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Rural and Social Sectors
- Huge Potential for Growth

बीमा विनियामक और विकास प्राधिकरण

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From the Publisher

Most of the financial services in India in general, and insurance in particular; have remained limited mostly to the urban centres historically. For one thing, financial education had its own limitations; and for another, even the service providers could not reach the far flung places owing to reasons of viability and limited resources. The high costs of distribution that include traveling to remote corners of the country, building awareness among the rural masses, motivating them to insure their lives and assets etc. are all undoubtedly a great constraint that need to be overcome. It has been said time and again that there is need for innovation in impressing upon the masses in order that financial inclusion is accomplished in its truest sense.

Insurers have been mandated to achieve preset targets from rural and social sector in their business figures in order to ensure that there is active participation of all the players in this very important domain. While these targets are only indicative, it is desirable to have all the players over-reach their targets and demonstrate that consolidating in these areas is a genuine business opportunity. It would also ensure that insurance penetration will take a quantum jump only when these resources are tapped.

While these sectors are the ones that need the tenets of risk management to be implemented in toto, more often than not they remain excluded owing to several reasons. Innovation in designing products, in making them appeal to the masses and in making the masses realize the need for insurance is the need of the hour; although it is not as easy as it sounds. For awareness creation, various stakeholders have to put into use several methods that may not be very conventional but effective. Importantly, effort should be made to convey the message in a language and in a form that the downtrodden understand easily. This is a daunting task that needs a total commitment from every stakeholder.

'Rural and Social Commitment of Insurers' is the focus of this issue of the **Journal**. Marketing in financial services is in itself a huge challenge; and when it comes to insurance in the Indian domain, it is even more challenging. 'Insurance Marketing' will be the focus of the next issue of the **Journal**.

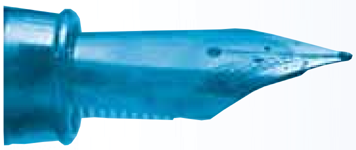
J. Hari Narayan

INSIDE

ISSUE FOCUS

FOLLOW THROUGH

RESEARCH PAPER



Steady Progress – Need for More

For ages, India has had the history of living in its villages. A vast majority of the people still owe allegiance to villages, despite the migration that is visible on an on-going basis, from rural areas to urban centres; in search of employment and gainful work. Such of those individuals who have made the rural areas their permanent abode depend mainly on agriculture or allied activities, village handicrafts and other professions that historically have been handed down, based mostly on social divisions. Barring the rich landlords, the people who have made agriculture as their prime occupation have had to face several hardships, owing to faulty rainfalls, crop failures, droughts etc. The other occupations had been equally non-fetching and a look at the average Indian village presents a none-too-pleasant picture.

Similarly, even on the urban front, one gets to see a huge number of people – like the carpenters, plumbers, construction labour, just to name a few – depending on daily wages and not having a regular stream of income. They are constrained to continue within the poverty spiral, although the official figures of people living below poverty line may indicate otherwise. There have been attempts by the policy-makers to bring them all into the main line of activity through financial inclusion/poverty alleviation etc. Although we have been witnessing steady improvement in most areas, to claim that everything is hunky-dory would be ambitious.

Insurance has not remained a priority for any of these sectors for obvious reasons. Ironically, the loss of the wage-earner or the loss of an asset for these sectors could be tremendous. As a part of encouraging financial inclusion, the insurers have been mandated with targets to be achieved from these sectors. The performance of most of the insurers tends to indicate whether they are looking at it as business potential, rather than as targets to be fulfilled, which is a very positive sign. One should admit that there is need for more. If there is a concerted effort on the part of all the stakeholders, it is not an impossible task; and one looks forward to great improvement being achieved in this area.

'Rural and Social Sector Commitments of Insurers' is the focus of this issue of the **Journal.** We begin the debate with an exhaustive detail of the account by Mr. P.C. James who delves into the need for commitment, in order to keep the movement going. In the next article, Mr. K. Gopinath discusses the geographical disparities and the high costs associated with spreading insurance in the rural side; apart from the need to identify new products and procedures in tune with the needs of the villagers. We have an article from Mr. Pranav Prashad in which he talks about the changes that need to be implemented to ensure that the rural poor are brought under the fold of insurance. In the end, we have an article by Ms. Avinash Kaur Lochan in which she elucidates the need for creating an environment that would be beneficial for most stakeholders, while spreading the safety net to the downtrodden.

'Treating Customers Fairly' has been one topic that has attracted the attention of various interest groups. In addition to the several viewpoints that we presented last month, we have a couple of articles more in this issue – in the 'follow through' section. In the first article, Mr. Srinivasan Varadarajan and Mr. Srinivas Susarla take into account the global scenario in the domain and suggest how it can be useful in adapting it to the Indian conditions. In the next article, we have Mr. Rajesh Sud giving us precious inputs on how a proper implementation of the principles of TCF can enhance the business figures as also market reputation. The second and concluding part of the research paper by Prof. G.N. Bhaskar Rau is included in this issue, apart from the usual monthly business statistics of life and non-life insurers.

In a domain where insurance awareness is not at a very high pedestal, marketing is a huge challenge. 'Insurance Marketing' 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 February, 2009

Sl No.	Insurer	Premium u/w (Rs. in Crores) February, 09	Premium u/w Up to February, 09	Premium u/w Up to February, 08	No. of Policies / Schemes February, 09	No. of Policies / Schemes Up to February, 09	No. of Policies / Schemes Up to February, 08	No. of lives covered under Group Schemes February, 09	No. of lives covered Up to February, 09	No. of lives covered Up to February, 08
1	**Bajaj Allianz**									
	Individual Single Premium	44.64	369.46	566.38	8335	89142	79453			
	Individual Non-Single Premium	257.20	3177.56	4511.13	199178	2132077	3019546			
	Group Single Premium	0.84	4.77	8.32	2	7	0	259065	263607	6474
	Group Non-Single Premium	30.23	127.49	44.75	92	650	288	684869	6243397	1212485
2	**ING Vysya**									
	Individual Single Premium	0.74	21.29	24.10	98	2622	2615			
	Individual Non-Single Premium	54.05	531.52	518.76	30105	300217	290915			
	Group Single Premium	0.54	12.58	3.84	0	1	1	246	5254	799
	Group Non-Single Premium	0.06	17.89	2.52	2	97	20	4669	61233	92506
3	**Reliance Life**									
	Individual Single Premium	22.99	329.89	233.18	4974	78859	54160			
	Individual Non-Single Premium	264.41	2480.26	1521.23	233053	1786277	791879			
	Group Single Premium	4.64	84.30	229.59	0	20	49	55	46641	77790
	Group Non-Single Premium	1.26	26.05	22.22	25	303	236	22863	608280	344511
4	**SBI Life**									
	Individual Single Premium	41.62	462.92	1040.40	7935	82014	144899			
	Individual Non-Single Premium	234.75	2276.95	1924.00	80292	681637	588265			
	Group Single Premium	22.24	241.44	207.82	0	5	0	30261	187836	102974
	Group Non-Single Premium	47.65	1367.11	376.57	16	111	57	341885	5170811	1069280
5	**Tata AIG**									
	Individual Single Premium	2.27	34.95	36.87	480	7262	6516			
	Individual Non-Single Premium	76.09	742.46	639.48	58366	595684	398899			
	Group Single Premium	2.18	30.14	56.96	0	7	4	2389	80093	335164
	Group Non-Single Premium	7.15	94.06	52.86	4	67	64	12314	294395	195336
6	**HDFC Standard**									
	Individual Single Premium	14.51	134.08	118.86	2139	40341	229203			
	Individual Non-Single Premium	189.19	1987.93	1833.16	90412	780658	609001			
	Group Single Premium	2.91	89.05	87.92	16	137	136	16755	193655	168736
	Group Non-Single Premium	0.54	23.68	52.97	0	9	44	38	15848	37060
7	**ICICI Prudential**									
	Individual Single Premium	29.45	203.82	341.15	2585	32730	54787			
	Individual Non-Single Premium	462.61	4565.52	5641.19	228359	2356881	2458944			
	Group Single Premium	4.73	186.64	234.04	6	194	141	63163	630524	495478
	Group Non-Single Premium	125.08	969.39	548.38	6	325	302	26351	563885	396454
8	**Birla Sunlife**									
	Individual Single Premium	4.17	33.03	24.12	11931	141883	86615			
	Individual Non-Single Premium	190.18	1989.97	1310.80	127111	922493	413921			
	Group Single Premium	0.09	16.31	5.50	0	1	3	67	41700	6946
	Group Non-Single Premium	12.55	170.99	95.68	15	169	110	20832	235449	139804
9	**Aviva**									
	Individual Single Premium	1.02	35.42	20.25	148	4254	3057			
	Individual Non-Single Premium	47.98	558.10	792.74	23340	304900	316138			
	Group Single Premium	0.00	0.05	1.79	0	0	0	0	66	1038
	Group Non-Single Premium	2.85	18.47	23.65	6	66	101	85285	986394	597700
10	**Kotak Mahindra Old Mutual**									
	Individual Single Premium	0.91	16.78	26.43	142	2159	3504			
	Individual Non-Single Premium	86.06	949.45	682.72	27422	445017	235091			
	Group Single Premium	3.17	32.19	22.90	1	11	2	7921	118705	163868
	Group Non-Single Premium	5.00	57.70	52.98	24	343	221	19822	461384	402752
11	**Max New York**									
	Individual Single Premium	16.57	212.37	233.00	741	14139	14711			
	Individual Non-Single Premium	105.48	1359.75	1009.96	80676	1035910	672872			
	Group Single Premium	0.03	7.64	0.00	0	10	0	3	206662	0
	Group Non-Single Premium	0.49	16.26	38.67	16	312	269	12149	216995	474091
12	**Met Life**									
	Individual Single Premium	0.77	6.16	18.93	142	1928	2903			
	Individual Non-Single Premium	87.87	842.82	553.28	30627	250843	179047			

	Individual Single Premium	16.57	212.37	233.00	741	14139	14711			
	Individual Non-Single Premium	105.48	1359.75	1009.96	80676	1035910	672872			
	Group Single Premium	0.03	7.64	0.00	0	10	0	3	206662	0
	Group Non-Single Premium	0.49	16.26	38.67	16	312	269	12149	216995	474091
12	Met Life									
	Individual Single Premium	0.77	6.16	18.93	142	1928	2903			
	Individual Non-Single Premium	87.87	842.82	553.28	30627	250843	179047			
	Group Single Premium	3.04	34.90	16.51	19	148	59	25722	293909	182271
	Group Non-Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
13	Sahara Life									
	Individual Single Premium	3.19	40.81	36.26	1017	11321	9331			
	Individual Non-Single Premium	6.02	63.61	55.83	6927	75048	76243			
	Group Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
	Group Non-Single Premium	0.00	0.02	0.00	0	9	6	0	770	271
14	Shriram Life									
	Individual Single Premium	3.86	130.01	154.06	793	20808	27781			
	Individual Non-Single Premium	8.37	150.40	103..32	7901	83519	63209			
	Group Single Premium	0.00	0.00	0.09	0	0	3	0	0	9458
	Group Non-Single Premium	0.06	0.46	0.00	0	3	2	12670	38414	623
15	Bharti Axa Life									
	Individual Single Premium	0.27	4.80	3.27	28	1013	537			
	Individual Non-Single Premium	25.07	232.75	80.63	18009	160727	58265			
	Group Single Premium	1.39	7.53	1.77	1	3	1	1564	29263	817
	Group Non-Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
16	Future Generali Life									
	Individual Single Premium	0.67	3.57	0.00	151	757	0			
	Individual Non-Single Premium	20.50	64.43	0.13	15445	56841	53			
	Group Single Premium	0.03	0.10	0.00	0	1	0	143	563	0
	Group Non-Single Premium	0.64	12.25	1.83	12	66	7	7100	249560	67244
17	IDBI Fortis Life									
	Individual Single Premium	13.28	97.77		1849	15321				
	Individual Non-Single Premium	12.68	125.57		5025	44053				
	Group Single Premium	0.00	0.00		0	0		0	0	
	Group Non-Single Premium	0.00	0.02		0	1		3277	19585	
18	Canara HSBC OBC Life									
	Individual Single Premium	1.87	5.94		126	411				
	Individual Non-Single Premium	36.23	216.24		4653	24515				
	Group Single Premium	0.00	0.00		0	0		0	0	
	Group Non-Single Premium	0.00	0.00		0	0		0	0	
19	Aegon Religare									
	Individual Single Premium	0.55	2.19		923	1126				
	Individual Non-Single Premium	5.06	20.73		3213	17379				
	Group Single Premium	0.00	0.00		0	0		0	0	
	Group Non-Single Premium	0.00	0.00		0	0		0	0	
20	DLF Pramerica#									
	Individual Single Premium	0.00	0.00		0	0				
	Individual Non-Single Premium	0.69	1.48		626	1694				
	Group Single Premium	0.00	0.00		0	0		0	0	
	Group Non-Single Premium	0.00	0.00		0	0		0	0	
21	Star Union Dai-ichi @									
	Individual Single Premium	0.48	0.48		95	95				
	Individual Non-Single Premium	1.21	1.21		501	501				
	Group Single Premium	0.00	0.00		1	1		101	101	
	Group Non-Single Premium	0.00	0.00		0	0		0	0	
	Private Total									
	Individual Single Premium	203.84	2145.73	2877.25	44632.00	548185.00	720072.00			
	Individual Non-Single Premium	2171.71	22338.68	21178.36	1271241.00	12056871.00	10172288.00			
	Group Single Premium	45.83	747.63	877.05	46.00	546.00	399.00	407455.00	2098579.00	1551813.00
	Group Non-Single Premium	233.58	2901.84	1313.10	218.00	2531.00	1727.00	1254124.00	15166400.00	5030117.36
22	LIC									
	Individual Single Premium	1863.54	20472.03	18557.11	244954	4782957	5076191			
	Individual Non-Single Premium	1497.11	14128.91	19893.75	2607283	22977756	24441175			
	Group Single Premium	664.33	9282.30	7274.46	1670	17234	19485	1773891	27974250	18615869
	Group Non-Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
	Grand Total									
	Individual Single Premium	2067.37	22617.76	21434.37	289586	5331142	5796263			
	Individual Non-Single Premium	3668.82	36467.59	41072.11	3878524	35034627	34613463			
	Group Single Premium	710.16	10029.93	8151.51	1716	17780	19884	2181346	30072829	20167682
	Group Non-Single Premium	233.58	2901.84	1313.10	218	2531	1727	1254124	15166400	5030117

Note: 1.Cumulative premium / No.of policies 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.
3.# Started operations in September, 2008.
4.@ Started operations in February, 2009.

CIRCULAR

February 11, 2009

Circular No:37/IRDA/GRM-Cir (L)/2009

To

All Life Insurers,

It has come to the notice of the Authority that information on the Insurance Company's Grievance Redressal Mechanism as well as the Insurance Ombudsman is not communicated properly to the policyholders. It is hence felt necessary to prescribe a common format on this aspect which would enable disclosure of specific information to policyholders and beneficiaries. It is advised that the following information at a minimum should be sent to all policyholders with the policy document.

1. In case you have any query or complaint/grievance, you may approach our office at the following address:

____

____

____

Contact No:__________________________________

Email ID: ___________________________________

2. In case you are not satisfied with the decision of the above office, or have not received any response within 10 days, you may contact the following official for resolution:

____

____

____

Contact No:__________________________________

Email ID: ___________________________________

3. In case you are not satisfied with the decision/resolution of the Company, you may approach the Insurance Ombudsman at the address given below if your grievance pertains to:

- o Insurance claim that has been rejected or dispute of a claim on legal construction of the policy
- o Delay in settlement of claim
- o Dispute with regard to premium
- o Non-receipt of your insurance document

Address of the Insurance Ombudsman:

____

____

____

Contact No:__________________________________

Email ID: ___________________________________

4. The complaint should be made in writing duly signed by the complainant or by his legal heirs with full details of the complaint and the contact information of complainant.

5. As per provision 13(3)of the Redressal of Public Grievances Rules 1998, the complaint to the Ombudsman can be made

- only if the grievance has been rejected by the Grievance Redressal Machinery of the Insurer
- within a period of one year from the date of rejection by the insurer
- if it is not simultaneously under any litigation.

Please take necessary action in this regard and confirm the same to the Authority.

(G. Prabhakara)
Member (Life)

PRESS RELEASE

February 20, 2009

The Department of Industrial Policy and Promotion (FC Section), Ministry of Commerce & Industry, Government of India, vide Press Note No.2 (2009 Series) dated 13th February, 2009 has issued Guidelines for calculation of total foreign investment, i.e., direct and indirect foreign investment in Indian companies. These guidelines are effective from the date of the issue of the Press note.

While concerns have been expressed in some quarters, it is clarified that in case of Indian insurance companies, in view of the fact that the manner of calculation of twenty six per cent equity capital held by a foreign company is laid down in clause 11 of the IRDA (Registration of Indian Insurance Companies) Regulations, 2000, the Press Note under reference has excluded the insurance sector from the methodology as detailed there under. Thus, the insurance sector has been left out of the purview of the said methodology and shall continue to be governed by the provisions of the relevant Insurance Laws and Regulations.

(J. Hari Narayan)
Chairman

CIRCULAR

February 26, 2009

Circular No. 39/IRDA/AML/CIR/FEB-09

To

All the Insurers

Dear Sir/Madam,

Sub: Cash Acceptance Threshold for Premium/Proposal Deposit Remittances

We invite your attention to the following instructions included in the Anti Money Laundering (AML) guidelines detailing the ceiling limits for cash deposits in insurance transactions. It may be observed therefrom, that the instructions emphasize strict adherence to the ceiling, with the clear focus to check possible attempts of money laundering and consequently require compliance with both the letter and spirit of our guidelines:

3.1.8 "With a view to ensuring that premiums are paid out of clearly identifiable sources of funds, it has been decided that remittances of premium by cash should not exceed Rs.50,000. It would be advisable for the companies to evolve even lower thresholds for cash transactions".

3.1.8 (i) "Premium/proposal deposits beyond Rs.50,000 should be remitted only through cheques, demand drafts, credit card or any other banking channels".

3.1.8 (ii) "For integrally related transactions, premium amount greater than Rs. 50,000 in a calendar month should be examined more closely for possible angles of money laundering. This limit will apply at an aggregate level considering all the roles of a single person – as a proposer or life assured or assignee".

