंदिश या रूकावट इसे पीछे नहीं धकेल सकता। अब विश्व की निगाहें हमारी ओर अचरज एवं संभावनाओं से देखने लगी हैं। विश्व प्रसिद्ध रिटेलर वालमार्ट सहित दूसरी कंपनियों द्वारा देश में 400 रिटेल आउटलेट के खोलने की तैयारी, विभिन्न उद्योगों और परियोजनाओं में अमेरिका, फ्रांस, बाज़ील एवं ब्रिटेन की ओर से निवेश की इच्छा, संचार माध्यमों का द्रूत गति से प्रसार एवं विदेशों में विशेषकर कनाडा व अमेरिका जैसे विकसित देशों में हमारे देश के आई टी प्रोफेशनलों की निरंतर बढ़ती मांग इसका उदाहरण है। भारत का नागरिक जागरूक हुआ है। यह जागरूकता हर रोज सूर्योदय के साथ लगातार बढ़ रही

आर्थिक दृष्टि से सुरक्षा मिलने पर आधारभूत आवश्यकताओं से ध्यान हट जाता है और तब और आगे की चाह बढ़ जाती है।

है। समाचार पत्रों तथा अन्य प्रसार माध्यमों में उनकी भागीदारी, सूचना अधिकार अधिनियम के अनुपालन में उनकी दिलचस्पी तथा हर घटनाक्रम पर आम व्यक्ति की प्रतिक्रिया इस जागरूकता के प्रबल प्रमाण है। आज के दौर में सूचना या जानकारी, हक मांगने, अन्याय के खिलाफ लड़ने, बेहतर अभिशासन / सरकार तथा अच्छा जीवन जीने की इच्छा व अधिकार के प्रति व्यक्ति को शक्ति प्रदान करती है। यह सूचना ही है जो आज के हिन्दुस्तान को सुनहरे कल की ओर ले जाने के लिये कारगर है। हमारे देश का समाज हर घर-परिवार तमामा अगर व लेकिन बावजूद सूचना हासिल करने के प्रति सचेत हुआ है। यह संचेतना शहर की दमकती और रोशनी में चुंधियाती सड़कों से लेकर गाँव-देहात की पगडंडियों तक फैली स्पष्ट दिखाई दे रही है।

प्रसिद्ध अमेरिकी दार्शनिक राल्फ इमर्सन ने 19 वीं सदी में कहा था कि अब प्रथम पुरुष एकवचन का (अर्थात् मैं का) समय आ गया है। वर्तमान दौर को देखें तो उनका कथन बिलकुल सही प्रतीत होता है। व्यक्ति निजता की ओर बढ़ रहा है। यहाँ भी सकारात्मकता और नकारात्मकता दोनों दृष्टियाँ हो सकती हैं। परंतु जो घटित होना बाकी है, जहाँ संभावनायें शेष हैं, वहाँ अशुभ की आशंका सिर्फ नकारात्मकता का परिचायक होती है। इसलिये निजता या प्रथम पुरुष एकवचन का अर्थ यह नहीं है कि हम स्वार्थी बन जायें या अहंकार से भर जायें। ऐसा सोचना पुरानी सोच का हिस्सा है। अब जबकि इक्कीसवीं सदी में चारों ओर विकास का आभा मंडल लालिमायुक्त हो रहा है, व्यक्ति की चेतना इतनी विकसित हुई है कि वह अपनी निजता को पाना चाहता है। नई मनुष्यता एक विशिष्ट मोड़ पर है। पुराना हर तरफ ढह रहा है और नया दस्तक दे रहा है। पुराने समाज में दूसरा महत्वपूर्ण था। द्वितीय पुरुष की अहमियत थी। दूसरा यानि श्रेष्ठतर, बेहतर चाहे वह शिक्षक हो, पंडित-विद्वान हो, धर्मगुरु हो, रिश्तेदार हों या माता-पिता हों, लेकिन हम स्वयं कतई नहीं। व्यक्ति का मूल्य नहीं था। हम दूसरे को काफी सम्मान देते थे। उसकी बात पर यकीन करने से पूर्व उतना सोच विचार नहीं

हमारी पुरानी मनोदशा गुजरे हुए जमाने की हो गई है, पुराना ढर्रा अब बदल रहा है और नया को अपनाने को आतुर हो रही है।

करते थे जितना आज करते हैं। हमने आइंस्टीन, कबीर, रहीम, तुलसीदास आदि को मान्यता दी, सम्मान दिया, श्रद्धा से नतमस्तक हुये उनके आगे। क्योंकि उन्होंने एवँ उनके जरिये विभिन्न क्षेत्रों में कई महान व्यक्तियों ने अपने आंतरिक सत्य को वाणी दी। किन्तु हमें कभी अपने अंदर की गहराइयों से उठने वाली ध्वनि को नहीं सुना। अपने अंदर से उठने वाली भावनाओं, विचारों को दिशा नहीं दी। उन्हें सामने लाने का सद्प्रयास नहीं किया। यह हमारे अंदर छुपा डर भी था और सूचना शक्ति का अभाव भी। हमें खुद पर भरोसा नहीं हो पाता था। सामाजिक व्यवस्था या यूँ कहें कि मान्यता कुछ ऐसी रही कि बचपन से ही हमें अपना सम्मान करना नहीं सिखाया गया।