2. The Authority is concerned on certain instances that have come to its notice wherein it was observed that the aforementioned clauses are being selectively interpreted by insurance companies for compliance on individual transaction basis and consequent splitting of the insurance policies/issue of number of policies to one or more entities has facilitated individuals to defeat the spirit of the AML guidelines.

3. All insurers are therefore advised that the cash acceptance thresholds should be applied as indicated and where there is possibility of the transactions being integrated through a single remitter, the insurer should refuse to accede to the requests for cash deposits. The Authority will be constrained to take serious action against the insurers where the violations of AML framework are permitted with their tacit approval.

Yours faithfully,

(C.R. Muralidharan)
Member

CANCELLATION OF BROKER LICENSE

5th March, 2009

IRDA/DB-067/03

To
The Principal Officer,
M/s. Protect Insurance Services (India) Pvt. Ltd.,
604, Vishvananak, ICT Link Road,
Chakala, Andheri (E),
MUMBAI - 400 099.

Dear Sir,

Sub : CANCELLATION OF BROKER LICENSE NO 138.

WHEREAS, M/s. Protect Insurance Services (India) Pvt. Ltd., (hereinafter referred to as the 'Broker') having its Registered Office at Kachwala Building, 3rd Floor, Opp: old Passport Office, 266, Dr. Annie Besant Road, Prabhadevi, Mumbai 400 025 has been granted license by the Authority to act as a Direct Broker in the field of general insurance vide License No.138 on 1st April, 2003 and renewed till 31st March, 2009 pursuant to the provisions of the IRDA (Insurance Brokers) Regulations, 2002.

WHEREAS, the Broker vide letter dated 4th November, 2008 communicated to the Authority that it would like to discontinue as Direct Insurance Broker with immediate effect.

WHEREAS, the Broker has given an undertaking to service the existing clients whose policies are in force for a period of six months from date of cancellation of license as required under Regulation 40 of the IRDA (Insurance Brokers) Regulations, 2002, within which it has to make suitable arrangements with another licensed broker to service the contracts already concluded.

WHEREAS, the Broker vide its letter dated 26.12.2008 submitted the original license No.138 for cancellation.

NOW THEREFORE, pursuant to the request made by the Broker for surrender of Broker License, the Authority hereby cancels the Direct Broker License No.138 granted to M/s. Protect Insurance Services (India) Pvt. Ltd with immediate effect.

The Broker is advised to remit annual fee payable for the year 2008-09 after finalization of accounts and as prescribed under Schedule II of IRDA (Insurance Brokers) Regulations, 2002 and as amended vide IRDA (Insurance Brokers) (Amendment) Regulations, 2007.

(Prabodh Chander)
Executive Director

CIRCULAR

13th March 2009

Circular No. 42/IRDA/ACTL/EM/2008-09

To

All the Life Insurance Companies

Sub: Expense management of life insurance companies.

As indicated on a number of occasions, expenditure management is very crucial for the life insurance industry especially at this juncture, in order to procure durable business and position them on a strong footing. In this context, payments made to the intermediaries, other than individual agents, occupy an important position. Hence life insurers are required to submit the following, starting from the financial year ending March 31, 2009.

a. The life insurer must give the details of all the payments made by the company, during the year (April-March), to all intermediaries, except individual agents in a separate table, as given in the Pro forma enclosed. This table must be sent along with the Appointed Actuaries Report.

b. This table must also show all payments made to any other party, related to the intermediaries mentioned above. This table should also indicate the total amount of business procured through them during the period of reference.

c. The definition of related parties mentioned above should be in conformity with the Accounting standards of ICAI and Companies Act.

d. This certificate will be jointly signed by the CEO. CFO and Compliance Officer.

The IRDA reserves the right to ask external auditors of the life insurers to certify these statements.

sd/-
(R. Kannan)
Member

Encl: Table

Name of the Life Insurer — Date

Intermediary-wise details of premium collected and expenses incurred, under each distribution channel, during the financial year 2008-09 (excluding individual agnets)

	Distribution Channels	Premium Collected [1]				Commission Paid [2]				All other payments made	
		FYP	RP	SP	Top-up	FYP	RP	SP	Top-up	Amount	Accounted under [3]
A	**Corporate Agent** Name 1 Related party 1 Related party 2 Name 2 Related party 1 Related party 2										
B	**Brokers** Name 1 Related party 1 Related party 2 Name 2 Related party 1 Related party 2										
C	**Referrals** Name 1 Related party 1 Related party 2 Name 2 Related party 1 Related party 2										
D	**Others (specify)** Name 1 Related party 1 Related party 2 Name 2 Related party 1 Related party 2										
E	**Direct Sales**										

Note
1. Premium as per Schedule 1 of financial statements
2. Commission paid as per Schedule 2 of financial statements
3. Name of particualr account as per Schedule III of financial statements

FYP - First Year Premium
RP - Renewal Premium
SP - Single Premium
Top-up - Top-up Premium

Signature of Compliance Officer | **Signature of Chief Financial Officer** | **Signature of Chief Executive Officer**

CIRCULAR

March 13, 2009

Circular No: 43/IRDA/ACTL/ASM/2008-09

To

CEOs of Life Insurance Companies

Dear Madam/Sir

Subject: Scrip-wise **details of investments available for arriving at the "Available** Solvency Margin"

This has reference to the submission of Form IR.DA-ASSETS-AA as per IRDA (Assets. Liabilities and Solvency Margin of Insurers) Regulations, 2000.

In addition to the submission of the above referred statement, it has been decided that all life insurers are required to submit the statement of scrip-wise details of investments supporting various categories of assets mentioned therein. The proforma of the statement to be submitted is given in the Annexure. The statement should be submitted along with the actuarial valuation reports for the year ended March 31, 2009 onwards.

sd/-
(R. Kannan)
Member

Encl: Annexure

Annexure:

Name of the Life Insurer:

Policyholders' funds (in rupees lakhs)

Scrip-wise Investments as at March 31, 2009	Date of Purchase	No. of Units held as at March 31, 2009	Book Value as at March 31, 2009	Market Value as at March 31, 2009
Category of Asset: Approved Securities				
Name of scrip				
....				
Category of Asset: Approved Investments				
Name of scrip				
....				
Category of Asset: Deposits				
Name of scrip				
....				
Category of Asset: Non-Mandated Investments				
Name of scrip				
....				
Category of Asset: Other Assets – Specify				
Name of scrip				
....				

Shareholders' funds (in rupees lakhs)

Scrip-wise Investments as at March 31, 2009	Date of Purchase	No. of Units held as at March 31, 2009	Book Value as at March 31, 2009	Market Value as at March 31, 2009
Category of Asset: Approved Securities				
Name of scrip				
....				
Category of Asset: Approved Investments				
Name of scrip				
....				
Category of Asset: Deposits				
Name of scrip				
....				
Category of Asset: Non-Mandated Investments				
Name of scrip				
....				
Category of Asset: Other Assets – Specify				
Name of scrip				
....				

Signature of
Appointed Actuary

Signature of
Chief Financial Officer

Signature of
Chief Executive Officer

Company seal

Date:

CIRCULAR

March 17, 2009

Circular No.043/IRDA/CIR/Compliance/Mar-2009

Sub: Issuance of ESOP/ Sweat Equity to CIO / Managing Director / Whole-time Director – Compliance with Section 34A of the Insurance Act, 1938.

In partial modification of the para (3) and (4) of Form C of Circular No.031/IRDA/C1R/CGMPLIANCE/AUG-20G7 dated 23.08.2007, it is now clarified that the issuance of ESOP/ Sweat Equity to Chief Executive Officer / Managing Director / Whole-time Director / Principal Officer would be governed by the following norms:

1. In case of shares of a promoter/ group / associate companies (whether listed or otherwise) is issued to CEO / WTD/ Principal Officer / Managing Director, then the same will be governed by the provisions of the SEBI as may be applicable to that promoter / group company.
2. In case shares of the insurance company are issued as Sweat Equity, then the same will be governed by the provisions of the Sweat Equity Regulation issued by SEBI except for the guideline relating to pricing of shares.
3. In case of shares of insurance company are offered as ESOPs to Managing Director / Chief Executive Officer / Principal Officer / Whole-time Director, then
   I. If the CEO / Managing Director / Whole-time Director/ Principal Officer is one of the promoters or directly related to the promoters, then the same will be governed by the provisions of SEBI (Issue of Sweat Equity) Regulations, 2002 except those relating to pricing of the shares.
   II. In other cases, the same will be governed by the SEBI's ESOS guidelines as amended by the SEBI from time to time except the pricing of the shares.

All other provisions / terms and conditions of the circular No. 031/IRDA/CIR/COMPLIANCE/AUG-2007 shall remain unchanged. Please Acknowledge receipt and ensure strict compliance of the aforesaid.

sd/-
(CR Muralidharan)
Member

ORDER

THE INSURANCE REGULATORY AND DEVELOPMINT AUTHORITY (IRDA)

AGAINST

M/s UNIVERSAL MEDIAID SERVICES LIMITED

The Authority, after examining your application dt. 11.02.2008 for the renewal of your TPA licence No. 009, observes the following:

1. That your company was granted a licence by IRDA to act as Third Party Administrator (TPA) in March, 2002. The licence was further renewed up to March 2008.
2. That your company had made certain loans and advances during 2003-04 to companies not connected with the TPA business, which in the blocking of the working capital required for the TPA business.
3. That your company was advised by the Authority vide letter dated 16th June 2005 and subsequent letters dated 17th August 2005 and 5th October 2005 in this regard, to withdraw the loans and advances and deposit the same in scheduled banks, to be available for the working requirements of the TPA business.
4. That you sought time limit and further extension thereof in order to comply with the directions of the Authority.
5. That you were advised to show cause, vide our letter dt. 19.08.2008 as to why your application for renewal of your TPA licence should not be declined. And that your reply dt. 22.08.2008 to the show cause denied that you had violated any provisions of the TPA Regulations or any directions issued by the Authority.
6. That your reply contained certain contradictory submissions about the status of loans and advances made by your TPA in so far as that while the letter indicated that the money (advanced) could be called back as and when required, it also said that the new date of renewal of the short term loans and advances fell on or before 31.03.2009, hence you may be granted extension of time up to that date.
7. That the Authority had also conducted an inspection of your company in Aug, 2008 and findings of the same were communicated to you vide letter dt. 02.12.2008. Your company had responded vide dt. 04.12.2008 providing explanations for the queries and also of having reinvested the amount recalled from Safal Constructions in to other companies, having made changes in the shareholding pattern without prior approval of the Authority, servicing corporate clients directly and not through any insurer and also for an opportunity for a personal hearing.
8. That you were given an opportunity for a personal hearing on three occasions, the last being on 02.01.2009 pursuant to your request vide dt. 22.08.2008 & 04.12.2008. The last hearing on 02.01.2009 was attended by your CEO Shri G P Sureka.
9. That during the hearing on 02.01.2009 your CEO had admitted that your company had indeed violated the directions of the Authority In respect of rescheduling of your loans and advances. The admission is recorded in the minutes of the proceedings held on 02.01.2009 signed by your CEO.
10. That, vide your dt. 04.12.2008 you had admitted that you had violated the circular No. Q22/IRDA/MV/G5 dt. 25.08.2005 in respect of change in shareholding of your company and have requested to condone the same.
11. Further that you had also that you were processing claims of some corporates (MMTC & RITES) directly and not through any insurer, which is in violation of the TPA Regulations.
12. The Authority has the submissions made till date, about January, 2009 by you. Upon a consideration of the same as also the facts and circumstances of tie case and the material on record, what stands out clearly, especially from the events that transpired and which have briefly above, is the blatant disregard of your company, despite being a registered entity, to adhere to the instructions issued by the regulator in the of the policy holders.
13. In view of the above, the Authority has come to the conclusion that your application for renewal of your TPA licence (No. 009) should be declined.
14. In exercise of the powers conferred by Regulations 13 & 14 of the IRDA (Third Party Administrators – Health Regulations, 2001, therefore, the Authority hereby declines the application for of TPA licence no 009 of M/s Universal Mecti-Aid Services Pvt Ltd.

    Subsequent to the non-renewal of the TPA licence, M/s Universal Medi-Aid Services Pvt. Ltd. is hereby directed to comply with the following:

    a. Submit immediately, the data collected and the books, records or documents, etc, relating to the business carried on by it in relation to different insurers, to the respective insurers.
    b. Support insurance company(ies) in making suitable alternative arrangements to service the policyhoiders in of whom the policies are still in force.
    c. Reconcile and the accounts with the insurance companies and service providers.

Date: 6th March, 2009

(Prabodh Chander)
Executive Director

Marketing Insurance in an Emerging Domain

Challenges Unlimited

U. JAWAHARLAL EMPHASIZES THAT ALTHOUGH INSURANCE MARKETING IS A CHALLENGING PROPOSITION IN INDIA, A PROFESSIONAL APPROACH WILL GO A LONG WAY; AND CAN CLINCH THE DEAL IN FAVOUR OF THE INSURERS.

Marketing an intangible product has its set of complications, especially in a domain where the average mindset is to look for short term gains, and in a tangible form, at that. The financial services industry in India has been making rapid strides of progress over the last several years. Within the financial services, some areas like banking, capital markets and mutual funds have fared a great deal better as compared to insurance which still remains mostly to be sold. For ages, insurance, particularly in the personal lines, has remained out of the choice of individuals – for inexplicable reasons. In the liberalized environment, this trend has begun to be reversed, although we are far from a position that can be called comfortable.

In the domain of life insurance, the comfort of a joint family system that took care of the financial fall-out of the breadwinner's demise still looms large over several families, although there has been a major social transition to nuclear families. In the case of health insurance, the problems are even more pronounced owing to the fact that the realization of the need for insurance strikes late, usually after an episode of health-related catastrophe. While it is not very difficult to understand this phenomenon in the less-educated circles, it is ironical that even some highly literate individuals fail to understand the importance of having in place a suitable health insurance policy. The role of insurance as a risk-management tool is one thing that needs to be totally digested so that insurance marketing becomes a greatly less-complicated exercise.

Looking at the other side of it, there is need for appreciating that need identification of the client, followed by a need-based selling are of paramount importance not only in acquiring business but more importantly in sustaining it over a longer term. Further, there should also be emphasis on the client making an informed decision upfront. All this presupposes that the marketing person is himself or herself highly conversant with the nuances of services that are being offered; and ensures that a high level of professionalism is what is targeted rather than a mere sale. Training the marketing personnel on an on-going basis should be at the top of the agenda for all insurers in order to achieve consistent growth. Such aspects as the amount of insurance, type of the product etc. need to be properly explained to the client so that heartburn at a later stage is precluded.

'Insurance Marketing' will be the focus of the next issue of the **Journal**. The complexities involved in dealing with this challenging task will be discussed threadbare by several practitioners.

A Professional Approach
in Marketing Insurance

in the next issue...

Going from Exclusion to Inclusion

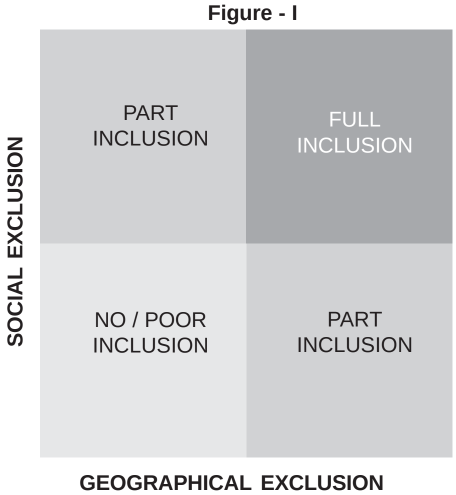
Need for Facilitating the Exercise

P.C. JAMES AVERS THAT THE PERMISSION GIVEN TO NGOS, MFIS AND SHGS TO SELL AND SERVICE MICRO INSURANCE PRODUCTS CAN SERVE AS A GREAT TURNING POINT IN THE UNIVERSALIZATION OF INSURANCE.

It is well recognised that the availability and affordability of insurance protection is a necessary requirement for the sound functioning of a modern economy. Therefore there is an urgency for insuring everyone across their many unforeseen risks in order to ensure security and sustainability at multiple levels, namely individual, family, community, commercial (to ensure credit flow, to meet legal liability etc.), at society and country level.

In any analysis of financial exclusion, it may be seen that there is a general tendency to exclude persons on two parameters – one on the basis of social segmentation and the other on the basis of geography (rural) (Figure – I).

Figure - I



It is not the poor only who are excluded. There is a distinction between exclusion based on poverty and on social norms. Poverty means non-access to economic goods due to lack of resources. Social exclusion points to inadequate or unequal participation in social life, or exclusion from a place in the normal consumer ladder. These two dimensions of deprivation are visible in almost all societies and communities. The economic and social gradient can reflect various degrees of exclusion from the instruments of economic development leading to various deprivations.

There can be many real or prejudicial reasons for such exclusion. In insurance, there can be a tendency to take refuge in the conditions of insurability, of heightened perceptions of adverse selection and moral hazard, as well as high cost of marketing and administration, the lack of literacy and poor infrastructure etc. so as to stay away from certain segments of the population and geographies. Traditionally, world over there have been instances of insurers practicing subtle forms of exclusion termed ‘redlining’; and in many jurisdictions these practices are forbidden and insurers are expected to take necessary affirmative action.

The policy of inclusion begins to make sense if one were to take into consideration that there is a natural tendency for people to shape their risks in their own informal and tentative manner. In the agrarian economy, for instance, farmers adopt a number of strategies to cope with agricultural risks. These include crop and field diversification, non-farm employment, strategic migration of family members etc. In cropping practices, risk hedging includes growing a diverse mix of crops, using more pesticides, and undertaking simultaneously supplementary economic activities like keeping milch animals. Higher forms of management included growing of less risky crops, growing of less risky varieties, improving the quality of seeds, increasing the irrigation facility, pre-selling the crop at fixed prices, undertaking contract farming etc.

In the area of health, individuals and households use informal risk sharing arrangements, postpone treatment, approach quacks, draw down savings, sell assets, borrow or go into debt to cover treatments. These make it clear that rural and the poor are aware of risks and wish to migrate to more effective risk management practices.

It can be seen that the traditional coping mechanisms have considerable fragility and informality. The values needed to join mainstream economic progress require more sophisticated tools to sustain investments and increase prosperity. Bringing in the modern forms of credit, savings and insurance have exponential effects on the welfare of the excluded. Economists are agreed that uninsured risks have substantial welfare costs. The values that insurance can bring to the lives of the excluded far exceed the tangible benefit of indemnity. Modern insurance exposes the vulnerability of unmanaged and under managed risks to help to draft proper management and insurability frameworks which can encourage people towards managed risk taking in economic activity and development. People are thus enabled to jettison lower order approaches of economic activity and obtain increasing economic returns.

The organised industrial world had taken to risk containment early in its history. Accident, disease and disability risks that dominated the early industrial landscape had compelled the need for safety nets to be created by employers or the state, such as seen in the formation of sickness funds and social insurances; as also the legislation of compulsory liability insurances such as the workmen compensation insurance and motor third party insurance.

In informal sectors, such protection did not exist and disaster relief was considered normal when societal level disasters and distress took place. Post disaster relief however has been found to be not optimal as it has many shortcomings including weakening of the fiscal balance and creating a dependency by those affected to look for grants and aid than create risk proofing robustness; and more tragically, such benefits often may not reach the actually distressed for whom the relief was intended.

Therefore there is a clear need for inclusion of all in the financial service sector loop to bring in a whole host of modern inputs to promote a virtuous cycle of economic and social development. There are a range of unmanaged risks that affect the various informal sectors of the economy which are often lacking various traditional insurability conditions including availability of data as well as having the premium paying capacity. This has seen the use of diverse approaches in carrying protection to these segments as shown in Figure - II:

Figure - II

PROTECTION PARADIGMS	
Occupational	Multitasking, diversification
Household	Extended family units
Community	Local assistance
Other informal	Cooperative approaches
Disaster relief	Ex-post by government
EX ANTE RISK MANAGEMENT / INSURANCE	
Free insurance	Government paid
Part free insurance	Subsidised
Full paid insurance	Paid by beneficiary
Administered schemes	Government schemes
Quasi insurances	Limited indemnities
Index insurance	Parametric insurances
Area insurance	Area rated indemnities
Group covers	Community, ‘as if’ rates
Full individual insurance	Individually underwritten
Input cost insurance	Based on cost of cultivation
Economic value insurance	Full economic value
Reinstatement insurance	Today’s replacement cost
Compulsory insurance	State notified
Loan linked insurance	Bank loan linked
Employment based	Employer sponsored
Solidarity based	Group solidarity
Voluntary/optional	Individual choice based

Given the many favourable factors and options available now owing to the many developmental initiatives taken, there is a clear need to move away from tried and traditional approaches of protection and introduce insurance not only in new untapped areas but also to multiply product options where suboptimal products exist so that the unique needs of various communities and geographies are increasingly satisfied according to the beneficiaries' real need. There can be many barriers to achieving this objective. These may include literacy and awareness barriers, distributional hurdles, organisational difficulties, product limitations and choice options, service complexities, cost burdens, premium paying and collection problems, issues in titles, documentation, inspection, disclosures and so on. All these need to be examined and dealt with at company and industry level.

A new grammar of inclusion needs to be developed that can holistically look at the phenomenon of exclusion. Many inputs such as the following are needed.

- **Marketing.** New and appropriate intermediaries need to be empowered to cross the barriers of exclusion. Insurance regulation in India has fortunately taken proactive steps to permit the use of a wide variety of intermediaries. Particularly heartening for the rural and social sector is the rise of organised intermediaries such as bancassurance, cooperatives, panchayats and other rural institutions and the possibility that they can carry out a multiplicity of intermediary services including insurance in a cost effective manner. More importantly the permission given to NGOs, MFIs and SHGs to sell and service micro insurance products can serve as a great turning point in the universalization of insurance. Encouragement need to be given to offer a bouquet of products across insurers possessing specialised domain expertise.
- **Capacity building, creation of awareness including prioritisation in taking covers.** Insurance is a complex service product, difficult to understand and having a wide variety of facets and is couched in difficult language. Thus insurance literacy at various levels – insurers own retail staff, at intermediary, group/community, and individual level becomes necessary to avoid an unnecessary backlash owing to misselling and wrong selling.
- **Affordability of premium, value for money focus and payment schedules.** In informal sectors cash availability to pay varies considerably between occupations. People are paid daily, weekly, monthly or on harvesting, and hence cash flows vary. Intermediary services in collection, savings, premium financing, and timely payment of premiums are required. More essentially covers like crop insurance and health insurance necessarily carry higher risk and higher rates, and premium paying capacity needs to be built up to obtain coverage, and need to be coupled with governmental and other donor initiatives to offer subsidies and assistance.
- **Product design.** A beginner in insurance requires special considerations as not only are the livelihoods of the excluded fragile but their initiation into such complex service products are slow and often uncomprehending. Thus removal of cumbersome procedures, forms, and individual rigorous underwriting procedures can be replaced with group or area approaches, community rating, the use of certificates and master policies, use of vernacular, and other innovations that simplify services, offer real benefits, increase contract certainty and speed up claim settlement.
- **Adapting the product to special conditions.** There are certain universalities in insurance products. Thus everyone is aware of the broad features of personal accident insurance. However the product will come alive into the real needs of consumers only by tweaking the product to suit the segmental or geographic requirements. Thus one can observe that the personal accident policy for the organised factory worker needs to be modified when being offered to a farmer or fisherman. Between risks, permanent total disablement benefit should be much higher than the death benefit. Similarly, in a policy for women as seen in the Rajarajeshwari policy, it may be more advantageous to pay for the accidental death of the spouse, rather than self in case of death; and in case disablement, the cover pays for the disablement of the insured beneficiary.
- **The service assurance.** Insurance is all about service. Protection of the policyholder requires compliance with a number of obligations. Competitive differentiation requires further excellence in ensuring ease in obtaining the required services. Rent seeking behaviour that can easily creep in where the uncomprehending are involved, has to be cut out ruthlessly. Thus the tendency to collect fictitious charges for getting a claim form or in getting an estimate, or charges for inspection services all mar the image of the service provider and need to be monitored for ensuring that they do not take place. Similarly the costs of delay easily defeat the trust and confidence of fragile customers.
- In this regard the use of IT brings in expectation of lowering informational barriers, makes access easy, and brings in much greater speed, responsiveness and transparency. Online tracking of service issues, uploading of relevant information and being available 24x7 should compel insurers bring online services even in the remotest areas through hand held devices and common service centres.
- Beyond insurers the general service infrastructure need to be upgraded to play a facilitating role and many initiatives are possible using relevant partners to provide them. Services such as having a bank account, having access to clear asset titles, identity proofs,

access to telephones and internet, facility to file FIRs, to talk to insurers and file claims through call centres or online etc. are all part of a facilitating environment to obtain proper benefits from services.

Beneath such details, which are important and need to be drilled down further, certain fundamentals need to guide them. The first is that rural/social insurances need to work on the solidarity and community platform for the various benefits that can be accrued there from. Luckily almost everyone is or can be connected on the basis of group/area/ social/ political unit basis, and can have a group organiser, local centre, or self-help network. Solidarity approaches offer many benefits such as:

- Reduction of costs in marketing and awareness creation by group selling.
- Avoidance or reduction in the need for individual underwriting and related paperwork.
- Reduction in adverse selection (hidden information) and moral hazard (hidden action) as the community takes on certain disclosure and control responsibilities.
- Community or group rating reduces costs on both sides and experience rating can keep the group from making unnecessary claims and generally reduce claims cost.
- Better service assurance on the strength of the group. MOUs can clarify most issues such as whether claims will be in cash or kind, whether repair/ reinstatement, or cashless or reimbursement settlement etc.
- Solidarity can be built up to ensure that the value and sustainability of insurance is enhanced over time.

Similarly end to end insurance covers, if offered, can achieve multiple objectives. Prices can be as low as possible, and choices as wide as possible, and offer options and choices to beneficiaries. Thus a cover matrix need to be set up with multiple risk cover providers in conjunction with group approaches to provide cost and options benefits (see Figure - III):

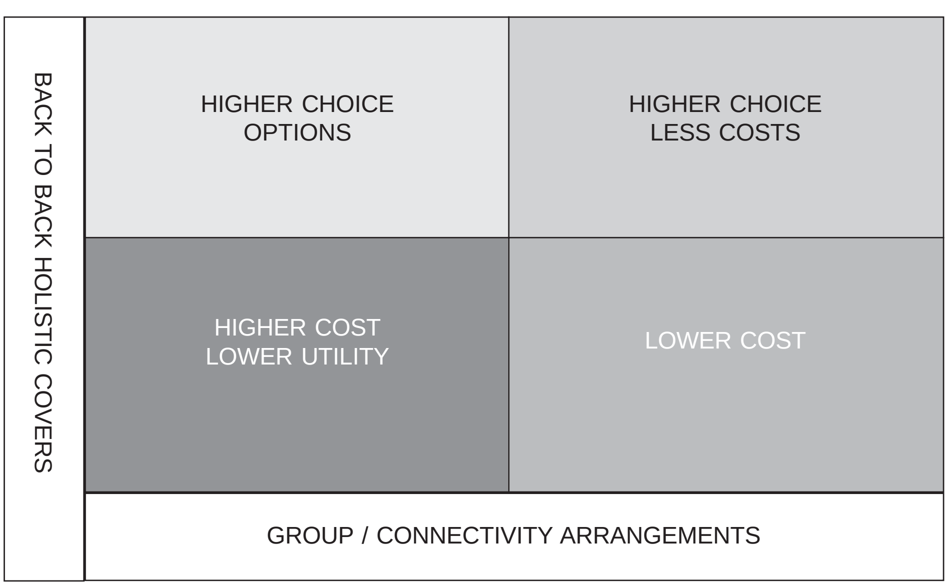
Solidarity based approaches based on shared objectives involving beneficiaries, local partner institutions and insurers can help to align demand for insurance with the supply requirements and ensure better sustainability and success, and help the relationship to move up the value curve for better developmental results.

Finally, in moving to insurance solutions, a proper risk management paradigm with the participation of all concerned can help to improve understanding and reach better solutions. These include:

- An in-depth analysis of the risks that are faced, their causes and management possibilities to control and minimise them internally.
- Analysis of the frequency and severity of the risk and their financial consequences on individuals and the community.
- Preparedness to make such risks insurable and to ensure that insurers find the risks clearly identifiable and measurable.
- To study the costs of the risk and the affordability of the premium that is estimated. The possibility that governments and other promotional authorities can subsidise higher rated risks can be factored in to make the scheme a win-win for both parties.
- The benefit and service package need to be analysed, discussed and agreed upon.
- The beneficiaries must align with the group organiser and the insurer to minimise losses, reduce adverse selection/moral hazard and ensure renewal so as to ensure the sustainability and upgradation of the cover to suit the beneficiaries even better.

The promise of inclusion is alluring and makes business sense in the face of increasing demand for financial products. The facilitation factors and technologies are gradually falling into place. The time has come therefore to make it an industry level movement to universalise the benefits of risk protection to all.

Figure - III : COVER MATRIX



The author is General Manager, AIC of India Ltd. The views expressed in the article are his own.

Rural and Social Sector Insurance

Operational Management

K. GOPINATH WRITES THAT WHILE THERE ARE PROBLEMS OF ADVERSE SELECTION AND POSSIBLE INHERENT FRAUD ASSOCIATED WITH SEVERAL CLASSES OF RURAL INSURANCE, THEY CAN BE OVERCOME WITH A LITTLE MORE APPLICATION AND PERSUASION.

"Improving the lives of the billions of people at the bottom of the pyramid is a noble endeavor. It can also be a lucrative one"

– C.K. Prahalad

70% of India live in rural areas but have no access; or have negligible access to insurance. Due to wide geographical disparity and high distribution costs, insurers have been chary of venturing into this territory. Coupled with a tariff regime which assured them of good profits, they had been concentrating only on the urban market.

The IRDA notifications regarding obligations of insurers to rural and social sectors have forced the insurers to look at this hitherto unexplored market. With detariffing and recession affecting the premium income and profitability of the insurers, it has become extremely important to look for blue oceans and develop new markets.

With detariffing and recession affecting the premium income and profitability of the insurers, it has become extremely important to look for blue oceans and develop new markets.

With increasing rural incomes and improving infrastructure, rural and micro insurance offers immense possibilities. But with opportunities, this sector throws various operational challenges as well, for the insurers.

We will be looking at some of these challenges and some possible solutions.

Product Challenges – Currently there is not much differentiation of products for urban and rural markets. The products have been designed as "one size fits all". This needs to be relooked. The product designers have to understand the needs of the target population and design accordingly, and for that they need to understand the psyche of the people.

Risks faced by the social sector and rural sector can be broadly classified into life-related and livelihood-related. Risks related to life would include Life insurance, Personal Accident insurance and Illness/Health insurance. Risks related to livelihood would include Livestock, Agriculture and Property insurances. It would be advisable initially to offer products covering these risks.

One major road block insurers face in these types of insurances would be absence of historical and empirical data or if the data exists, unreliable data. This results in higher premium for the customers which would then result in failure of the product. The pricing should be done keeping in mind the buying power of the community and should leverage on the law of large numbers. It would make more sense insuring a large group than a single individual. Further, the viability should be looked on a long term basis of minimum three years instead of making profit in the first year itself. The insurer should instead concentrate on building the data and gain experience in administering such policies. It is always advisable to start on a pilot project basis and then replicate it on a larger scale based on experience. This will give them an advantage to tap the huge untapped rural and social sector market. The terms and conditions of the policy should be simple to understand and with minimum exclusions. Insuring large

IRDA Journal (Vol 7 Iss 4) FINAL web copy.pmd 19 4/8/2009, 5:38 PM

> **Because of the wide geographical disparities and distance from the branches, there could be a time lag between the actual premium collection and receipt of premium at the back office.**

numbers would preclude the risk of anti selection and to include more risks like pre existing diseases in case of group health insurances.

Marketing and distribution challenges – India is a large country with wide geographical disparity. Reaching the target clients can be a major challenge. Further, community based insurance schemes work largely on trust. Similarly, the premium being very small, the collection and distribution expenses end up being larger than the premium itself. This problem can be mitigated to a large extent by tying up with intermediaries who have considerable presence and influence in target areas. Cooperatives/NGO's/Microfinance institutions can make good distributors of insurance policies. The insurers can leverage on their strengths and reach; and can also train them to sell their products. They can also help in capacity building of the rural and social sector target population. Training of intermediaries and their representatives is critically important as there is always scope for mis-selling. For eg: Critical illness policy may be sold as normal health policy. Bundling of insurance products with other products can also be explored and will give critical mass and reach.

Underwriting Challenges – In the absence of historical/empirical data, the underwriters find it very difficult to accept or reject proposals. What loading to be charged or what discounts to allow is a perennial problem facing them. The thumb rule would be to go for large groups to avoid anti selection. In the absence of past claims data, similar projects can be taken as reference for pricing. Past experience of insurance companies who have already ventured into this territory may also be considered. Hence a first hand market experience would be advisable for the underwriters.

The back office processes need to be redrawn. Because of the wide geographical disparities and distance from the branches, there could be a time lag between the actual premium collection and receipt of premium at the back office. Also, since most of the collection would be in cash, there is a danger of fraud. Further, cover notes need to be avoided as there is a danger of back dating after the claim has occurred. To decrease cost, cover note cum policies can be issued at point of sale. The date of inception of the policy could be 15 to 30 days from the date of issue of cover note cum policy, to preclude any possibility of fraud. In case of community health insurances, closed loop of network of hospitals along with pre determined tariffs should be negotiated. Where the number of insureds is very large, along with technology, various preventive measures like health camps, training on good hygiene, steps to prevent epidemics, availability of doctors for consultation, etc. should be considered.

Claim Challenges – Geographical outreach poses a major problem for the claims team. The size of claims could be very small. There is also a serious problem of availability of Surveyors/Loss assessors. It is always better to tie-up the claim process before issuance of the policy. The fact that most of the insureds will not be able to understand the terms/conditions and exclusions of the policy should be factored in the claims process. It is important that along with training of "what is covered and what is not covered", the claims process is also explained in simple terms. The infrastructure of the intermediary co-operative/MFI/NGO should be leveraged and their people can be trained to report losses and do the initial survey/ assessment. For eg: In a community health programme, the representative of the intermediary can go and check whether the person admitted is actually the insured. Similarly, the tag of the dead cattle can also be checked by the intermediary's representative. The insurer's own staff also can be trained to survey the losses up to a stipulated amount of say Rs. 20,000/-. This will reduce the TAT and increase the efficiency of claims management. Many of the beneficiaries of micro policies may not have bank accounts. Therefore cashless claim settlement should be preferred, especially in community health policies. Where large numbers of claims are triggered as in index-based weather insurance, it is advisable to have a community gathering for claim cheque distribution. This will increase the trust amongst the community and also prevent any one/group of persons manipulating the claims.

Improving processes through technology – Cost effective technology has come to the help of rural insurers in a big way. Currently there is considerable time lag between the actual collection of premium and depositing it in the insurer's office. There can be a claim in the interim period. Mobile technology can provide a solution to this problem. A receipt for the transaction can be issued through a PDA at the point of sale. The mobile SIM card installed in the device can then transfer the data to the main server of the insurer instantly. Since there is a time and date stamp in all transactions, chances of fraud too will decrease considerably.

Cost effective technology has come to the help of rural insurers in a big way. Currently there is considerable time lag between the actual collection of premium and depositing it in the insurer's office.

In case of Rashtriya Swasthya Bima Yojana, government has made it compulsory to issue bio metric cards. The cards contain insured's data including their name, age, identification number and thumb print. It works like a debit card where the sum insured is credited to the account of the insured. In the event of a claim, the insured swipes the card in the card reader installed in the hospital and matches his thumb print with the data base. When he is discharged, the claim amount is debited to his account and the balance can be utilized in the next hospitalization.

RFID tags for cattle insurance is another significant development in livestock insurance. Currently, tagging is done on the ear of the cattle. This has led to manipulations and frauds leading to a bleeding portfolio. The RFID tags, which are actually micro chips, are implanted near the ears of the animal and have a unique identification number. The number is recorded in the policy and can be read by a RFID reader. At the time of claim, the unique identification number of the chip implanted in the animal can be corroborated with the number recorded in the policy. This reduces the chances of claims being lodged on uninsured animal and subsequent frauds. Currently, the cost of these tags forms about 20% of the average premium and seems to be unviable. But with volumes, the cost is definitely going to be cheaper and very much cost effective.

In weather insurance, new automatic weather stations calculate relative humidity and temperature apart from rain, which can avoid data inconsistency and errors. Further, "Basis risk" is a matter of concern for the underwriter in weather insurance. Basis risk is the risk of the experienced loss being different from calculated loss. To reduce this risk, new generation products envisage shifting from point based weather stations to grid based satellite observations. We can expect to see growth of satellite based Rainfall Estimation (RFE) and Normalized Difference Vegetative Index (NDVI) insurance model in India in the next five years.