लेकिन सूचना शक्ति की बयार बहने, विकास की कोपलों के खिलने और वैश्वीकरण के कारण समस्त विश्व एक हो गया है, वसुधैव कुटुम्बकम की हमारी मान्यता को सही रूप मिला है, इसलिए हमारी पुरानी मनोदशा गुजरे हुए जमाने की हो गई है, पुराना ढर्रा अब बदल रहा है और नया को अपनाने को आतुर हो रही है। स्वविवेक से विवेचना और आकलन करने की हिम्मत हो रही है तथा अपनी बात, अपनी पसंद, अपनी अभिव्यक्ति प्रस्तुत करने का संकोच जाता रहा है। नई पीढ़ी इन आयामों में ऊपर उठ रही है। पुरानी पीढ़ी भी दूरियों के पक्ष में नहीं दिख रही है। दोनों पीढ़ियाँ अपने दिलों की पुकार को सुनने में लगी है, हर स्वर को पहचानने में लगी है और अपनी रोशनी में जीने लगी है। बाहर से दिख सकता है कि ऐसा करने वाले विद्रोही हैं एवं सामने वालों का, औरों का सम्मान नहीं करते। वास्तव में वे अपना सम्मान करना सीख गए हैं

और अपना रास्ता स्वयं चुनने, बनाने एवं उस पर चलने का आत्मविश्वास जगा पाए हैं। कहा भी गया है कि जो स्वयं का सम्मान करता है, वही सही मायने में औरों का सम्मान कर सकता है।

अब ज्योंही अपनी पसंद, सम्मान की बात आती है त्यों ही यह बात भी समझ में आती है कि हमारे आसपास उपलब्ध वस्तुओं में से हम अपनी पसंद, आवश्यकता और प्राथमिकता के मद्देनजर उनका चयन करें। इस चयन में चयनकर्ता को सुविधा हो तथा वस्तुओं या बाजार के रूप में कहे तो उत्पाद के बारे में उपयुक्त वक्त पर उपयुक्त वक्त पर उपयुक्त तरीके से। जिसमें किसी प्रकार का छल न हो, बलगलाने का लेश मात्र आभास न हो, जानकारी देना अनिवार्य हो गया है। यह जानकारी विभिन्न लक्ष्य समूह के उपभोक्ताओं को ध्यान में रखकर दी जाती है। इस मकसद के मद्देनजर विज्ञापन की महत्ता बढ़ जाती है। व्यक्ति की एक ही आवश्यकता की पूर्ति हेतु कई कंपनियाँ अपने उत्पाद, अपनी सेवाओं को लेकर बाजार में खड़ी हैं, इसलिए अमूक कंपनी का उत्पाद ही क्यों उपभोक्ता पसंद करे, यह विज्ञापन के जरियो संभव है। विज्ञापन के माध्यम से हम उत्पाद के बारे में उपभोक्ता को बता सकते हैं। हर उत्पाद हर उपभोक्ता के काम का नहीं होता है, इसलिए लक्ष्य समूह का विचार करने के उपरांत विज्ञापन तैयार करना जरूरी होता है। इसमें लक्ष्य समूह की आवश्यकता, रहन सहन, शैक्षणिक स्तर, आर्थिक स्थिति आदि का विचार करना आवश्यक होता है।

इस प्रकार विज्ञापन आज के समय की माँग भी है और अनिवार्यता भी। प्रतिस्पर्धा में खड़े रहने तथा आगे बढ़ने के लिए उत्पाद की गुणवत्ता, ग्राहक सेवा, उत्पाद की

बिक्री के पश्चात दी जाने वाली सेवाओं आदि के साथ साथ प्रभावशाली एवं आकर्षक विज्ञापन की जरूरत होती है। विज्ञापन अंग्रेजी शब्द एडवर्टाइजमेंट का हिंदी अनुवाद है जिसका अर्थ है वस्तु या उत्पाद की बिक्री के लिए समाचार पत्रों, पत्रिकाओं, या अन्य प्रकार की मुद्रित सामग्री, टीवी, रेडियो या अन्य प्रकार के दृश्य श्रव्य माध्यम के जरिये की गई घोषणा प्रस्तुति या दिए गए विवरण। यह विज्ञापन बिक्री मात्र हेतु नहीं दिखाया जाता है। कई विज्ञापन जनता को जागरूक करने के लिए लोकहित में जारी होते हैं। कई विज्ञापन व्यक्तिगत भी होते हैं जिनके जरिये निजी शौक, घर, घरेलु सामान आदि की बिक्री, सूचना आदान प्रदान का मकसद पुरा होता है। विज्ञापन का अर्थ विख्यात करने से भी है। उत्पाद, वस्तु, सेवा या संदेश को विख्यात करने का जरिया भी विज्ञापन से पुरा होता है। व्यापार की भाषा में सीधे सीधे कहें तो विक्रय के लिए ग्राहकों का ध्यान खींचना विज्ञापन कहलाता है। विज्ञापन विक्रय कला का मौखिक अथवा मुद्रित रूप है। प्रचारित वस्तु को खरीदने के लिए लोगों में इच्छा या उत्सुकता जगाई जाती है, उन्हें प्रेरित किया जाता है।