Finally, rural and social sector insurance should not be approached as a legal or statutory requirement, but as a business opportunity. With proper safeguards, this sector can contribute immensely to the top line as well as bottom line. Doing well while doing good is very much possible.

The author is Asst. Vice President (Rural and Co-operatives), IFFCO-Tokio General Insurance Co. Ltd.

Catalyst for Financial Inclusion

Insurance in the Rural & Social Sector

PRANAV PRASHAD ASSERTS THAT SEVERAL PRODUCTION SYSTEMS OF THE RURAL FOLK HAVE ASSOCIATED RISKS WHICH MAY LEAD TO INCOME AND REVENUE LOSS; AND THESE CAN BE MITIGATED THROUGH INSURANCE LEADING TO STABILIZATION OF INCOME AND REDUCED POVERTY.

It has often been said that the heart of India beats in the villages. With 2/3rds of the population living there and the agriculture sector contributing over 20% of the GDP, this sector constitutes a vibrant mass that can effectively be targeted in terms of insurance requirement.

> Given the changing ecosystems and improved infrastructure, the need is to look beyond this obligatory requirement and see the rural sector as a commercial, for profit opportunity.

The regulator as a part of its license conditions has stipulated a part of the premia to be sourced from this sector. Given the changing ecosystems and improved infrastructure, the need is to look beyond this obligatory requirement and see the rural sector as a commercial, for profit opportunity.

If we look at the requirements of this community, the need for insurance can easily be established, both in terms of livelihood needs as well as household needs. The production systems of agriculture, wage labour, micro-enterprise and animal husbandry all have associated risks which may lead to income and revenue loss which can be mitigated through insurance leading to stabilization of income and reduced poverty. Similarly, on the household side, the risks attached to individuals, families and personal assets can be effectively reduced through insurance products. Insurance in these sectors follows a basic economic logic – it provides people at the lower end of the economic pyramid with a coping mechanism to deal with high stress events, which enables borrowing for investment purposes enabling job creation and wealth in communities.

While the challenge of reaching out to communities in the 640,000 villages of the country is immense, there are certain basics that need to be in place so that penetration in this segment can be scaled up. Organizations need to develop an independent group focusing on this sector and use technology to manage the low ticket size high volume transactions. In addition, a smaller bundle of innovative products in sync with rural needs and perception and an efficient delivery system, both for acquisition and servicing are the two aspects that have to be looked at critically in order to penetrate the rural markets.

This focus has led to the development of innovative products like Index based weather insurance and OPD care in health schemes; technology being used to develop online-offline solutions for giving over- the-counter delivery of policies, use of smart cards both for enrollment and servicing, and in-house administration of claims; use of alternate means of distribution like e-enabled kiosks, MFIs & NGOs and effective collaboration with government machinery to spread the message of insurance across the hinterland.

Product development

The attempt has been to develop focused products and processes in line with the identified rural risks of health risks, crop failure, personal accident and livestock related risks.

Health insurance: The rural economy is dependant on person's ability for physical

> **The opening of e-enabled kiosks with instant connectivity enables an insurance quote to be generated and a policy provided on the spot to the customer which builds trust and acceptance.**

labour wherein sickness impacts income and indebtedness. The poorest 20% of the population spends more than 12% of their income on healthcare. In these circumstances, health insurance provides a bridge for inclusion of hitherto marginalized sections of society and be a driver in their economic well being.

The challenges of offering product to a semi literate customer- who is individually poor but collectively strong, and pricing based on limited actuarial data can be overcome by doing a "need analysis" to understand the risks by working with the target customers and NGOs/MFIs who are operational in the target areas. These institutions can effectively be used in explaining the product as well as subsequent servicing since they have already invested in building up trust amongst the local communities.

At this stage it becomes imperative to price on a burning cost basis with investment on data, demographic profiling and technology solutions like smart cards. Out-patient department centres to provide neighbourhood service would be very helpful in accessing services easily and avoiding hospitalization. This can be done with involvement of local doctors, nursing homes and pharmacists too.

Use of smart cards is increasing since they help in the following:

Premium Collection / Claims disbursement: Assist in reducing cash management issues / costs.

Claims Processing: Authenticate patients using biometrics, validate patient's insurance details, digitize claims management process and reduce costs.

Overall, they can help the underwriter to design better policies and can be a tool for better diagnosis of patients' records.

Weather insurance: In a country where 60% of the agricultural cultivation is still at the mercy of the rains, the development of an index based objective basis for weather insurance has helped in supplementing the efforts in this field. Installation of additional 160 Automated Weather Stations along with those of IMD (Indian Meteorological Dept.) has aided in providing coverage for 17 crops across 9 states.

Cattle Insurance: For ensuring meaningful coverage in this segment, the focus is to work closely with lending institutions for risk assessment by alignment of the "lending" and "insurable" criteria. Use of dairy associations and local veterinarians for tagging purposes is also critical along with building in a "cooling time" in risk assumption: for example -coverage starts 15 days after tagging.

Diverse Distribution: A robust distribution structure is the key to success in these markets. Direct contact with farmers and communities along with Van campaigns for product explanations are now being complemented with the developing points of sales in the rural landscape. The opening of e-enabled kiosks with instant connectivity enables an insurance quote to be generated and a policy provided on the spot to the customer which builds trust and acceptance. The march of the "rural retail malls" with all products under one roof encouraging multi-product purchases enables insurance products to be explained and promoted, since the farmer spends an appreciable time at these stores.

Servicing and claims settlement: The crux of the insurance programme lies in how the claim is serviced and settled. Done well, it builds immense trust and goodwill and leads to meaningful sale opportunities in the future. This requires clearly defined transparent servicing parameters and alliances with credible channels so that the existing community relations can be leveraged and frauds can be prevented. Support from banking infrastructure for disbursing low ticket cash based payouts only enhances the local experience.

In conclusion, the mantra for success lies in sticking to the basics -

- Availability of relevant and fairly priced product
- Establishment of cost effective distribution
- Easy accessibility and quality service.

Hence, focused approach along with appropriate regulation is helping build a model that is viable, sustainable and scalable.

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Partnering in Sustainable Livelihoods for Rural Youth

The Way to Go

AVINASH KAUR LOCHAN FEELS THAT ALTHOUGH A BEGINNING HAS BEEN MADE IN IDENTIFYING THE VILLAGES AS CENTRES OF DEVELOPMENT, THE TEMPO HAS TO BE SUSTAINED TO ENSURE AN OVERALL PROGRESS.

The present rural environment

Many of us who have seen only the urban side of India, would have perceived the rural villagers as primitive, impoverished, and not a force to be reckoned with. However, this is far from true and there is slow but steady awareness of the new prosperity that is taking roots in rural India. India's villagers now account for the majority of consumer spending in the country, more than $100 billion a year. The wealth distribution is not equitable but many villagers are moving from spending on items of bare minimum necessity to a range so far perceived as luxurious – mobiles, motorcycles, cars, televisions, electronic gadgets etc, to name a few.

The seeds sown by the various initiatives of the government are sprouting, and even if it is moving in trickles, the urban prosperity is making a gradual shift to the villages.

Rural India is undergoing rapid transformation and the various markets are awakening to the realisation of the potential that exists in the rural and semi-urban areas. The distinctions between urban, semi-urban and rural areas are getting blurred. It is no longer correct to presume that whatever is not urban is rural. However despite such an open market, around 68% of the rural economy still lies untapped due to lack of perceived opportunities by the investors.

India Shining – Rural Upliftment initiatives

- Bharat Nirman
- Rural Health Mission
- National Rural Employment Guarantee Scheme
- National Policy for Farmers

Various measures of rural development have aimed at economic uplift of the people as well as bringing about a greater social transformation. The various policies and programs like Rural Health Mission, Bharat Nirman initiatives, National Rural Employment Guarantee Schemes etc are all directed towards elimination of poverty, ignorance, diseases and inequality of opportunities and providing a better and higher quality of life.

The seeds sown by the various initiatives of the government are sprouting, and even if it is moving in trickles, the urban prosperity is making a gradual shift to the villages. The government has invested billions in development, including road building and rural electrification, expansion of irrigation areas, improved water management, housing, telecommunication, research and diversification of economic activities, rural health programs etc. The National Policy for Farmers has been introduced for the overall well being of farmers and rural development than just agricultural production.

Various schemes have been announced by the government from time to time for making credit available to farmers as well as waiving overdue and unpaid debts in difficult times. The banks are also being

> **Even as India is shining, farmer distress on account of shrinking land holdings, dependence on vagaries of weather and the "gamble of monsoons for good crops" continues.**

motivated to extend the facility of "zero balance/ no frills account" to rural India in order to achieve the mission of financial inclusion. It is very heartening to note that some of the leading Public Sector Banks have come forward to adopt select districts and have made them 100% financially inclusive.

Connecting India village to village through the Common Service Centers (CSC) / E-kiosks

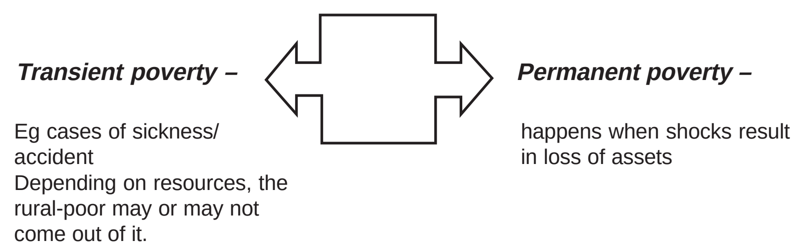
The CSC Concept comprises of setting up a rural network for delivering services and related information to the village community through an ICT Center called an Information or E-Kiosk which is run by entrepreneurs selected from the villages. This model facilitates the creation of a rural networking infrastructure through a tiered franchise and partnership model for delivering various information and technology linked services to the rural sector, providing enhanced access to e-Governance, Education, Health, Insurance and local services. These centers are owned and operated by local villagers and thus encourage wealth creation, knowledge empowerment, and instantaneous access to information by developing entrepreneurs within the village community.

Rural distress

Given the fact that there are almost 119 million farmers, agriculture continues to be a way of life for rural India and provides livelihood to 60% of the country's population while contributing about a quarter to the country's Gross Domestic Product. Even as India is shining, farmer distress on account of shrinking land holdings, dependence on vagaries of weather and the "gamble of monsoons for good crops" continues. The rural youth forced by adverse circumstances are compelled to look for alternate means of livelihood; and levels of unemployment continue to rise. Lack of facilities of basic financial inclusion services like availability of banking, credit, insurance etc force many into the clutches of the money-lenders and a life-long doom of bonded slavery. We are all aware that suicides in rural areas on account of distress have been on the rise.

The Poverty Trap – *Getting into poverty is 'easy', getting out is 'hard'.*

Rural poor are much more vulnerable to risks and calamities and when these occur, it may result in poverty, either:



In case of farmers, for example, the negative shocks can affect their ability to repay financial obligations and lead to a loan default. Lending institutions may then be less inclined to extend loans to this sector in general due to high probability of loan default. The inability to easily access external financing over times limits farmer's abilities to expand, diversify, and modernize.

Lack of awareness and low levels of literacy continue to be the major obstacle in the effective implementation of the major welfare schemes. An organized and well drawn out sustainable strategy of poverty alleviation has to be based on increasing the productive employment opportunities in the process of growth itself. In order to provide the rural people with better prospects for economic development, increased participation of people in the rural development programs, decentral-ization of planning, better enforcement of land reforms, greater access to credit and creating opportunities for sustainable livelihoods for the rural youth is very essential.

The Insurance Sector and opportunities

In the present environment where recession is fast becoming an issue of concern, there is no denying the contributions of the services sector towards the country's economic growth which had a double digit growth rate of

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10.7% in 2007-08. As per IRDA Report for 2007-08, the life insurance industry registered a growth rate of 23.88% and the non-life industry had a growth rate of 11.72%. These have been further supplemented by government initiatives and endeavors by way of subsidised crop insurance products for the farmers of rural India to help the farmers mitigate the risks of dependence on weather, the personal accident insurance covers for the artisans, health insurance facilities for the BPL families and several such similar measures.

At such a time, the recently discussed plans of the Ministry of Rural Development along with IL & FS (Infrastructure Leasing and Finance Co Ltd) to explore and support employment opportunities in the insurance sector for the rural BPL (Below Poverty Line) youth to address the issues of poverty within the rural areas of the country is a very welcome initiative.

For all rural oriented schemes it is very essential to ensure that the last mile touch point is closer to the customer.

Current challenges before existing distribution channels for rural distribution

- High costs of rural distribution on account of travelling, creating awareness/educating and motivating rural customers to buy insurance
- Building faith about the company in the mind of the rural public
- For all rural oriented schemes it is very essential to ensure that the last mile touch point is closer to the customer. At present the customers are not very knowledgeable about the different products offered, and in some cases are not even aware of the government support available by way of subsidy in premium to protect their lives/health/ crops from insurable risks.

Creation of agency talent pool to provide sustainable livelihoods for rural youth and off-farm employments

If all the 43 (22 life and 21 general) insurance companies and the willing banks can come together, pool in their resources and share their wisdom based on experience and market practices; a workable model of a "Single-Window Financial Services Representative" with certain modified parameters, if so permitted by IRDA can be successfully implemented across the country. These can become the grassroots life lines of insurance/financial inclusion services and serve as the link between insurance/ banking companies seeking connectivity to that last mile to rural India.

Complying with basic qualification and training

The IRDA has stipulated a minimum education qualification for every insurance agent which may be 10th pass in a rural area and 12th pass if he has to do business in an urban area. The agent has to undergo at least 50 hours of training to become a life or non-life insurance agent and in the case of a composite agent who sells both life insurance and general insurance products, he is required to undergo 75 hours of training and then clear the exam conducted by the Insurance Institute of India for obtaining a valid license.

Post license Training

This "Single-Window Financial Services Representative" may be trained and subsequently equipped to provide a basket of services so that they are ensured a regular level of income the year round. The training would require to focus on the following aspects:

Soft skills training would aim at making the rural youth aware of his own knowledge-gaps and empower him to take self-improvement actions for the same like communication, sales and marketing skills etc.

Business process training to upgrade the rural youth's existing level of knowledge or skill to match with the job profile and this may be done through induction programs, on-the-job trainings etc. on the following lines:

- May be provided assistance to set up and manage E-kiosks to provide financial services in terms of reduced costs and increased incomes and the benefit of access to education, computer literacy and information
- Assistance in opening zero-balance bank accounts for the rural public not having access to financial services
- Marketing post-office schemes
- Selling life insurance policies
- Selling general insurance policies
- During season - selling the seasonal crop insurance policies and at other times providing basic minimum education on good agricultural practices to the farmers in their area. This suggestion is based on experience and the confidence

It was very heartening to note that in order to create and sustain livelihoods for the rural BPL Youth, several insurers were willing to share their resources by way of providing training material, or faculty or even sharing training centers where possible.

that several seed/fertilizer/pesticide companies would come forward in this initiative without incurring much additional cost.

- Insurance policy servicing aspects like
  - Filling up of proposal forms and compliance with related documents
  - Collection and remittance of premium to insurers, policy administration services, policy document servicing to customers
  - Assistance in claim settlement
  - Maintenance of required registers and records
  - Learning the importance of economies of scale through wholesale distribution by engaging with groups for cost effective collaborative arrangements like with Banks, RRBs, contract farming groups, NGOs/MFI/SHG for rural distribution

It was very heartening to note that in order to create and sustain livelihoods for the rural BPL Youth, several insurers were willing to share their resources by way of providing training material, or faculty or even sharing training centers where possible.

Suggested remuneration

- A fixed stipend in the range of Rs 500/- per month in addition to
- Commission which may range from 15% to 25% for various products

Conclusion

Creating a mutually beneficial situation

We are all aware of the obstructive shortage of trained insurance agents and the fact that even after 9 years of opening up of the insurance sector the insurance penetration levels are as low as:

Life Insurance Sector	4%
Non-life Sector	0.6%
Crop Insurance	About 15%

Successful implementation of this model would be a win-win situation for all stake holders:

- Sustainable livelihoods for the rural BPL youth so that they are no longer subjected to life long poverty
- Decrease in distribution costs coupled with an educated and trained agency force for the insurance sector to work at grassroots level as the most efficient delivery channel to reach out to the rural markets
- Comparatively lower levels of attrition of the agency force if the trained youth work in their own native areas where they enjoy the confidence of the local community
- Contributing towards financial inclusion at grassroots level
- Assisting the insurance sector to achieve its Rural and Social Sector obligations successfully
- Being Socially Responsible Corporate entities providing employment opportunities and contributing in nation-wide poverty reduction
- Reaching and serving the un-served areas and achieving quantum jump in insurance penetration levels.

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Championing and Institutionalizing

Insurer's TCF Charter

SRINIVASAN VARADHARAJAN AND SHRINIVAS SUSARLA OPINE THAT TCF, AS A CORPORATE STRATEGY SHOULD BE FORMULATED BY THE TOP MANAGEMENT; AND SHOULD PERCOLATE TO THE LOWEST LEVELS OF WORK FORCE.

Introduction

Treating Customers Fairly (TCF) is a culture of considering the customer at every stage of running the business and ensuring that any action within or on behalf of the company does not result in any unfairness for the customer.

In recognition of the imbalance of knowledge and power between an organization and an individual, governments and regulators across the globe have strived to ensure a fair deal for the customers. Till the recent past, maybe a decade ago, such measures were administered through laws, rules and regulations which stipulated how organizations should interact with the customers.

> A principle based regulation regime whose conditions and required outcomes when met, stoke a customer centric fervor that is seen to be better than a rules based regulation regime.

However, it has come to be recognized that an innate desire within an organization to be fair to the customer achieves much more than any rules imposed on the organization from outside. Hence a principle based regulation regime whose conditions and required outcomes when met, stoke a customer centric fervor that is seen to be better than a rules based regulation regime.

Customer Centricity in India

In India, customer centricity has been prevalent for a long time. Many of the compliance requirements by the Government even during the pre-liberalization era were there to ensure that the customer got a fair deal.

In a business, there are two levels of interaction with the customer. One is organization to customer (O2C) interaction and the other is industry to customer (I2C) interaction. By I2C, the authors refer to the way an industry as a whole perceives the market. This includes pricing the products, determining the production levels and the manner in which a particular product is sold. The interaction an industry as a whole has with the customers is much more regulated than the former. In India, previously the MRTP commission and now Competition Commission of India are vested with the responsibility of monitoring for any cartelization activity.

There are ombudsmen for various service sectors that have been empowered to act on complaints from individual consumers. For insurance, IRDA lists the ombudsmen for the various regions. They are to handle any grievances against the insurer, provided they have been raised with the insurer before and not settled to the satisfaction of the customer.

TCF as a self-governance mechanism based on agreed philosophy is not new. In fact, the Government of India has mandated citizen charters for long. The GOI through Department of Administrative Reforms & Public Grievances, Ministry of Personnel has stated the objective of such a charter and the road map for any government organization to establish such charters[1]. The Government of India has given utmost importance for customer satisfaction through such efforts. However the citizen charters are not legally enforceable and are self-affirmations towards better service to the customer.

1. http://goicharters.nic.in/faq.htm

The FSA also conducts telephonic enquiries as well as seeks correspondence on TCF initiatives. As it can be seen, these outcomes, resultant of TCF, are a good reference model.

Customer Centricity in Financial Services - International Experience

United States

In the United States, Insurance Marketplace Standards Association is a nonprofit, voluntary and independent organization created to strengthen consumer trust and confidence in the marketplace for individually sold life insurance, long-term care insurance and annuities. IMSA-qualified companies commit to maintaining high ethical standards and to being fair, honest, and open in the way they advertise, sell and service their products[2].

Also, the federal body National Association of Insurance Commissioners (NAIC) has a set of model laws on unfair trade practices for state insurance agencies to adopt[3]. But these laws (when adopted) are rules based and mandated rather than principles based and self-imposed.

Japan

In Japan, the regulator "The Financial Services Agency, Japan" has also come up with principles based regulation called, "The Principles in the Financial Services" which should govern all the activities of financial services firms. On April 18, 2008, the Financial Services Agency (FSA) and the representatives of the financial services industry agreed on the key principles to be shared and respected when financial firms conduct their business or when the FSA take supervisory actions[4].

As a "better regulation" initiative, the FSA, Japan presented the concept of "optimal combination of rules-based and principles-based supervisory approaches," and held extensive discussions with representatives of relevant financial firms on key "Principles", which would become the cornerstones of principles-based supervision. A "principles-based" approach is a supervisory framework that, in line with the Principles, places greater emphasis on encouraging voluntary efforts by financial firms aimed at ensuring better management. The principles enunciated by FSA, Japan are provided in the their website. The FSA, Japan goes on to detail the effects the principles have on the various stakeholders.

United Kingdom

In UK, the financial services regulator Financial Services Authority (FSA), has produced several discussion papers and also monitors TCF initiative levels among various financial services organizations. The FSA, UK is one of the pioneers in opening the deliberations on TCF. As a part of the TCF movement, The FSA defines its expectations on TCF through outcomes.

The FSA also has a large body of work on TCF, its applicability to financial service organizations of various sizes, the way to go about implementing the TCF and indicators to the presence or absence of TCF in an organization. By way of monitoring the TCF philosophy implementation levels in organization, the FSA has regional assessment centers where individual firms are invited. The FSA also conducts onsite examinations at the organization's locations. The FSA also conducts telephonic enquiries as well as seeks correspondence on TCF initiatives. As it can be seen, these outcomes, resultant of TCF, are a good reference model.

The need for TCF

Nowadays, it is recognized that self-governance is the best governance and hence principle based regulation (PBR) is more in vogue. Under a PBR regime the governing philosophy is usually stated and the market place entities have to commit to it. But the exact nature of implementation of the committed principles is left to the individual business entity. Treating Customers Fairly (TCF) is one such principle based approach. TCF is about transparent governance. TCF is a structured way of institutionalizing customer centricity in an organization.

In the past when information asymmetry came to be acknowledged as a hurdle insurmountable by the customer, regulations came to be drawn up for ensuring that the customer is not cheated in any transaction. Examples of such regulations are requiring that weight/ quantity of commodity be printed on the package, maximum retail price be printed, letting the customer know that insurance is the subject matter of solicitation etc. Such regulations are still there and do prevail. But it is possible to observe such regulations in letter and not in spirit. An example of such a possibility is where legally required verbiage is given in a small print in an advertisement.

Customer Centricity in Indian Insurance Industry

With regard to Indian insurance market, the regulator IRDA already mandates several activities which protect the customer interests. Insurance Advertisement and Disclosure regulations and IRDA (Protection of Policyholders' Interests) Regulations, 2002 are two examples of such development oriented regulations.

2. http://www.imsaethics.org/
3. http://www.naic.org/documents/store_pub_legal_models_tblcont.pdf
4. http://www.fsa.go.jp/en/newsletter/2008/05a.html#ft01

The cooling-off period, where the customer, after purchase of a policy can return it within 15 days for a refund of money paid is an example of a regulator mandated process. Another example is where the insurer must provide an illustration of benefits.

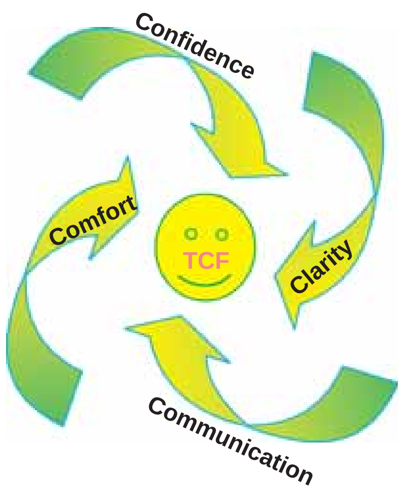
Thus even though such initiatives are not clubbed under a single TCF umbrella, the government and the regulator have put in appropriate safe-guards in place to ensure no mis-selling happens for the customer. Insurance providers selling an intangible product, have all the more reason to adopt TCF initiatives.

'C' Model for Institutionalizing TCF

The principles central to TCF philosophy can be succinctly put down as below:

- Confidence – Creating an atmosphere of trust
- Clarity – Transparency in sales and service
- Communication – Effective and proactive communication; Agreed expectation
- Comfort – Simplicity in business interactions

The TCF delivering mechanism for treating potential and existing customers fairly by insurance companies are as follows:



- TCF should be imbibed into the organization culture.
- TCF initiative should have senior management commitment.
- Senior management commitment on TCF should fully percolate down to the lower rungs of the organization hierarchy, particularly the customer interfacing personnel.
- TCF metrics should be collected at regular intervals and reviewed by the senior management.
- All the employees must undergo training on TCF and should be made aware of the need for their actions to be based on TCF philosophy.

Listed below are a few indicative actions that would follow. Some of them are already being practiced. However, TCF as already mentioned is about integrating such efforts to deliver an organized approach towards customer centricity.

- The insurance company must project a customer friendly message to the market. Any interaction with the company that the customer has must be quick, friendly and reasonable. Even if the company cannot resolve every demand of the customer to the customer's satisfaction, it must strive to address them, and all of them.
- All the advertising material must make clear its target audience and the features must truly address the intended segment. For example: a product specified as a children's plan must have unique features that cater to the child market segment.
- Customers should be provided with detailed illustration of benefits. Post sale, the customer should be provided with the proposal form, detailed explanation of benefits purchased and the free look period available to them. Providing a statement giving the net return on premiums paid in a standard format could also result in a lucid picture to the customers.
- When the agent helps the customer in selecting a particular product, care must be taken that the product is suitable to the customer. For that it would be better if the agents followed a checklist ensuring that the customer's personal financial details and commitments are all ascertained before a particular product is prescribed.
- Customers must be advised of the ways to approach the insurance company and the method by which they can deal with their policies. Commitments on service standards by the insurer for the various customer enquiries and service requests should be communicated and publicized to the customer.

TCF Implementation Roadmap

We suggest the following roadmap be considered for TCF implementation in an organization. This roadmap is loosely based on the roadmap recommended for Citizens' Charter implementation by the Department of Administrative Reforms and Public Grievances.

- Setting up of a Task Force in the Organization to formulate the company specific TCF principles broadly aligned towards industry standards and adhering to regulator recommendations.
- Identification of all stakeholders in the Organization and major services provided by Organization;
- Setting up of a core group in the organization consisting of representatives from all stakeholders which inter-alia may include senior management, middle management, customer facing roles, business area owners, strategic partners, customers/ clients etc. The core group shall oversee the formulation of the TCF principles and approve it. It shall monitor its implementation thereafter.
- Consultation with stakeholders and their representative associations.
- Preparation of Draft TCF principles.
- Issuing the Draft TCF principles for stakeholder suggestions.
- Incorporating the feasible suggestions received into the draft.
- Submission of draft Principles to the industry regulator.
- Modification of TCF principles by the core group on the basis of suggestions/ observations by the regulators.
- Submission to the organization board for approval.

- Formal issue/ release of TCF principles.
- Communicating the formalized TCF principles to all the stakeholders including the customers.
- Appointment of a CCO to ensure effective implementation.

A transparent process which takes every stakeholder into confidence is essential for the successful implementation of TCF in an organization.

Championing TCF: Chief Customer Officer

The Insurance Company should establish a corporate level Chief Customer Officer (CCO) along the lines of Appointed Actuary.

- The CCO should drive the implementation of TCF across all levels of the organization. This will ensure uniform levels of implementation.
- Any material change in the company's processes should have the approval and sign-off of the CCO. This will ensure that the company's adherence to TCF stays firm through the various and inevitable organizational changes.
- The CCO's performance should be measured against service standards set and achieved and also through an external review say, by the regulator.
- The CCO should also periodically present to the Board on the status and progress of TCF initiatives.
- An annual report on TCF adherence should be communicated to the customer and proactively shared with the regulator.
- A company board member could be a CCO. This will be a visible display of company's commitment in putting customers to the fore in all decisions.
- Metrics on TCF should be defined by the CCO. They can come out of customer complaint statistics, distributor survey responses, persistency benchmarked against industry levels, Any ombudsman report, public perception measured using public surveys, press coverage etc.
- The CCO should vet all the customer interfaces like Advisor web-site, customer portal, customer communications etc for adherence to the TCF principles.
- The CCO will conduct random check on policy purchases to ensure the sale has been conducted suitably. Similarly the CCO will also examine randomly service transactions to monitor TCF adherence

Summary

We give below an indication of the role span for the proposed CCO. As it can be seen the role of the CCO extends much beyond the current compliance and grievance redressal offices. In fact they are a sub-set of TCF activities. While any grievance redressal is a reactive measure, TCF also involves pre-emptive measures to ensure that concern for customer is at the heart of all business activities.

To execute the responsibilities that the CCO role brings with it, a level of authority is also required. The level of commitment a company has towards TCF is a factor in the authority that is provided to the CCO. Hence this is a company dependent strategic decision.

The concepts of TCF and CCO should not be limited to insurance companies. Their applicability should be extended to the various organizations that enable the insurance products reach the customers. It would be apt to have a course on TCF principles in the training module for advisors.

Role span of CCO

PRE-SALES	SALES	POST-SALES
Understanding customer	Unambiguous marketing	Grievance Redressal
Product design for customer needs	Product suitability	Complaint metrics
Right marketing segmentation	Transparent sale process	Smooth Service interactions

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Customer Relationship

Your Most Important Asset

RAJESH SUD EMPHASIZES THAT THE RELATIONSHIP THAT IS BUILT WITH CUSTOMERS AT ALL TIMES COMES IN HANDY, ESPECIALLY WHEN THE GOING IS NOT SO GOOD.

All too often, financial services companies view building customer relationships as additional cost and take long-term investment decisions about people and processes of customer management based on short-term returns alone. Such investments are clubbed as a part of either marketing cost or operations cost and sometimes even as technology cost. In good times, the impact of such shortsightedness is not evident as customers are available in large numbers. In bad times, the limits of this myopic strategy become all too painfully evident.

A relationship needs nurturing and consequently a genuine passion for a fruitful interaction at all times. In the current market downturn with a negative consumer sentiment, service providers may find it a challenge to retain customers if they have not invested in relationship building till now. Strong relationships drive loyalty and loyal customers are the best source for new customers in today's time both through referrals and word of mouth. Quality of customer relationship is often the differentiator, more true for life insurance because we are in the business of quality of life.

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An organisation's ability to expand business in normal times is helped by the overall economic climate. But it depends more, at other times, on its ability to win customers ahead of competition. And winning customers clearly depends on the value proposition of the relationship it promises, and the proposition that it actually delivers to its existing customers.

Insurance companies, along with others in the financial services business, face a greater challenge than their non-financial counterparts in the current market situation. The reputation of financial service providers has never before been viewed as sceptically as it is today. The questions being asked from the life insurance advisors/ sellers about their credentials and products are stronger than ever before. Hence, insurers need to build their reputations by focussing on customer care as a strategic asset.

Building a relationship

The traditional view of customer relationship was that it began after the sale – providing after-sales services. Then came the approach that customer relations began at the point of sale, by ensuring that care must be taken to ensure that a product or service is delivered to the customer on time and on the terms promised and the after-sales service was a given. The approach where all the business decisions are taken keeping customer as the focal point is at the nerve center of a truly customer focused organization.

Today we know that the relationship with the customer begins much before the sale itself. It starts from training the distributors and employees to focus on customer's needs. It starts with setting in place a structure that will ensure proper sale and after-sale services. It starts with ensuring that prospective customers receive all relevant information about products and policies in a simple, transparent manner.

Training is the key not only for distributors; it is probably more crucial for employees. Trust in a company is very often determined by the conduct and reputation of its employees.

In the life insurance sector, though this may be well understood, it is seldom practised. Proper need analysis prior to product proposition needs to be done to inculcate a "solution selling" culture within the field force rather than a "product selling" culture. The former will ensure that there is a relationship dialogue with the customers that starts well before a sales is actually made. It is a well-known fact that winning over a new customer is much more expensive than going further with an existing customer, either in terms of renewals or selling new series of products. A survey in the USA actually put the cost of getting a new customer at five times the expense of following up with an existing customer!

Customer relationship begins with training agents and building the appropriate customer expectations

Life insurers have increasingly recognised that it is important to begin by a sensitive and a realistic understanding of a customer's – or potential customer's – needs for protection or long-term wealth creation. I use the words 'sensitive' and 'realistic' after some careful thought. The agent advisor must be sensitive to the risk the potential customer may face, and assess the value that can be assigned to that risk.

Then comes the difficult part – convincing the client of the risk, of the value that can realistically be attached to that risk; and making a compelling case for the need to pay for the mitigation of that risk.

Clients may want more or be satisfied with less; a sensitive and informed advisor will know how to arrive at the appropriate balance. Thus, more than any other activity, the relationship with the customer is focused on ensuring that he or she gets the appropriate insurance policy and at the right cost.

The strategic investment from the life insurer in this exercise is the quality of training imparted to the agent advisor. Insurers should realize that it is not enough to provide initial training. Ongoing training and evaluations of agent advisors should be a priority and insurers should consistently invest in building a strong in house training capability.

Training is the key not only for agent advisors; it is perhaps more crucial for employees. Employees exercise a critical influence on distributors and customers; their behaviours send powerful signals to the outside world. Trust in a company is very often determined by the conduct of its employees. With insurers, employee behaviour could particularly influence agent advisors, who, in turn, would guide customers.

Life insurers should consistently engage in continuous employee training and should aim at being widely known in the industry for imparting life insurance knowledge. To derive business benefits out of this investment, a yearly employee engagement study should be conducted across all functions and surveys should be put in place to ensure that the highest benefits are derived.

We must remember that agent advisors and distributors are as much the customers of insurance companies as are the policyholders. Strategic customer relations would involve training employees to be accessible and responsive to agent advisors and distributors, setting up structures for such openness and for this to be timely and easy. At the same time, regular process audits are required to ensure responsible behaviour.

The value of feedback

Accessibility is a key component of the relationship, whether with the policyholder or the distributor. It is not just about physical availability but about openness to the opinions and comments of customers and agent advisors and by the establishment of listening post for such stakeholders.

What is also important here is that a favourable early customer experience is critical for building a strong relationship, quickly. At the initial stage, the customer is more evaluative about the relationship and a positive experience goes a long way in paving the way to build a sustainable long-term positive relationship. Employees must be sensitised to the value of feedback. Even complaints must be viewed positively as feedback and then converted to opportunities, rather than looked upon merely as grievances! A customer-focused culture encourages employees to facilitate the expression of complaints! To encourage employees to do so, the company needs to have a sensitive human resource management programme in place, which goes beyond training programmes to insightful management of all interpersonal relationships within an organisation.

Accessibility and openness also determine effective product design as the feedback in the listening posts can be used to design products that meet customer needs even more effectively. The critical exercise of developing a range of suitable products is about being aware of customer needs. The insurer's range of products must meet the varied needs of the vast variety of people's circumstances and life stage needs. And without listening to its customers, studying their needs, such a range of products meeting the spectrum of client needs cannot be designed.

Research prepares for a relationship with the customer

Financial services companies must have appropriate investments to understand their customers better as they develop deeper and beneficial customer relationships. This is not just about buying a CRM solution or sending mailers to them on birthdays. A genuine effort must be made to understand, segment and reach out to customers in the way that they want to be communicated. Efforts should be in place to conduct periodic research to understand the expressed and latent needs of potential and existing customers; and build a data warehouse where key customer data is stored and updated at regular intervals. Academic research and periodic market surveys also enhance customer segment understanding.

Research helps both in understanding customer needs as well as in identifying the effective distribution channels by establishing what information the potential client seeks, the services required after the sale and the ambiguities and fears about brands and products. Such understanding and knowledge helps in designing products, information packs, the agreement documentation, the training modules for agent advisors and various other support processes. It helps to improve the quality of advice to clients – not only for the long term — but also for the various milestones and possible eventualities through their lives.

Understanding and knowledge gathered through research not only helps design products and various support systems, it also helps improve the quality of advice to clients.

Customer relationship is about a mindset and a way of conducting business

Customer service is not just providing superior customer service in terms of complaint resolution; customer service starts with the mindset that the client should not have a problem at all.

Such an approach inspired Toyota, to pioneer the hybrid car, using battery charges to balance over-dependence on the ever dearer and increasingly scarce fossil fuels. It influenced telecom service providers to opt for sharing tower infrastructures to reduce costs and lower user charges. And it persuaded shampoo manufacturers into introducing the sachets to meet the needs of customers with limited means.

Customer management expertise results in improved ways of conducting business. For a start, it allows more precise listing of the likely questions from prospective customers as well as explicit detailing of the possible responses. It makes for efficient response systems to customer claims, queries and complaints. Equally, it responds with efficiency and transparency to questions from the agent advisor and distributor.