विज्ञापन ऐसी दुनिया है जिसका क्षितिज असीमित है। निरंतर विस्तृत होती विज्ञापन की दुनिया में आज करोड़ों लोग शामिल हैं। एक अनुमान के मुताबिक केवल जनता के समक्ष अपने उत्पादक और उनके कार्यों की जानकारी प्रस्तुत करने के लिए विश्व में हर वर्ष करीब 1500 खरब (लगभग 6300000 करोड़ रुपये) डॉलर खर्च किए जाते हैं। सिर्फ भारत में प्रतिवर्ष तकरीबन 15000 करोड़ रुपये व्यय होते हैं। सबसे अधिक व्यय अखबारों में दिए जाने वाले विज्ञापनों पर होता है। सरकारी आंकड़े के अनुसार वर्ष 2005-06 में देश में 13000 करोड़ रुपये विज्ञापन पर व्यय हुए इनमें से 48 फीसदी प्रेस को दिए गए, 41 फीसदी टीवी को तथा शेष राशि रेडियो, इंटरनेट व सिनेमा में दिखाए जाने वाले विज्ञापनों में वितरित किए गए। प्रिंट मीडिया में दिए जाने वाले विज्ञापनों का प्रतिशत सभी देशों में सर्वाधिक है।

अच्छे उत्पाद को अगर बेहतरीन विज्ञापनों का साथ मिले तो उस उत्पाद की बाजार में तूती बोलेगी।

समय के साथ विज्ञापनों की माँग के स्वरूप में भी बदलाव हुआ है। पहले जब प्रचार माध्यम गिने चुने होते थे तब उत्पादक स्वयं इनके पास जाकर विज्ञापन दिया करते थे। आज स्थिति विपरीत है। रेड एफ एम रेडियो के मुख्य कार्यकारी अधिकारी (सीईओ) अब्राहम राय कहते हैं, पहले ग्राहक कोई इवेंट ऑर्गनाइज करते थे और हमसे उस इवेंट को कवर करने का अनुरोध करते थे। आज हम ग्राहक को इवेंट का प्लान सुझाते हैं और फिर हम ही उसकी ऑन ग्राउंड गतिविधियों का संचालन करते हैं। पर स्वरूप जो हो, विज्ञापन की उपयोगिता लगातार बढ़ रही है, इसमें संदेह नहीं। बाजार में उत्पाद अधिक होने से प्रतिस्पर्धा का माहौल सर्वत्र है। खरीददार के पास पहले से काफी अधिक विकल्प हैं।

यह संख्या भविष्य में और बढ़ने वाली है। यदि हम एशियाई और खासकर भारतीय बाजार का संदर्भ लें तो इस जागरूकता और प्रतिस्पर्धा ने उत्पाद कंपनियों को काफी सचेत कर दिया है। वे अब ठोक बजाकर उत्पाद को बाजार में उतारते हैं और अधिक से अधिक उपभोक्ताओं तक अपनी पहुँच बनाने का प्रयास करते हैं। इन्हीं प्रयासों में से एक है, विज्ञापनों का सहारा लेना। तरह तरह के लुभावने और दिल पर छा जाने की जुगत में लगे विज्ञापनों से आज इलेक्ट्रॉनिक और प्रिंट मीडिया लबरेज है। जरूरी नहीं कि हर आकर्षक विज्ञापन वाला उत्पाद गुणवत्ता की दृष्टि से भी बेहतर हो, लेकिन यह सत्य है कि अच्छे उत्पाद को अगर बेहतरीन विज्ञापनों का साथ मिले तो उस उत्पाद की बाजार में तूती बोलेगी।

यही बात लागू होती है, बीमा कंपनियों को उत्पादों यानि पॉलिसियों के बारे में भी। अब साधारण बीमा के व्यवसाय में सरकारी चार कंपनियाँ और जीवन बीमा के क्षेत्र में केवल एलआईसी ही नहीं रह गई है कि उपभोक्ताओं को थक हार कर उनके पास ही जाना पड़े, चाहे वहाँ उन्हें कैसी भी सेवा मिलती हो। अब एक दर्जन से भी अधिक निजी कंपनियाँ बाजार में आ गई हैं। आने वाले वक्त में कई और कंपनियाँ आएँगी। कई बैंक अपने आउटलेट से ग्राहकों को बीमा सेवा प्रदान कर रही हैं, न जाने कितने ब्रोकर आ गए हैं एवं आ रहे हैं। देश की सबसे बड़ी साधारण बीमा कंपनियों के समक्ष चुनौतियाँ वाकई कई बढ़ गई हैं। जनवरी 2007 से गैर प्रशुल्कीकरण के बाद यह चुनौती और भी कठिन हो गई है। तब अधिक समर्पण और उत्कृष्ट ग्राहक सेवा के साथ काम करने की जरूरत तो होगी ही, साथ ही पॉलिसियों के पुनर्गठन, विज्ञापन पर कुशलता के साथ ध्यान देने की आवश्यकता भी होगी।