Conclusion

Customer relationship is centred in partnership

Ultimately, effective customer relationship is centred in partnership, focused on the fact that all players – whether customer as policyholder or distributor, employee or management, shareholders or promoters ¾ are partners in the success of the service that the company provides. The understanding that a life insurance business is essentially one of partnership in helping customers meet their life's opportunities and adversities will go a long way in aligning the functional arms in a life insurance business. If proper attention to this is not given at all times, the customer may start distrusting the principal in a downturn since relationships were never strong to start with. And when the upturn comes, the company may find itself without much of a 'partnership' and not be able to enjoy the consequent upside that the ones who are successful in their customer management practices may do.

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Pilot Study on Morbidity Rates

Interesting Observations to the Fore

G. N. BHASKAR RAU OBSERVES THAT HOSPITAL ADMISSIONS ARE NOT GENDER-BASED; AND FURTHER THAT THERE IS A TENDENCY IN THE LOWER STRATA OF THE POPULATION NOT TO SEEK HOSPITAL ADMISSION AT HIGHER AGES.

(Continued from Feb.09 issue)

'Deaths' seem to follow the natural trend of lower percentages of 'deaths' in the lower ages, on treatment on hospitalization, and gradually increases as age increases. Even here the 'child mortality' for the age group 0 - 4 is as high as at the age group of 50 – 54.

It is again interesting to note that the two urban hospitals (the Gandhi Hospital at Secunderabad and the Osmania Hospital at Hyderabad) behaved almost similarly in their "Outcome" outputs. Even the suburban hospitals at Warangal, Visakhapatnam and Kurnool were producing *'patterns'* similar within the groups of each year and also for the two combined years. And, it is also observed that urban locations experience higher ratios.

This indicates that there seems to be certain regional patterns emerging in the 'outcome' distributions peculiar to the regions. This aspect needs some more analysis especially in relation to either 'duration' of morbidity and / or 'specialty' distributions, before making any final comments. It may be possibly expected for the 'locations' to also have certain different patters, on the divide of urban and non-urban factors, in that the morbidity may differ in the 'specialty' groupings, like, cardio-vascular' diseases, 'renal' complaints, 'digestive' disorders etc.

Gender Divide in 'Outcomes'

One of the aims of the study is to trace the 'Outcomes' of hospital admissions gender-wise and to find whether gender has any effect on the outcomes.

This study has categorized the outcomes under three heads, as *'Relieved (Cured)'*, *'Died'* and *'Left Against Medical Advice (LAMA)'*. These *'outcomes'* are the status of the *morbid persons*, who were admitted into the hospitals for treatment, at the time of their *'discharge'* from the hospitals. Some were discharged with *positive outcomes* as *'relieved'* of their morbid state or *cured*, while some were discharged with *negative outcomes* as *'died'* and some leave the hospital *against medical advice* or *abscond* without information. Naturally, the actual outcomes of the last category of morbid persons will not be known for medical purposes.

There seems to be certain regional patterns emerging in the 'outcome' distributions peculiar to the regions. This aspect needs some more analysis especially in relation to either 'duration' of morbidity and / or 'specialty' distributions, before making any final comments.

This study treated the entire data vis-à-vis the first two categories of outcomes, namely, *relieved* and *died*, across the gender differences of morbidity rates. This study used these *two parameters* to measure the gender divide in the outcomes of the sample morbidity rates, namely, *'duration'* of hospitalization before the occurrence of the said two outcomes of *relief* and *death*; and the *'percentage'* of hospital admissions which underwent the said two outcomes of *relief* and *death*, across males and females.

Outcome Durations

Duration of hospitalization was calculated, *in days*. It may be noted that the morbidity condition in the person might have been in existence even before the Date of Admission of the person into the hospital, while this study reckons the morbidity in the person only from the Date of Admission to the Date of Discharge. In many cases the previous history of the disease or the onset of the morbidity condition in the person was not available, for certain, and hence only the recorded dates were considered here in this study, to arrive at the duration static. The limitation on which this study is based is described at length, elsewhere, under the caption of *'Definition'* and *'Limitation by Definition'*. (vide page 4: relevant comments reproduced in the footnote under) [7]

Duration-wise Analysis

The *duration* for each individual morbid person in the entire morbidity sample was calculated, for each selected regional hospital (namely Gandhi Hospital, Secunderabad;

Osmania Hospital, Hyderabad; MGM Hospital, Warangal; KG Hospital, Visakhapatnam and Government Hospital, Kurnool) separately, and then the *average duration* for each *quinquennial age group* was arrived at, for each regional hospital.

These *average durations* were then tabulated across *male-female* divide and also for each category of *outcome*, mainly for the two *definite* outcomes of *'Relieved'* and *'Died'*. The third category of outcome – *LAMA* – is omitted, from the study, for obvious reasons, that it is *not a definitive outcome* and its final and factual outcome being *not known* and may result as a *distant event* which is not relevant to the present study.

The entire combined data of all hospitals was also treated similarly and the results are given in the table that follows. The analysis below shows some important results of *average durations* (the average durations above are higher or almost equal average durations):

- Females seem to take same or slightly longer average durations to get 'relieved' than males
- Females seem to take same or slightly longer average durations to 'die' as men take during hospitalization and treatment
- At greater part of the age groups (from age 0 to age 49) females take longer average durations to get 'relieved' than men, which also seems to be the normally and universally observed feature. This may be because of the physiologically developing age bracket in females like vulnerable infant age, puberty, child bearing and menopause ages involved, requiring females to 'resist' morbidity in longer durations.
- Whereas there are no such marked age brackets in which females experience average duration differences, though the same age groupings of their physiological manifestations (0 – 5; 15 – 19; 25 – 29; 35 – 39; 45 – 49) take place females experience higher average durations (for 'death') than males.

These average durations of the male – female divide were further analysed to compare the *'average of the average durations'*, *'Standard Deviation'*, *'Minimum Average Duration'*, and

YEAR 2005: COMBINED DATA : AVERAGE DURATIONS

Age	All Males Number	All Males Relieved	AV. Dur Died	All Females Number	All Females Relieved	AV. Dur Died
0 - 4	317	6.32	2.87	265	10.71	5.52
(5 - 9)	198	9.80	4.55	156	14.12	1.68
(10 - 14)	234	11.19	6.37	182	8.63	2.09
15 - 19	308	9.64	3.42	278	10.23	5.05
20 - 24	469	10.00	5.46	284	9.90	5.01
25 - 29	434	12.04	5.12	270	11.85	9.82
30 - 34	377	13.45	3.95	221	10.47	3.41
35 - 39	403	10.89	4.57	213	13.81	8.58
40 - 44	401	9.13	8.31	195	9.90	4.93
45 - 49	363	10.41	5.03	194	13.65	8.37
50 - 54	412	10.94	8.87	213	9.91	4.77
55 - 59	271	9.18	3.85	110	11.85	5.02
60 - 64	363	9.67	6.81	169	11.03	7.62
65 - 69	200	7.92	3.13	87	9.58	2.34
70 - 74	186	8.89	3.59	81	5.14	6.96
75 - 79	71	8.44	5.01	40	5.65	5.67
80 - 84	35	5.21	5.70	24	5.52	5.65
85 - 89	14	8.33	3.10	9	6.00	3.30
AVG:		9.53	4.98		9.89	5.32
STDEV:		2.25	1.79		2.73	2.23
MIN:		3.12	2.87		5.14	1.68
MAX:		13.45	8.87		14.12	9.82

TABLE 1

7. "This is the background against which this study is set with 'morbidity' defined as a condition of morbidity which is (medically) 'treated'." The above limitation of the study may be acceptably ignored in view of the fact that most of the studies world over is based on similar data-base.

'*Maximum Average Duration*'. These statistics are studied for both the outcomes of '*Relieved*' and '*Died*', and tabulated (Table 2):

Interestingly, all the statistics, namely, the *averages of average duration*, the *Minimum Durations* and the *Maximum Durations*, also confirm that females take longer durations to undergo both the outcomes '*Relieved*' and '*Died*' , except in the case of *Minimum Duration*, where the duration is more (for Females than Males) in case of '*Relief*' than in the case of '*Death*'.

Therefore, the general inference that may be drawn from the above analysis seems to be that females tend to have equal or higher probability than males in 'maneuvering' morbidity.

The probability of males getting discharged premature, to get back to work and earn early, is not indicated in this study, because all such early voluntary discharges are labeled under *LAMA* (*Left Against Medical Advice*).

Modal Age, Mean Age and Median Age: Average Durations

The Table 3 shows the average durations of the two outcomes of "*Relief*" and "*Death*" observed at the *modal*, *mean* and *median ages* of the sample morbidity data. The same results are plotted on a graph (Graph 1) to get a clearer meaning of the results:

It is interesting to note that the analysis shows that the average durations for both 'males' and 'females' at the *modal age (20 - 24)* are *more or less the same* for both the outcomes of '*Relief*' *(10.00 & 9.90 respectively)* and '*Death*' *(5.46 & 5.01respectively)*.

Similarly, even the "*average of the average durations for all the age groups*" in respect of the two outcomes of '*Relief*' and '*Death*' for both 'males' and 'females' seem to be more or less the same *(9.53 & 10.26* and *5.09 & 5.32 respectively)*.

YEAR 2005: COMBINED DATA : AVERAGE DURATIONS

	ALL MALES RELIEVED	AV. DUR DIED	ALL FEMALES RELIEVED	AV. DUR DIED
AVG:	9.53	4.98	9.89	5.32
STDEV:	2.25	1.79	2.73	2.33
MIN:	3.12	2.87	5.14	1.68
MAX:	13.45	8.87	14.12	9.82

TABLE 2

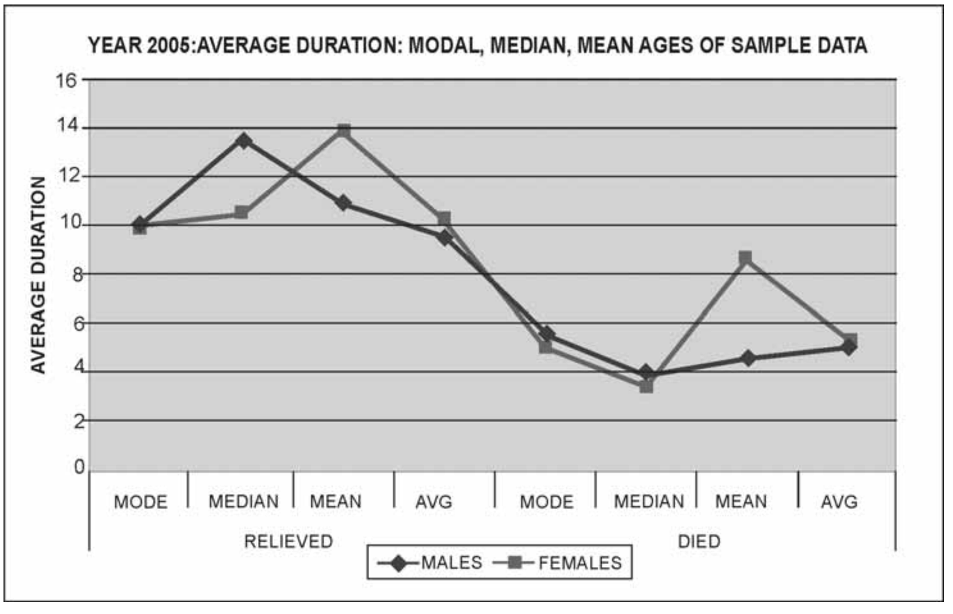
ALL MALES / FEMALES: AVG. DUR:

		RELIEVED	
		MALES	FEMALES
MODAL AGE OF SAMPLE DATA	20 - 24	10.00	9.90
MEAN AGE OF SAMPLE DATA	35 - 39	10.89	13.81
MEDIAN AGE OF SAMPLE DATA	30 - 34	13.45	10.47
ALL AGES AVG OF SAMPLE DATA	AVG:	9.53	10.26

ALL MALES / FEMALES: AVG. DUR:

		DIED	
		MALES	FEMALES
MODAL AGE OF SAMPLE DATA	20 - 24	5.46	5.01
MEAN AGE OF SAMPLE DATA	35 - 39	4.57	8.58
MEDIAN AGE OF SAMPLE DATA	30 - 34	3.95	3.41
ALL AGES AVG OF SAMPLE DATA	AVG:	5.09	5.32

TABLE 3



GRAPH 1

Another notable feature that emerged out of the analysis is that the average durations of both the outcomes of *'Relief'* and *'Death'* for both 'males' and 'females' at the *modal age* and as *average of average durations for the entire age groups* are also in more or less close range of values, namely, *10.00 & 9.90, 9.53 & 10.26*, and *5.46 & 5.01, 5.09 & 5.32 respectively*.

Modal age being the age bracket where the *maximum number* of the data lies and the *average duration of the average durations* being in relation with the *entire data* over all age groups *(0 to 89)*, we may conclude that the *average duration* taken by both 'males' and 'females' for getting *'Relieved'* from morbid state after hospitalization is *around 10 days* and the average duration for the negative outcome – *'Death'* – to result during hospitalization is *around 5 days*.

This inference may be useful for insurance purposes subject of course to some more deeper analysis of certain other relevant data.

Crude Morbidity Rates and Curves

One of the major objectives of this study is to draw *'Crude Morbidity Rates' (CMoR)* out of the data and its analysis and jot them as *'Crude Morbidity Curves'*.

The number of events (E) of morbidity incidences for each age group of a particular location is expressed as a ratio to the one-lac population of the total census population (P) of the respective location.

$$CMoR = (E / P) \times 100000$$

It is generally believed and observed that people belonging to one particular area of population will get admitted to the nearest hospital only and hence it can be construed that "E" and "P" above belong to the same population. Here, in this study respective "P" is the census population of the respective districts of the locations (namely, Secunderabad, Hyderabad, Warangal, Visakhapatnam and Kurnool). Indeed there were a few 'admissions' observed from places of residence of the persons who got admitted into different area hospitals; however such numbers were very few and negligible.

Hence, for this pilot study, we may take that "E" belongs and corresponds to the same population of "P".

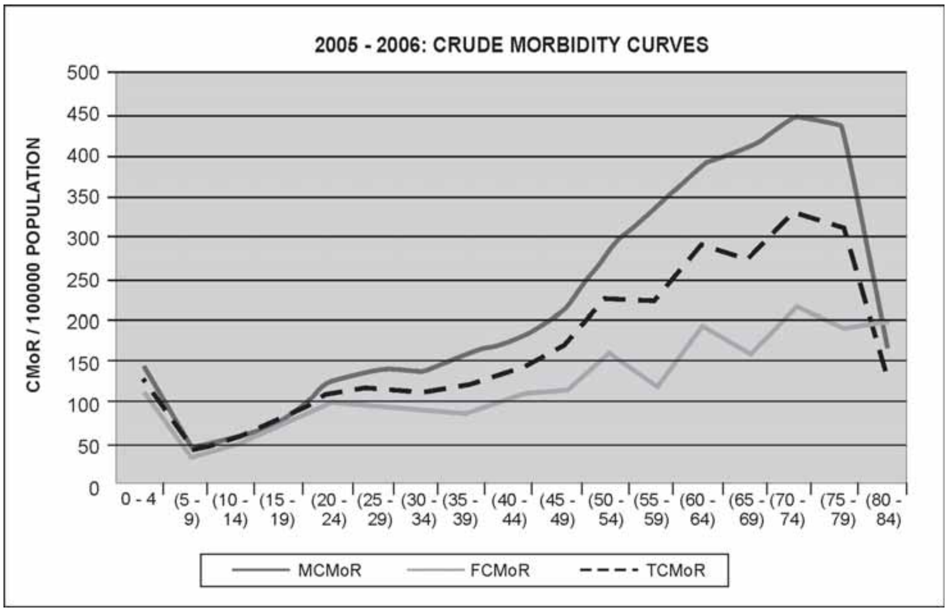
CMoRs are calculated for each age group, for each gender, and also for each year for each location. This would bring out the regional variations. However, this preliminary report proposes to present the CMoRs and the graphs only for the entire data and not location-wise. The analysis of the regional variations will be done as a second stage to this Study.

The Table given below shows the *CMoRs* for the entire data of 21437 of all the five locations and for the two years. The graphical representation of the above CMoRs is also given there under (Table 4):

CRUDE MORBIDITY RATES (CMoR)
Based on Census Population of all Five Locations

AGE	TOT.POP. MALES	CMoR per MALES	TOT.POP. LAC POP. FEMALES	CMoR per FEMALES	TOT.POP. LAC POP. TOTAL	CMoR per LAC POP. TOTAL
0 - 4	650483	145.02	625668	113.47	1276151	129.54
5 - 9	889346	45.89	851608	35.65	1740954	40.88
10 - 14	877268	58.17	810383	45.43	1687651	52.04
15 - 19	765874	75.55	709801	76.32	1475675	75.92
20 - 24	691794	127.64	682431	101.90	1374225	114.89
25 - 29	636849	140.71	683947	93.78	1320796	116.50
30 - 34	550581	137.86	517351	89.55	1067932	114.58
35 - 39	528771	161.99	525796	86.50	1054567	124.54
40 - 44	437429	175.05	368058	108.34	805487	144.69
45 - 49	366794	211.39	334667	116.92	701461	166.53
50 - 54	296738	288.79	263319	159.38	560057	228.33
55 - 59	176448	338.09	191011	117.31	367459	224.28
60 - 64	192169	390.95	206253	195.00	398422	289.86
65 - 69	104690	412.19	123767	157.61	228457	274.93
70 - 74	92749	447.97	93462	214.83	186211	330.93
75 - 79	34490	437.79	34569	191.46	69059	314.37
80 - 84	27112	166.28	33496	197.92	60608	134.11

TABLE 4



GRAPH 2

The above graph (Graph 2) suggests that there seems to be certain *'synchronicity'* in the Crude Morbidity Rates *for ages 0 to 24* among the male, female and also for the total combined events of morbidity incidence. Interestingly, the same trend of synchronicity was observed across all the five locations, which will be discussed at the second stage report to this study. The above curves were fitted to *standard curves*, statistically and the picture that emerged is given later. The functions for these curves are given below:

y (males) = $-7E{-}06\ x^5 + 0.001\ x^4 - 0.094\ x^3 + 2.919\ x^2 - 35.57\ x + 197.7$

$R^2 = 0.981$

y (females) = $-2E{-}06\ x^5 + 0.000\ x^4 - 0.034\ x^3 + 1.183\ x^2 - 16.01\ x + 126.6$

$R^2 = 0.864$

y (total) = $-5E{-}06\ x^5 + 0.001\ x^4 - 0.073\ x^3 + 2.316\ x^2 - 28.69\ x + 169.6$

$R^2 = 0.960$

Conclusions

- The Mean Ages, Median Ages and the Modal Ages across the census populations of several locations are all less than middle age 40.
- The Morbidity events seem to have Bimodal Ages across the various populations, one around age 2 (pediatric) and the other prime youth of around 22 years.
- There are gender variations of morbidity incidence for males and females, the former being higher than the later.
- The lesser female morbidity variation is suggestive of and echoes the normally observed lesser mortality rates of females.
- There are regional variations observed, urban populations having higher morbidity incidence than the rural populations. This comment needs caution because of the variations among these cited populations in their literacy, awareness and availability levels of the health conscience.