आपने टेलीविजन पर एक विज्ञापन देखा होगा, जिसमें एक चोर घर में चोरी के इरादे से घुसता है और उसे खॉंसी का दौरा पड़ता है, तब आवाज सुनकर गृहिणी आती है, उसके चेहरे पर कोई खौफ का, परेशानी का भाव ही नहीं है। वह उसे बड़े विश्वास से खॉंसी की दवा देती है, मानों घर के किसी सदस्य को दवा देती हो। जब वह पीने लगता है तो कहती है कि ऐसे नहीं बेटा, गरारा करो और पी जाओ। वह दवा पीने के बाद उतने ही सहज ढंग से पैसे देने की पहल करता है। वह न सिर्फ पैसे लेती है, बल्कि उसे पुरी बोतल दे देती है। बपाहर आने पर जब उसका साथी पुछता है कि अंदर क्या मिला तो वह हँसकर बोलता है माँ। इस विज्ञापन

में मातृछवि का प्रमुख कारक तत्व है। अनुभव से उद्भूत समझदारी जो माँ कहती है वह अनुभवजन्य ज्ञान है, जिसकी सत्यता पर अविश्वास करने की आवश्यकता नहीं है। टेलीविजन के कई विज्ञापनों में मातृ छवि पर बल दिया जाता है। एक अन्य विज्ञापन में कार गैराज में काम करने वाले बेटे के कपड़ों की धुलाई के लिए अच्छे डिटर्जेंट की सिफारिश माँ के मुँह से कराई गई है। चोरीवाले विज्ञापन में दूसरा कारक है माँ का वात्सल्य, जो बच्चों के फायदे के लिए उपयुक्त सलाह का आधार है।

विज्ञापनकर्ता अपने उत्पाद के संदर्भ में लोगों में विश्वसनीयता जगाना चाहते हैं, जिससे लोग उसे खरीदने के लिये प्रेरित हो। इस विज्ञापन में विश्वास जगाने के लिये माँ के विवेक और वात्सल्य भाव पर बल दिया गया है। विज्ञापन में उत्पाद के गुणों का भी उल्लेख होना

लक्ष्य समूह को ध्यान में रखकर हिंदी भाषा का सम्मान किया गया है और श्रोता के साथ भावनात्मक संबंध बनाने की कोशिश की गई है।

चाहिये। माँ कहती है कि गरारा करो और पी जाओ। बाजार में और भी कई दवाईयाँ हैं खाँसी की लेकिन उनमें से किसी ने इस नई विधि पर बल नहीं दिया है। उपर्युक्त विज्ञापन में माँ के शब्दों में प्रकट विश्वसनीयता के सहारे, उत्पाद की इन नई गुणता को ग्राहकों तक पहुँचाने का प्रयास किया गया है। चोर वास्तव में चोर नहीं है बल्कि मुसीबत में पड़ा जरूरतमंद व्यक्ति है, जिसे बड़ों की सलाह की आवश्यकता है। चोर को ही

क्यों, हर व्यक्ति को ऐसी सलाह की जरूरत है, जो यह विज्ञापन उन तक पहुँचाने का यत्न कर रहा है।

एक अन्य विज्ञापन, जो कुछ वर्ष पहले टेलीविजन पर धूम मचा रहा था, वस्तु के दीर्घकालीन उपयोग को बड़े आकार के ढंग से प्रस्तुत करना है। नाना (या दादा) जी कहते हैं- अरे इसका स्वाद तो वैसा ही है जैसा मेरे बचपन में था। उपयोग करने वालों की प्रतिबद्धता वस्तु की विश्वसनीयता को रेखांकित करती है।

	विज्ञापन पर व्यय राशि (रूपयों में)			विज्ञापन में वृद्धि (प्रतिशत में)	
	2002	2003	2004	2003	2004
टी वी	3909	4300	4860	10	13
प्रेस	4400	4752	5450	8	14.7
रेडियो	150	180	220	20	22.2
सिनेमा	108	117	134	8	14.9
ओओएफ	690	790	850	14.5	7.6
इंटरनेट	30	40	60	33.3	50
कुल	9287	10179	11574	9.6	13.7

स्रोत: टीएएम मीडिया रिसर्च

एक और विज्ञापन हाल-फिलहाल एफएम चैनल पर सुनने को मिलता है पैराशूट कंपनी के नारियल तेल का। हिंदी के शब्दों को जंगल में सुनाया जाता है। जिसकी शुरुआत यूं होती है- देश छोड़ते वक्त अंग्रेज अपने साथ कोहिनूर हीरा और हिन्दी दोनों ले गये। चिट्ठी चिट बन गई, जगन्नाथ जगरनॉट पर चढ़ गये और हिन्दी का चम्पी चम्पू बना फिर बना गया शैम्पू। पहले यह नारियल तेल लगायें फिर शैम्पू और फिर

कहें वॉव यानि वाहा। यह जिंगल तैयार करते वक्त जाहिर है अच्छी कल्पनाशीलता लगाई गई होगी। लक्ष्य समूह को ध्यान में रखकर हिंदी भाषा का सम्मान किया गया है और श्रोता के साथ भावनात्मक संबंध बनाने की कोशिश की गई है।

इसी तरह कुछ साल पूर्व कंपनी न्यू इंडिया एश्योरेंस कंपनी का बड़ा आकर्षक विज्ञापन आया था। पत्रिका के

अलग अलग पृष्ठों पर एक सार्वजनिक बैंक के साथ टाई-अप को यूं लिखा गया था- We are two-together कॉपीराइटर ने कल्पना और विद्वता का अच्छा संगम प्रस्तुत किया था। न्यू इंडिया का आजकल अमूमन हर विज्ञापन में एक स्लोगन आ रहा है- विश्वास इंडिया का। यह भी नवीनता है जो पढ़ने वाले को अपनी ओर खींचती है। विज्ञापन पर अगर प्रभाव न पैदा करें तो वह असफल है।

पब्लिसिटी के लिये पारंपरिक प्रचार माध्यमों के अतिरिक्त माध्यम भी तलाशे जायें। मसलन इंटरनेट, मॉल, रेलवे स्टेशनों पर स्टॉल, अन्य उपभोक्ता एजेंसियां आदि के साथ टाई-अप आदि।

आप इस बात से सहमत होंगे कि साधारण बीमा व्यवसाय में गिनी-चुनी पॉलिसियाँ ही ऐसी हैं जिनमें नाम आकर्षक है, ग्राहकों को भावनात्मक रूप से अपनी ओर खींचते हैं। एलआईसी की अधिकतर पॉलिसियाँ आकर्षक नामों के साथ बाजार में उपलब्ध हैं। जैसे जीवन मित्र, जीवन साथी आदि। सभी साधारण बीमा कंपनियों के पास एक पॉलिसी है- हाउसहोल्डर पॉलिसी यानि घर के सामानों का बीमा जिसका हिन्दी अनुवाद आपने देखा होगा, गृह स्वामी बीमा। इसी तरह दुकान के सामानों का बीमा है शॉपकीपर्स पॉलिसी। ये कुछ नाम तथ्य की दृष्टि से गलत हैं और भ्रम पैदा करते हैं। क्योंकि गृह स्वामी घर का मालिक होता है जब कि बीमा घर के सामानों का किया जाना है। गृह स्वामी घर का सामान तो नहीं है न! दुकानदार बीमा से कहीं भी दुकान में रखे सामान का बोध नहीं होता है। अब ऐसे नामों से हम विज्ञापन करें तो जाहिर है लोग आकर्षित नहीं होंगे। साथ ही उनमें बीमा उत्पाद के बारे में भ्रम भी रहेगा। अतः विज्ञापन आकर्षक होने के साथ साथ तथ्यपरक भी होने चाहिये। टी वी पर बीमा कंपनियों के कुछ विज्ञापन मसलन मेडिकलेम एवँ अग्रणी कंपनी के रूप में अपनी छवि को दर्शाने वाले विज्ञापन प्रभावशाली प्रतीत होते हैं। परंतु प्रिंट मीडिया में प्रकाशित होने वाले तथा होर्डिंग, साइनबोर्डों पर दिखाये जाने वाले अधिकांश विज्ञापनों में प्रोफेशनल दृष्टि से काफी सुधार की आवश्यकता है।

कभी-कभी कुछ उत्पादक उपभोक्ता के मन में लालच पैदा करते हैं। एक के साथ एक फ्री या महंगा माल लूट के भाव में। हमारे यहाँ समान खरीदने से बारगेन नहीं बार-बार गेन होता है जैसे विज्ञापन लोगों में लालच के

भाव को ही जगाते हैं। इसमें शत प्रतिशत सच्चाई नहीं होती है। गुमराह होने की गुंजाइश होता है। कुछ विज्ञापनों की भाषा द्विअर्थी होती है। एक म्युच्युल फंड कंपनी का अपनी स्कीम के दो फायदों को टी वी पर दिखाते हुये दो युवतियों और एक पुरुष को एक बाइक पर साथ-साथ यह कहते हुये सवार कराया जाता है कि- ये दोनों ऑफर इतने लुभावने कि आप चाहेंगे दोनों को। ऐसी भाषा दर्शक को गुदगुदाती है या यूँ कहें कि उनमें उत्तेजना पैदा करती है। कुछ वर्ष पूर्व कामसूत्र कंडोम का विज्ञापन अपनी प्रस्तुति में पूरी तरह अश्लील करार दिया गया था। आपको याद होगा, ज्यादा दिन नहीं हुये मरीन लाइंस चौपाटी के किनारे पुरुष अंडरवियर की एक होर्डिंग की अश्लीलता पर कई स्वयं संगठनों में हल्ला मचा था और सरकार ने फौरी कार्रवाई कर उसे उतरवा दिया था। अंतः वस्त्रों के विज्ञापन अक्सर द्विअर्थी तथा उत्तेजना पैदा करने वाले होते हैं। प्रतिस्पर्धा के दौर में यह सब होना अस्वाभाविक नहीं है। पर ऐसे विज्ञापन दोषपूर्ण विज्ञापनों की श्रेणी में आते हैं तथा कानूनन गलत होते हैं। इन पर कार्रवाई होती है। हमें अपने उत्पाद बेचना है पर अश्लीलता की थाली में उसे परोसने से बचना है। इस प्रकार हम बार चर्चित हो सकते हैं पर लंबे समय तक हमारा उत्पाद नहीं चल सकता। टिके रहने के लिये व लंबी रेस का घोड़ा बनने के लिये हमें लोगों का विश्वास जीतना होगा। उनके दिल में उतरना होगा। बोरोलीन आज भी सस्ता, उपयोगी और पसंदीदा क्रीम है जिसकी गुणवत्ता दशकों से बरकरार है।