There are regional variations observed, urban populations having higher morbidity incidence than the rural populations.

- However, among and between the rural regions there seems to be variations of incidence of morbidity.
- Outcomes of the events of the morbidity incidence seem to be following certain patterns, again among and in between the several populations.
- The most striking result of this study is the negative outcome of the events, namely the 'deaths'.
- The percentage of deaths of the events under study is strikingly 12.5% for all the populations and all the locations.
- Females seem to take same or slightly longer average durations to get 'relieved' than males
- Females seem to take same or slightly longer average durations to 'die' as men take during hospitalization and treatment
- At greater part of the age groups from (age 0 to age 49) females take longer average durations to get 'relieved' than men, which also seems to be the normally and universally observed feature. This may be because of the physiologically developing age bracket in females like vulnerable infant age, puberty, child bearing and menopause ages involved, requiring females to 'resist' morbidity in longer durations.
- Whereas there are no such marked age brackets in which females experience average duration differences, though the same age groupings of their physiological manifestations (0 – 5; 15 – 19; 25 – 29; 35 – 39; 45 – 49) take place females experience higher average durations (for 'death') than males.
- The population based crude morbidity rates calculated by this pilot study seem to have set patterns – even gender wise – as can be seen from the curves fitted to these CMoRs, and hence may be useful perhaps to possibly predict morbidity incidences for ages in any given population. This comment also needs high caution before conducting further investigation.
- The crude morbidity curves and the functions of these curves need more corroboration, though the respective R-Coefficients are high.

Thus, these preliminary results of the present pilot study show that all the null hypotheses of the study are not proved, and therefore:

- There is a set pattern in the morbidity rates, jointly and severally, with reference to age, gender and / or location of the population;
- Gender variations do affect the incidence of the morbidity rates across the population;
- Geographical variations do affect the incidence of the morbidity rates of a given population;
- There is a set pattern in the outcome distribution across male / female gender divide.

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प्रकाशक का संदेश

ऐतिहासिक रूप से भारत में अधिकांश वित्तिय सेवाएं साधारण रूप से, तथा विशेष रूप से बीमा केवल शहरी क्षेत्रों तक सीमित रही है। एक प्रकार से वित्तिय शिक्षा की अपनी सीमाए हैं। सीमित स्त्रोत तथा अर्थव्यवस्था के चलते सेवा प्रदान करने वाले भी दूर दराज के क्षेत्रों में नहीं पहूंच सके हैं। देश के दूर दराज इलाकों में यात्रा करने के खर्च, ग्रामीण लोगों में जागरूकता पैदा करना उन्हे अपनी सम्पत्तियों तथा जीवन को बीमित करवाने के लिए प्रोत्साहित करना निसंदेह एक बड़ा कार्य है जिसे सामने आना चाहिये। बार-बार यह कहा जाता है कि लोगों को प्रभावित करने के लिए नवीन आविष्कारों की जरूरत है जिससे वित्तिय समाहितता को विश्वास के रूप में शामिल किया जा सके।

ग्रामीण तथा सामाजिक क्षेत्र में बीमाकर्ताओं को अपनी व्यवसायिक आकड़ों में पूर्ण निर्धारित लक्ष्य प्राप्त करने की मान्यता प्राप्त है। जिससे यह सुनिश्चित किया जा सके की इस महत्वपूर्ण क्षेत्र में ऐसे व्यवसायियों का गतिशील प्रतिभागिता प्राप्त हो। जबके यह लक्ष्य केवल सूचनापूरक है यह अपेक्षित है कि ऐसी व्यवसायी अपने लक्ष्यों को पूरा करेंगे तथा इसका प्रदर्शन करेंगे की इस क्षेत्र में सुदृढ़ीकरण वास्तविक व्यवसाय अवसर है। यह भी सुनिश्चित होगा बीमा का तीव्रता से तभी फैलाव होगा जब इन स्त्रोत को पकडा जायेगा।

यह ऐसे क्षेत्र है जहां जोखिम प्रबन्ध के विचार को पूर्ण रूप से लागु किया जाए। अधिकांशतः विभिन्न कारणों से यह बाहर ही रहते हैं। उत्पाद में नवीन अनुसंधान जिससे वह बड़े पैमाने पर लोगों पर प्रभाव ड़ाल सकें तथा लोग बीमा की आवश्यकता जाना सके यही समय की मॉग है। यह इतना आसान नहीं है जितना दिखाई देता है। जागरूकता पैदा करने के लिए विभिन्न हितधारकों को कई प्रक्रिया लाने होगी जो जरूरी नहीं प्रथा के अनुसार ही हो लेकिन प्रभावशाली होनी चाहिये। सबसे महत्वपूर्ण है कि ऐसे, प्रयास किये जाए कि इस भाषा तथा प्रकार से संदेश भेजा जाए।

जिससे सबसे पिछड़ा व्यक्ति भी इसे समझ सके। यह एक बड़ा कार्य है तथा सभी हितधारकों से इसके प्रति निष्ठता की आवश्यक्ता है।

जर्नल के इस अंक के केन्द्र बिन्दु में 'बीमाकर्ता के सामाजिक तथा ग्रामीण दायित्व' है। वित्तिय सेवाओं में विप्पण अपने आप में बड़ी चुनौती है और जब यह भारत में बीमा क्षेत्र में आता है इसकी चुनौती और भी बढ़ जाती है। ''बीमा विप्पणन'' जर्नल के अगले अंक के केन्द्र बिन्दु में होगा।

जे. हरि नारायण

जे. हरि नारायण
अध्यक्ष

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दृष्टि कोण

सूचना प्रसार में तेजी के दौर से नई अनिश्चिताएं भी पैदा हुई हैं। क्योंकि भावनाओं का उद्वेग विश्वास बनाए रखने में बाधक साबित होता है।

श्री हेग स्वी कीट

मेनेजिंग डायरेक्टर, मॉनेटरी अथॉरिटी ऑफ सिंगापुर

इंश्योरेंस सुपरवाइजरों की अंतरराष्ट्रीय संस्था (आईएआईएस) वैश्विक मंदी के कारण इंश्योरेंस सेक्टर पर प्रभाव का गहनता से अध्ययन कर रहा है।

श्री पीटर ब्राउमूलर

अध्यक्ष आईएआईएस एक्जीक्यूटिव कमेटी

वर्तमान दौर वाकई में बेहद कठिन है, लेकिन इंश्योरेंस कंपनियां इसका मुकाबला करने के लिए कार्यकुशलता में इजाफा और नई विपणन रणनीति बनाने में कर सकती है। इंश्योरेंस कंपनियों को इस कठिन समय का सदुपयोग करना चाहिए।

श्री जे हरि नारायण

इन्श्योरेंस रेगुलेटरी एंड डेवलपमेंट अथॉरिटी, भारत

वर्तमान में हम 1930 के बाद की सबसे बड़ी वैश्विक मंदी की मार झेल रहे हैं।

श्री जिम फेलैहार्टी

वित्तमंत्री, कनाडा सरकार

उपभोक्ता हितों के संरक्षण, परिणामोंन्मुखी दृष्टिकोण और मजबुत बाजार हमारी विरासत है। अर्थव्यवस्था की सुदृढता के लिए इस कारकों का होना अत्यंत आवश्यक है।

सुश्री थेरेसे एम वॉग

सीईओ, एनएआईसी

इस दशक के दौरान जोखिम लेने की प्रवृत्ति जोरदार तेजी, कम ब्याज दर पर लेनदारी जैसी प्रवृत्ति सामने आई है, अब वित्तीय संस्थाओं का पुरातनवादी रवैया बीते जमाने की बात हो चुकी है।

श्री जॉन एफ लेकर

अध्यक्ष, ऑस्ट्रेलियन प्रूडेन्शियल रेगुलेशन अथॉरिटी (एपीआरए)

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उपभोक्ता हित पोषण और उत्पाद अनुकूलत

अरुण अग्रवाल का मत है कि मुक्त बाजार से जहां प्रतिस्पर्धा कीमतों का मुद्दा सामने आया वहीं इसके जरिए उद्यमशील जोखिम को नियंत्रित करने की भावना भी विकसित हुई।

जिस शब्द इंश्योरेंस का आज हम इस्तेमाल करते हैं, वह मूलतः 1666 में लंदन के भयावह अग्निकांड के बाद चलन में आया। आग ने लगभग सवा तेरह हजार घरों को राख कर दिया। करोड़ों की कीमत वाली चल-अचल संपत्ति भी स्वाह हो गई। इस स्वाह अग्निकांड का एक उजला पक्ष है इंश्योरेंस यानी नुकसान को समूह अथवा वर्ग में विभाजित कर वित्तीय हास का बंटवारा। दूसरे शब्दों में इंश्योरेंस का अर्थ जोखिम में हिस्सेदारी है।

> इंश्योरेंस के वैश्विक परिदृश्य में प्रोडक्ट विकास में यह सहायक रहा है। उदाहरण के रूप में इंजीनियरिंग इंश्योरेंस प्रारम्भ में सामान्य प्रकार के अग्नि हादसों की वित्तीय भरपाई हो करती थी।

इसके अंतर्गत एक समूह केन्द्रीय फंड की देखरेख करता है। ये फंड सदस्यों के वित्तीय अंशदान से तैयार होता है। किसी को भी नुकसान की स्थिति में सभी सदस्य उसकी भरपाई करते हैं। इस अवधारणा में सभी सदस्य वित्तीय नुकसान की स्थिति में मदद के हकदार होते हैं। प्रत्योक सदस्य अपने जोखिम को समूह के अन्य सदस्यों को बांटता है। यानी वन फॉर ऑल एंड ऑल फॉर वन।

इंश्योरेंस के वैश्विक परिदृश्य में प्रोडक्ट विकास में यह सहायक रहा है। उदाहरण के रूप में इंजीनियरिंग इंश्योरेंस प्रारम्भ में सामान्य प्रकार के अग्नि हादसों की वित्तीय भरपाई हो करती थी। लेकिन समय के साथ-साथ इसकी व्याख्या और कवरेज में विस्तार होता गया। आज इंश्योरेंस में अग्नि हादसों के विभिन्न रूप चिन्हित किए जा चुके हैं।

इंश्योरेंस की अवधारण और इसके आकार का शनैः-शनैः विस्तार हमें जल परिवहन, मैरीन शिपिंग वगैरह में देखने को मिलता है। यह अवधारण दुनिया भर में देखने को मिलती है।

भारत में 1850 में ट्रिटॉन इंश्योरेंस नामक कंपनी की स्थापना के साथ इंश्योरेंस सेक्टर की जड़ें पनपने लगीं। 1970 तक यह 170 जनरल इंश्योरेंस कंपनियों के रूप में विस्तारित हो जुकी थीं। सन् 1999 में इरडा यानी इंश्योरेंस रेगुलेशन एंड डेवलप्मेंट अथॉरिटी बिल के आगमन के साथ भारत में इश्योरेंस के नए युग का सूत्रपात हुआ। इरडा का मुक्य उद्देश्य पॉलिसी धारकों के हितों का संरक्षण, नियामन, प्रसमोशन और देश में इंश्योरेंस सेक्टर का विकास है। पिछले कुद साल के दौरान देश में सरकारी इंश्योरेंस कंपनियों के साथ-साथ प्राइवेट इंश्योरेंस कंपनियों के उदय से उत्पन्न प्रतिस्पर्धा के फलस्वरूप इंश्योरेंस सेक्टर का विकास हुआ। निम्न कारण भी इसके विकास में मददगार बनें।

- स्वास्थ्य, यात्रा और लाइबिलिटी इंश्योरेंस प्रोडक्ट्स के विस्तार से उपभोक्ताओं की आवश्यकताओं की पूर्ति हुई।
- प्रचार के नए माध्यम ई-चैनल आदि से उपभोक्ताओं तक पहुंच बनी।
- उपभोक्ता सेवाओं में गुणवत्ता और तकनीकी आदान विकास कारकों और सक्रिय नियामकों के साथ-साथ इंश्योरेंस सेक्टर में नई कंपनियों के आगमन से देश का ग्राप सेलर्स से बायर्स मार्केट को ऊंचाईयां नापने लगा है।
- भारत में इंश्योरेंस सेक्टर के भविष्य में और सोपान
- आय डिस्पोजेबल
- बचत और उपभोग
- जनसंख्या आधारित परिवर्तन
- उच्चतर बचत
- आयु बढ़ोतरी, शिक्षा और गृहस्थी का ढ़ांचा
- स्वास्थ्य और दुर्घटना की स्थिति में बीपीएल परिवारों के प्रश्रय की सरकारी नीति

देश में इंश्योरेंस सेक्टर के विकास को अभी कई

> भारतीय इंश्योरेंस सेक्टर टैरिफ के आधार पर सेचालित होता है। लबकि इंश्योरेंस सेक्टर में आई ज्यादातर कंपनियां आग, इंजीनियरिंग और मोटरयान संबंधी बिजनस में संभावनाएं तलाश रही हैं।

मंजिलें तय करनी हैं। प्रीमियम के आधार पर निम्न इंश्योरेंस प्रसार प्रीमियम के आधार पर जीडीपी का प्रतिशत।

तेजी से विकसित होते बाजार परिदृश्य में बीमा कंपनियां अपनी-अपनी ओर उपभोक्ताओं को आकर्षित करने में जुटीं हैं। इसके लिए कंपनियों के उत्पदों में नवाचार और सेवा स्तर में वृद्धि शामिल है।

इरडा अपने गठन के उद्देश्यों के अनुसार इंश्योरेंस उत्पदों के विकास और कवरेज में विकास के लिए प्रयासरत है। भारतीय इंश्योरेंस सेक्टर टैरिफ के आधार पर सेचालित होता है। लबकि इंश्योरेंस सेक्टर में आई ज्यादातर कंपनियां आग, इंजीनियरिंग और मोटरयान संबंधी बिजनस में संभावनाएं तलाश रही हैं। जबकि नॉन टैरिफ बिजनस लाइन उत्पाद और सेवाओं के कई क्षेत्रों में आगे आई। इरडा ने 2007 में प्राइज ओपनिंग की अनुमति प्रदान कर दी। अब देश की इंश्योरेंस कंपनियां वैश्विक बाजार के अनुसार अपने उत्पादों को उपभोक्ताओं की जरूरतों के मद्देनजर तैयार कर रही हैं।

हाल ही में डिटैरेफिंग से बीमा कंपनियों को उपभोक्तओं की जरूरत के अनुसार उत्पादों परिवर्तित करने में सहायता प्राप्त हुई है। Own damage ने छुट की अनुमति, के साथ-साथ समस्त औद्योगिक जोखिम, मोटर की शर्तो और कवरेज में भी अनुकूल बदलाव किया। इसमें Motor own damage (OD) Baseline wordings covers एक जनवरी 2009 से ही प्रभाव हुआ है। बीमाकर्ताओं को अब पूर्व के सीमित बीमा लाभ की बजाए ज्यादा जोखिम कवर के अधिकार दिए गए आग, इंजोनियरिंग, आईएआर, Motor OD में अतिरिक्त प्रीमियम जमा करने पर बीमाकर्ता को Add-on-cover इंजीनिरिंग में चल संपत्ति भी शामिल।

पेट्रो केमिकल उद्योग समेत सभी उद्योगों को IAR Product की अनुमति साथ ही पूर्ण वर्ती 200 करोड़ रूपए की न्यूनतम TSI Limit भी खत्म की गई। उक्त से 4 बिन्दुओं को छोड़ बीमाकर्ता स्टैन्डर्ड कवर में बदलाव कहीं कर पाएगा। उदाहरण के लिए मोटर इश्योरेंस उपभोक्ता अब कवर फायदे जैसे Loss of use और Waiver of depreciation को भी ले सकेगा। रिटेल इंश्योरेंस सेक्टर में इस बदलावों से सकारात्मक रवैया प्राप्त होगा। विभिन्न इंश्योरेंस प्रोडक्ट की Coupling से कवरेज मिल जाएगा। इससे कई पालिसी जारी करने में होने वाला प्रशासनिक खर्च भी बचेगा। अंतरराष्ट्रीय इंश्योरेंस मार्केट में उपलब्ध कवर को अब भारत में जारी पॉलिसी में (Incorporate) कर कवरेज के दायरे को और बढ़ाया गया है। अब डिटैरिफिंग मार्केट में ये सुविधा Add-on-cover के रूप में मिल सकेगी डिटैरिफाइड मार्केट उपभोक्ताओं के लिए मददगार कैसे?

प्रोडक्ट, प्राइसिंग और सेवाओं वैश्विक मान

जोखिम वरीयता

इंश्योरेंस प्रोग्राम स्थायित्व कॉरपोरेट संचालन और जोखिम प्रबंधन से हो सकता है। समग्र रूप देखें तो कॉरपोरेट प्रबंधन से अधिकतम संतुष्टि पाई जा रकती है।

कॉरपोरेट संचालन का प्रमुख उद्देश्य सभी Stake holder's के प्राप्ति केवल कानूनी की सहायता से Directorial जिम्मेदारियों का विकास करना है। आदर्श इंस्योरेंस व्यवस्था अंतर्गत जोखिम प्रबंधन इंश्योरेंस प्रबंधन और कॉरपोरेट संचाल के बीच मध्यस्थ सरीखा है। इसका उद्देश्य प्रोटेक्शन को अधिकारों अधिक करना, जोखिम कीमत में कभी और वाणिज्यिक रूप से उपादेयता को बरकारार रखना हैं डिटैरिफिंग का अभिप्रायः बीमाकर्ता का उद्देश्य जोखिम प्रबंधन है।

अच्छा जोखिम प्रोग्राम जोखिम रेटिंग प्रक्रिया में सुधार लाता है। मजबूत कॉरपोरेट संचालन ढ़ांचे से बेहतर प्रबंधन छवि से अंततोगतवा बाजार में साख बनाती है अच्छे जोखिम नियंत्रण प्रयासों से बीमाकर्ताओं में जोखिम में साझेदारी का विकल्प होता है।

बीमाकर्ता के नजरिए से जोखिम प्रबंधन

बेहतर वाणिज्यिक और पूंजी प्रबंधन से कंपनी को रेटिंग में इजाफा।

बेहतर underwriting प्रबंधन से जोखिम improves diverse risk writing appetite variegated products.