दरअसल मौजूदा परिदृश्य पर विचार करते हुये यदि हम विज्ञापन तैयार करते वक्त अथवा उनका प्लान

करते वक्त निम्नलिखित बातों पर गौर करें को हमारे उत्पाद (बीमा पॉलिसियाँ) का कारगर ढंग से प्रचार होगा जो व्यापार-प्रसार में गुणात्मक रूप में सहायक होगा:-

- जिस पॉलिसी का प्रचार करने जा रहे हैं, वह समाज के जिस वर्ग के लिये अधिक उपयोगी है। (यथा प्रोफेशनल इंडेम्निटी, जनता व्यक्तिगत दुर्घटना, पशु बीमा किसानों के लिये लागू विविध पॉलिसियाँ आदि) उस वर्ग को ध्यान में रखकर विज्ञापन की भाषा, प्रचार माध्यम का चुनाव
- विज्ञापनों में दिये जाने वाले नारे उत्पाद के अनुकूल एवँ कम शब्दों में प्रभावी हों तथा ग्राहकों को बरबस अपनी ओर खींचने की क्षमता रखते हों।
- व्यक्ति की निजता को प्राथमिकता देते हुये पॉलिसियों का प्रचार किया जाये। मसलन मेडिकलेम बीमा का इस दृष्टि से प्रचार किया जा सकता है कि जिस प्रकार हम समस्त जरूरतें स्वयं पूरी करते हैं, हमारी जिंदगी हमारी बड़ी नियामत है तो संकट की घड़ी में बीमारी की खर्च उठाने में और अच्छे इलाज से संकोच क्यों आदि।
- घरेलू सामान बीमा, दुकान बीमा, व्यक्तिगत दुर्घटना बीमा, वैगेज बीमा, कंप्यूटर, लैप-टॉप आी इलेक्ट्रॉनिक उपकरणों का बीमा आदि कुछ ऐसी पॉलिसियाँ हैं जो हर व्यक्ति के लिये उपयोगी है। लेकिन यह सच है कि देश की 10 फीसदी जनता के पास ही ये पॉलिसियाँ हैं।
- पब्लिसिटी के लिये पारंपरिक प्रचार माध्यमों के अतिरिक्त माध्यम भी तलाशे जायें। मसलन इंटरनेट, मॉल, रेलवे स्टेशनों पर स्टॉल, अन्य उपभोक्ता एजेंसियां आदि के साथ टाई-अप आदि।
- कॉल सेंटर की स्थापना।
- पब्लिसिटी विभाग में कल्पनाशील व्यक्ति की पदस्थापन ताकि वे अच्छी कॉपीराइट कर सकें एवँ विज्ञापन एजेंसियों के साथ बेहतर संवाद संप्रेषण कर सकें। दूसरे एजेंसियों कका एकाधिकार भी समाप्त होगा तथा हमारे कार्मिक विज्ञापन एजेंसियों / प्रचार माध्यमों

बाजार में अनेक प्रकार की पॉलिसियाँ उपलब्ध हैं परंतु सभी की माँग एक जैसी नहीं होती। अतः बाजार का समय-समय पर अध्ययन करते हुये विज्ञापन तैयार एवं प्रस्तुत करने चाहिये।

को हमारी आवश्यकता के अनुरूप सलाह दे सकते हैं।

- विज्ञापन की समस्त प्रस्तुति एवं प्रचार माध्यम का चयन इस प्रकार हो कि वह माँग को उत्पन्न करे एवं उसमें वृद्धि करे।
- नये ग्राहक बनने के साथ-साथ मौजूदा/पुराने ग्राहक हमारे साथ जुड़े रहें यह भाव विज्ञापन के मूल में अवश्य झलकें।
- बेहतर ग्राहक सेवा हमारा ध्येय है, ग्राहक हमसे जुड़ना पसंद करते हैं, यह संदेश विज्ञापनों में देना आवश्यक है।
- समय-समय पर हम लोकहित में भी कुछ संदेश जारी कर सकते हैं जिनमें उत्पादों के बारे में कुछ न हो। इससे समाज में हमारा भरोसा बढ़ता है।
- समय-समय पर बाजार की माँग या अपेक्षा के अनुसार नई पॉलिसियाँ तैयार करने पर बल देना एवं इसके बारे में कारगर ढंग से व उपयुक्त समय पर जनता के मध्य प्रचारित करना।
- विज्ञापन की भाषा पर अनिवार्यतः ध्यान देना चाहिये। आकाशवाणी के विज्ञापन की भाषा और टीवी के विज्ञापन की भाषा एक सी नहीं होती है क्योंकि पहले में जहाँ सिर्फ वाणी व जीभ का प्रयोग होता है वहीं दूसरे में ध्वनि तथा दर्शन दोनों इंद्रियों का उपयोग होता है। रेडियो पर प्रसारित विज्ञापन मौखिक होते हैं

अतः वाणी पर आश्रित होते हैं। इसलिये स्वरों का उताप-चढ़ाव शब्दों की विभिन्न भंगिमाएँ, उच्चारण की प्रवृत्ति व उसकी भाषा का लचीलापन सफलता के लिये आवश्यक उपकरण है। पैराशूट नारियल तेल का विज्ञापन इस दृष्टि से एक अच्छे रेडियो विज्ञापन का उदाहरण है। टीवी विज्ञापन में शब्दों के साथ-साथ चित्रों का समावेश होता है। इससे उसके असर की संभावना तो निःसंदेह बढ़ जाती है। परंतु प्रस्तुति दोनों मामलों में महत्वपूर्ण होती है। दरअसल भाषा में संगीतात्मकता, माधुर्य और लायत्मकता तथा अर्थगत क्रम आदि विशेषताएँ होती हैं। विज्ञापन तैयार करते वक्त इन विशेषताओं को ध्यान में रखना जरूरी है। टीवी के विज्ञापनों में चित्रों के आधार पर भाषा का निर्माण करना पड़ता है। अतः इसी क्रम में भाषा निर्मित की जानी चाहिये।

- विज्ञापन और बाजार के बीच गहरा रिश्ता है तथा इन दोनों का व्यापार प्रसार के साथ सीधा संबंध है। बाजार में अनेक प्रकार की पॉलिसियाँ उपलब्ध हैं परंतु सभी की माँग एक जैसी नहीं होती। अतः बाजार का समय-समय पर अध्ययन करते हुये विज्ञापन तैयार एवं प्रस्तुत करने चाहिये।

कहना न होगा कि उत्तम विज्ञापनों एवं उपयुक्त प्रसार माध्यमों की सदैव दरकार होती है। व्यापार के प्रसार के लिये निजता की ओर बढ़ते हमारे समाज की आवश्यकतायें

अपेक्षाएँ भी समय के अनुसार बदली है। हम भी इसके अनुसार ही अपने उत्पादों का प्रचार-प्रसार करें तो बाजार में टिके रहना हमारे लिये सरल हो जायेगा तथा औरों को पीछे छोड़ आगे बढ़ना नामुनकिन नहीं होगा। हमें यह नहीं भूलना चाहिये कि दुपहिये वाहनों की बिक्री में हुई बेतहाशा वृद्धि, सिनेमा टिकटों या देश-विदेश भ्रमण के रेल-विमान टिकटों में हो रही वृद्धि या फिर बीयर की बोतलों की बिक्री में हो रहा इजाफा सिर्फ संबंधित उपभोक्ताओं के परिणामस्वरूप नहीं है। इनमें उनका रोमांच, इच्छा, आनंद, आत्मविश्वास भी शामिल है जो उत्पन्न होते हैं। निजता के भाव से हमने इसके महत्व को महसूस किया तो संदेह नहीं कि हमारा पब्लिसिटी तंत्र अधिक सशक्त और कारगर होगा तथा उत्तम विज्ञापनों के सहयोग से अपने व्यापार का अधिक प्रसार कर पायेंगे और विश्वास इंडिया का हमारा नारा विश्वास दुनिया का के नारे में तब्दील हो सकेगा। क्योंकि हम भारत के अलावा कई अन्य देशों में पहले से फैले हुये हैं।

लेखक सहायक प्रबंधक (हिन्दी), दि न्यू इंडिया एश्योरेंस कंपनी लिमिटेड, पुणे क्षेत्रिय कार्यालय

Report Card: General

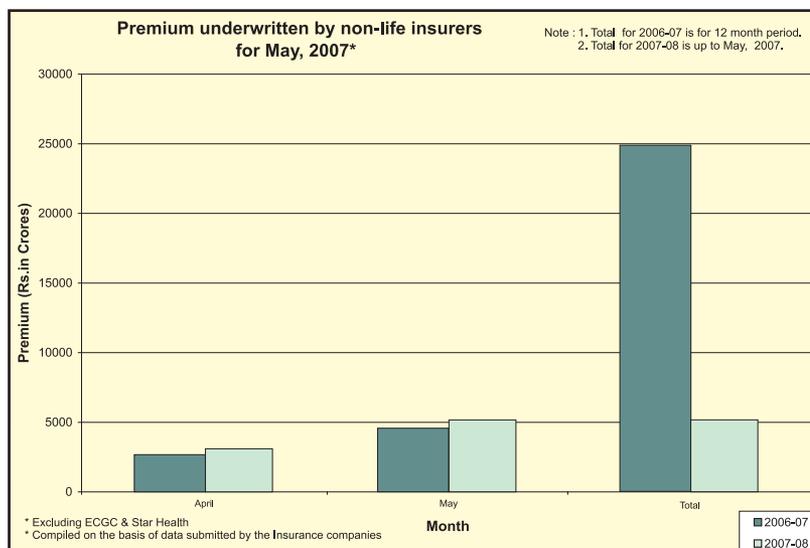
GROSS PREMIUM UNDERWRITTEN FOR AND UP TO THE MONTH OF MAY 2007

(Rs.in Crores)

INSURER	PREMIUM 2007-08		PREMIUM 2006-07		GROWTH OVER THE CORRESPONDING PERIOD OF PREVIOUS YEAR
	FOR THE MONTH	UP TO THE MONTH	FOR THE MONTH	UP TO THE MONTH	
Royal Sundaram	44.35	117.27	46.95	112.02	4.68
Tata-AIG	59.98	172.04	62.72	170.98	0.62
Reliance General	141.70	362.86	39.87	110.14	229.46
IFFCO-Tokio	66.25	179.19	119.65	241.24	-25.72
ICICI-Iombard	202.27	650.93	259.01	589.52	10.42
Bajaj Allianz	175.33	390.68	142.65	325.29	20.10
HDFC CHUBB	12.77	34.66	14.79	30.68	12.96
Cholamandalam	36.77	109.73	26.40	58.67	87.03
New India	375.69	1023.16	370.64	965.75	5.94
National	328.42	724.31	296.91	662.05	9.40
United India	322.58	730.10	312.41	709.58	2.89
Oriental	329.06	743.23	321.61	735.00	1.12
PRIVATE TOTAL	739.43	2017.35	712.04	1638.55	23.12
PUBLIC TOTAL	1355.75	3220.80	1301.57	3072.38	4.83
GRAND TOTAL	2095.18	5238.15	2013.61	4710.93	11.19
SPECIALISED INSTITUTIONS					
ECGC	50.31	88.09	35.39	76.70	14.85
Star Health & Allied Insurance*	1.31	35.30	0.02	0.02	

Note: Compiled on the basis of data submitted by the Insurance companies

* Commenced operations on 18th May, 2006





Photograph shows Mr. M. Damodaran, Chairman, SEBI making a point.

The Financial Planning Congress 2007 was organized by Financial Planning Standards Board (FPSB) India and Express Money of The Indian Express at Le Meridien, New Delhi on 21st June, 2007. The Congress saw the presence of key regulators in the financial services arena.



Some of the luminaries at the Congress (L to R): Mr. M. Damodaran, Chairman, SEBI; Mr. Shailesh Haribhakti, Chairman, FPSB India; Dr. K.P. Krishnan, Joint Secretary, Ministry of Finance, Govt. of India; and Mr. G. Prabhakara, Member (Life), IRDA.

16 - 18 July 2007 Venue: Pune	Workshop on Distribution Channel Management By <i>NIA Pune</i>
23 - 28 July 2007 Venue: Pune	General Management Programme for Engineers By <i>NIA Pune</i>
25 - 26 July 2007 Venue: Manila, Philippines	1st Asian Conference on Micro Insurance By <i>Asia Insurance Review, Singapore</i>
09 - 11 August 2007 Venue: Pune	Frontline Marketing Strategies By <i>NIA Pune</i>
13 - 18 August 2007 Venue: Pune	Reinsurance Management By <i>NIA Pune</i>
29-30 Aug 2007 Venue: Kuala Lumpur	The 3rd International Convention On Takaful And Retakaful By <i>Asia Insurance Review</i>
30 Aug - 1 Sep 2007 Venue: Queensland, Australia	14th Annual Sunshine Seminar By <i>The Australian and New Zealand Institute of Insurance & Finance</i>
05 -06 Sep 2007 Venue: London	Global Middle East Insurance Summit By <i>Asia Insurance Review, Singapore</i>
7 - 13 Sep 2007 Venue: Monte Carlo	Monte Carlo Rendezvous By <i>Asia Insurance Review, Singapore</i>
8 - 9 Sep 2007 Venue: Mumbai	Asia Pacific/Oceania Financial Advisors Conference By <i>LIMRA International</i>

// view point //

The government will impose stricter regulations for the insurance industry, including higher minimum capital requirements and corporate governance standards.

Dr. Ahmad Fuad Rahmany
*Head of the Capital Market and Financial Institution
Supervisory Agency, Indonesia*

The Insurance Council and its members are working closely with the New South Wales government and emergency services to continue to facilitate the recovery process. Representatives from the general insurance industry are available at the “one stop shops” to provide assistance to policyholders.

Ms. Kerrie Kelly
*CEO of the Insurance Council of Australia,
commenting on claims from NSW Storms*

A closer examination and analysis of different unique aspects of microinsurance and a continuous dialogue with supervisors will assist in determining the key principles in its regulation and supervision.

Mr. Mashdu Munyai
*Chair of the IAIS-CGAP Joint Working Committee
on Microinsurance*

Many homeowners could be seriously harmed financially by misunderstandings about their insurance. It’s critical that consumers look closely at their policies and ask their insurance agents detailed questions to become fully aware of what is, and what is not, covered.

Mr. Walter Bell
NAIC President and Alabama Insurance Commissioner

Tapping the capital markets disintermediates bank lending and enlarges the pool of lenders beyond banks to include pension funds, insurance companies, and even retail investors. This helps increase the funding sources available to beyond what bank debt can offer.

Mr. Ng Nam Sin
Executive Director, Monetary Authority of Singapore

The Export Finance and Insurance Corporation (EFIC) will be given additional powers to help small to medium-sized exporters (SMEs) expand globally by providing them with financial services to set up global supply and distribution chains.

Mr. Warren Truss
Australia’s Minister for Trade