बेहतर सेवा और प्रबंधन द्वारा प्री और पोस्ट सेल्फ सर्विसेज सुनिश्चित करना।

प्रबंधन की कड़ी में कीमत आखिरी कड़ी है। अतः डिटैरिफाइड परिदृश्य में सभी के लिए अवसर है। उपभोक्ता की पसंद केवल जागरूकता या उपलब्ध हो बेहतर आधारित नहीं होकर अनुकूल परिस्थितियों वाले विकल्प को प्राप्त करना है।

बेसलाइन प्रोडक्ट के क्षेत्र में अब भी कुछ चुनौतियां शेष है। इनका निराकरण कर इंश्योरेंस सेक्टर और अधिक कार्य सक्षम और परिणामोन्मुख बनाया जा सकता है। बेसलाइन प्रोडक्ट्स के बारे में तथ्य परख नजरिए और पूरी जानकारी जरूरी है। इससे एड या कवर के कानूनी पहलुओं का ज्ञान भी शामिल हे।

व्यक्तिगत जोखिम में बीमाकर्ता द्वारा गहन जांच-पड़ताल सामान्य हे। अतः क्लेम प्राप्ति का बेहतर प्रतिशत पॉलिसी धारकों के आंकड़ों पर आधारित तकनीक इन प्रक्रिया में सहायक होती है। पॉलिसी धारकों के बारे में विस्तृत जानकारी और बाह्य स्रोतों से सूचना मिलने पर जोखिम संवर्ग में नए तथ्य हासिल हो सकते हैं।

डिटैरिफाइड परिदृश्य में इंश्योरेंस मध्यवर्तियों के लिए भी बेहतर अवसर है। एन्टसप्राइज जोखिम प्रबंधन के हल में मुक्त बाजार भी योगदान देता है। उपभोक्ता की कोई भी संशोधित कवर प्रदान करने से पहले जोखिम अहर्तओं को परख लेना जरूरी है।

डिटैरिफाइड परिदृश्य में इंश्योरेंस मध्यवर्तियों के लिए भी बेहतर अवसर है। एन्टसप्राइज जोखिम प्रबंधन के हल में मुक्त बाजार भी योगदान देता है।

इंश्योरेंस कंपनियों का काम केवल परम्परागत ग्राहकों की सेवा संतुष्टि ही नहीं, बल्कि विभिन्न संवर्गों के लिए बेहतर उपायों को खोजने में बाजार की सहायता करना भी है।

उपभोक्ता की जागरूकता से इस दिशा में अच्छी पहल हो सकती है। इंश्योरेंस सेक्टर इसके लिए मीडिया का सहयोग भी ले सकता है।

मीडिया कैम्पेन मैनेजमेंट

- एक वर्ग विशेष को ध्यान में रखकर कैम्पेन तैयार किया जाए, क्योंकि मार्केटिंग कैम्पेन बहुत जटिल और महंगे होते है।
- एक वर्ग विशेष के उपभोक्ताओं को कैम्पेन से मूल्य वृद्धि की समझाइश।
- कैम्पेन का बेहतर प्रबंधन कर इससे मिलने वाले फीडबैक से सुधार करें।

बीमाकर्ता प्रोडक्ट विकास और ब्रेंड बिल्टअप के लिए निरंतर शोध कर रहे हैं। इसमें बाजार में अवसर मांग और बैद्यानिक कारक भी शामिल है। डिटेरिफिंग के दौर में बीमाकर्ताओं को प्रत्यक्ष विपणन का सामना करना भी पड़ेगा।

भारत में आने वाले समय में ई-इंश्योरेंस भी महत्वपूर्ण भूमिका अदा करेगा। इससे विभिन्न वर्ग के उपभोक्ताओं के लिए अनुकूल नीति निर्माण हो सकेगा।

उत्पाद नवाचार और सेवा प्रबंध

- उपभोक्ता की जरूरतों को पहले से अधिक निपटारा।
- समाधान के लिए तकनीकी रूप से प्रयासरत रहने की मनोदेशा का विकास।
- अब उत्पाद केवल अपने बूते बाजार में पैठ नहीं बना सकते। इसमें बैकअप सेवा भी महत्पवपूर्ण है।
- उपभोक्ता से बेहतर संबंध स्थापित करने के लिए नवाचार और विकास के लिए तत्परता जरूरी है। इससे आसपास का ही नहीं वरन समूचे बाजार का क्रांतिकारी विकास होता है।

इरडा जब हस्तलिखित और Bespoke Cover की अनुमति प्रदान करेगा तो निश्चय हो भारतीय बाजार में प्रोडक्ट विकास अपने चरम को प्राप्त करेगा।

लेखक आईसीआईसीआई लॉम्बार्ड जनरल इंश्योरेंस में चीफ अंडरराइटर ऑफीसर हैं।

युलिप "एक अलग दृष्टिकोण"

अरिन्दम दास का मत है कि स्विचिंग के जरिए एक कस्टमर अपने निवेश को किसी भी एक फंड से दूसरे फंड में ले जा सकता है

आज जब आम आदमी भी युनिट लिंक्ड इंश्योरेंस प्लान थोडा बहुत समझाने लगा है, इसके कुछ और पहलुओं को टटोलने की भी आवश्यकता है।

जैसी की आम अवधारणा है - युलिप का मतलब केवल जीवन बीमा एवं निवेश है, युलिप की कहानी यहीं समाप्त हो जाती है, लेकिन कहानी इसके आगे भी बहुत है।

युलिप मे बहुत सारी सुविधाएँ है, जिसकी जानकारी आम आदमी तक नहीं है, या फिर बहुत कम है। इन्ही में कुछ है।

पार्शिल विद्ड्रॉल - इस सुविधा के तहत कस्टमर, तीन साल तक प्रीमियम देने के बाद अगर चाहे तो अपने फंड से पैसे कि निकासी कर सकता है, जिस पर कोई ब्याज दर लागु नहीं होता है, ना ही पैसे दुबारा जमा करने कि जिम्मेदारी होती है। केवल 1 वर्ष कि प्रीमियम के बराबर पैसे फंड में छोडने होते है।

टाप अप - इस सुविधा के अन्तर्गत कस्टमर प्रिमियम के अलावा भी अतिरिक्त पूँजी (एक निश्चित) राशी निवेश कर सकता है, उस राशी पर भी 80C का कर छुट लाभ मिल सकता है।

स्विच - स्विचिंग के जरिए एक कस्टमर अपने निवेश को किसी भी एक फंड से दूसरे फंड में ले जा सकता है, गिरते हुए या अत्यन्त अस्थिर निवेश बाजार में ये सुविधा निश्चित तौर पर निवेश को सुरक्षित करता है।

सेटलमेन्ट आप्शान्स - मैजोरिटी के वक्त अगर कस्टमर चाहे तो अपने निवेश बने रह सकता है, इस दौरान जीवन बीमा उपलब्ध नहीं होती है। अगर बाजार भाव गिरा हुआ हो या तेजी से बढ़ रहा हो, तो अगले कम से कम 1 वर्ष से अधिकतम 5 वर्ष तक इस सुविधा का लाभ लिया जा सकता है।

सरेंडर - आमतौर केवल तीन वर्ष तक प्रिमियम देने के बाद पालिसी न चला पाने कि स्थिति में पालिसी सरेंडर कि जा सकती है।

इन सुविधाओं के अलावा ये भी जानलेना उचित है, कि अलग-अलग उम्र, जिम्मेदारियॉं, निवेश के खतरों एवं बारिकियों कि समय तथा अवधि के हिसाब से ही फंड का चयन करना चाहिये। हर बीमा कम्पनी के पास कई फंड है, जिनमें अलग-अलग निवेश बाजार का पोर्टफोलियो उपलब्ध होता है।

मुख्यतया तीन पुँजी निवेश बाजार ही बीमा कम्पनियों द्वारा निवेश किया जाता है।

- शेयर / इक्विटी बाजार - a) बी.एस.ई. b) एन.एस.ई
- डेब्ट या ऋुण बाजार - गवर्नमेन्ट सेक्युरिटी, बान्ड, बैंक सावधि जमा इत्यादी
- कैश / मनी मार्केट - ट्रेज़री बिल, कोल मनी इत्यादी

विभिन्न फंड का निर्माण इन्ही बाजार के विभिन्न उद्योगों के अलग-अलग कम्पनियों में एक निश्चित प्रतिशत के आधार पर कि जाती है। इस तरीके से निवेश को अलग-अलग कम्पनियों में वितरीत कर निवेश के खतरे को कर निवेश वृद्धि दर को अधिकतम किया जाता है।

शेयर बाजार वाले फंड में अल्पावधि निवेश में खतरा ज्यादा होता है, परन्तु दीर्घावधि निवेश 15 वर्ष या उससे अधिक समय के निवेश में वास्तविक रूप से कोई खतरा नहीं होता है। यहॉं यह याद रखना आवश्यक है, इस बाजार का निवेश सर्वाधिक वृद्धि दर देने कि क्षमता रखता है।

ऋुण बाजार अपेक्षाकृत काफी सुरक्षित बाजार है सालाना वृद्धि दर 6% - 12% तक हो सकती है, अल्पावधि निवेश इस बाजार के फंड सुरक्षित है।

कैश / मनी मार्केट निवेश अत्यन्त सुरक्षित निवेश है। परन्तु वृद्धि दर 3% - 5% होती है।

कुछ फंड शेयर बाजार तथा ऋुण बाजार का मिला जुला स्वरूप भी होते है, इन्हे बैलेन्स फंड कुछ जाता है, ये 8% - 15% तक निवेश वृद्धि कर सकते है अपेक्षाकृत निवेश खतरा भी कम होता है।

गारन्टीड एन.ए.वी के साथ भी फंड उपलब्ध है, जिस पर बाजार का खतरा बिल्कुल भी नहीं होता है।

एक युलिप में निवेश से पहले निम्नलिखित बातों का ध्यान रखना चाहिए।

- न्यूनतम एलोकेशन चार्ज
- न्यूनतम फंड मैनेजमेंट चार्ज
- सही फंड का चुनाव
- सुविधा लाभ चार्ज रहित / न्यूनतम चार्ज
- सरेन्डर चार्ज प्रथम वर्ष प्रिमियम आधारित न की पूर्ण फंड आधारित

अन्ततः यूलिप कि जीवन बीमा पक्ष को कभी भुलना नहीं चाहिए, समय के साथ जीवन के विभिन्न पड़ाव-यथा बच्चों कि पढ़ाई, बच्चों कि शादी या अपना रिटायरमेंट तथा अगर कोई गृह ऋुण अथवा वाहन ऋुण हो तो इन सभी जिम्मेदारियों को पूर्णता देने में युलिप काफी मददगार साबित हो सकते हैं, युलिप ग्राहक के जिम्मेदारियों को पूरा कर सकता हे, जरूरत है तो केवल अपने युलिप को समय देने की।

लेखक आई.डी.बी.आई फोर्टिस, पटना में कार्यरत हैं।

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आखिर ये नामांकन एवं समनुदेशन है क्या?

आर एन आई एस द्वारा उपलब्ध सामग्री में नामांकन अवधारणा को सामने लाया जा रहा है।

जीवन बीमा खरीदने का लाभ तभी सामने आता है जब पॉलिसी के अन्तर्गत दावा करने की स्थिति उत्पन्न होती है। और यदि दावा बीमित व्यक्ति की मृत्यु के कारण हो तो बीमे की वास्तविक परख इस बात में निहित है कि बीमा कम्पनी कितना शीघ्र एवं अड़चन रहित भुगतान करती है। बीमा कम्पनी की पीड़ा दायी मांगें पूरी करने की बात तो है ही, पर यदि वह दावेदार की पदवी का भी प्रमाण मांगे तो यह घावों पर नमक छिड़कने के समान लगता है। बीमा कम्पनी उस स्थिति में अपनी जगह विवश होती है जहां पॉलिसी बिना नामांकन अथवा समनुदेशन के रह गयी हो। बस, तो फिर दावा भुगतान में देरी निश्चित समझिये।

कल्पना किजिए कि बीमित व्यक्ति अपनी पॉलिसी में नामांकन (Nomination) अथवा समनुदेसन (Assignment) किये बिना ही मृत्यु को प्राप्त हो गया। अब उसके उत्तराधिकारियों को बीमा राशि पाने के लिए न्यायालय से उत्तराधिकरण आदेश प्राप्त करना है। इसके लिये समय नष्ट करने तथा थका देने वाली लम्बी प्रक्रिया से गुजरना होगा जिसमें वर्षों लग सकते है। उत्तराधिकरण आदेश के बिना बीमा कम्पनी भुगतान करेगी नहीं। मृतक अपने पीछे वसीयत भी छोड़ गया हो तो भी स्थिति कुछ अधिक सुगम नहीं होगी। यदि वसीयत बिना पंजीकृत है तो उस पर विवाद खड़ा हो सकता है, और यदि पंजीकृत है भी तो न्यायालय से वसीयत लागूकरण का आदेश लाना होगा। कैसी भी अवस्था में इस सब में कुछ वर्ष तो लग ही जायेंगे।

अतः जीवन बीमा पॉलिसी धारक एवं बीमित व्यक्ति का भला इसी में है कि वह इस बात का ध्यान रखे कि जिन प्रियजनों को आर्थिक सरक्षा देने हेतु बीमा कराया था उन्हे बीमा राशि प्राप्त करने के लिए उत्तराधिकार प्रमाण एकत्र करने में कठिनाइयों भरी प्रक्रिया से ना गुजरना पड़े।

और इसका समाधान यही है कि जीवनबीमा पॉलिसी के अन्तर्गत समुचित नामांकन अथवा समुनिदेशन समय रहते कर दिया जाया।

> अपने स्वयं के जीवन पर ली गई पॉलिसी परिपक्व होने से पूर्व अपनी मृत्यु होने की स्थिति में बीमा राशि प्राप्त करने के लिए किसी को भी नॉमित कर सकता है। ऐसे व्यक्ति को 'नॉमिती' कहते है।

बीमा अधिनियम 1938 के अन्तर्गत नामांकन एवं समनुदेशन का कमशः धारा 39 एवं धारा 38 में विस्तृत प्रावधान है। आइये, प्रत्येक एवं सब की भलाई के लिए इन प्रावधानो के चलते हम अपने लिए पूर्णरूपेण जानकारी प्राप्त करे ताकि समुचित नामांकन अथवा समनुदेशन के अभाव में दावेदार को स्वत्वधिकार-प्रमाण के लिए दावा निपटारे में अनावश्यक विलम्ब एवं कठिनाइयों का सामना ना करना पड़े।

नामांकन

नामांकन है क्या?

पॉलिसी परिपक्व होने से पहले बीमित व्यक्ति की मृत्यु हो जाने पर बीमा राशि किसको मिले ऐसे व्यक्ति का नाम बताने की प्रक्रिया को नामांकन कहते हैं।

नामांकन कौन कर सकता है?

अपने स्वयं के जीवन पर ली गई पॉलिसी का धारक पॉलिसी परिपक्व होने से पूर्व अपनी मृत्यु होने की स्थिति में बीमा राशि प्राप्त करने के लिए किसी को भी नॉमित कर सकता है। ऐसे व्यक्ति को 'नॉमिती' कहते है। तात्पर्य यह कि किसी अन्य व्यक्ति के जीवन पर ली गई पॉलिसी का धारक - जैसा कि समनुदेशिती अथवा अवयस्क के बीमा का प्रस्तावक - नामांकन नहीं कर सकता।

संयुक्त जीवनबीमा पॉलिसी के अन्तर्गत प्रायः नामांकन की आवश्यकता नही समझी जाती। फिर भी ऐसे मामलों में भी किसी दुर्घटना में दोनों बीमित व्यक्तियों की इकट्ठे मृत्यु हो जाने कि सम्भावना को ध्यान में रखते हुए नामांकन कर

देना सम्यक होगा। ऐसी पॉलिसी में बीमित व्यक्तियों को संयुक्त नामांकन करना होता है।

'नामिती' कौन हो सकता है?

किसी एक अथवा अनेक व्यक्तियों के पक्ष में नामांकन किया जा सकता है। एक से अधिक नामितीयों की स्थिति में किसी के भी हिस्से का निर्धारण नहीं किया जा सकता। बीमा राशि उन्हे अथवा उनमें से जीवित बचे लोगों को संयुक्त रूप में देय होती है।

क्या अवयस्क नामिती हो सकता है?

हां, किसी अवयस्क के पक्ष में भी नामांकन किया जा सकता है। परन्तु वैसी स्थिति में यह आवश्यक है कि नामांकन करने वाला पॉलिसी धारक एक 'नियुक्त व्यक्ति' की नियुक्ति भी करे। ऐसे 'नियुक्त व्यक्ति' की स्वीकृति भी होनी चाहिए। पॉलिसी धारक द्वारा नियुक्त व्यक्ति को कभी भी बदला जा सकता है। 'नामिती' के वयस्क होते ही 'नियुक्त व्यक्ति' के अधिकार स्वतः समाप्त हो जाते हैं।

मृत्यु दावा की स्थिति में अवयस्क 'नामिती' के चलते यति 'नियुक्त व्यक्ति' नहीं है तो बीमा राशि मृतक बीमित के कानूनी उत्तराधिकारियों को दी जाएगी।

नामांकन कब और कैसे किया जाए?

जीवन बीमा पॉलिसी लेने के लिए प्रस्ताव पत्र भरते समय नामांकन किया जा सकता है। यदि ऐसा हो, तो 'नामिती' का विवरण पॉलिसी के श्ड्यूल में ही उद्धृत रहता है।

पॉलिसी ले लेने के पश्चात भी नामांकन किया जा सकता है। ऐसी स्थिति में यह पृष्ठांकन (Endorsement) के माध्यम से किया जाता है। पॉलिसी धारक बीमित व्यक्ति कभी भी नामांकन निरस्त अथवा उस में परिवर्तन कर सकता है।

यदि नामांकन पॉलिसी जारी होने के पश्चात किया जाये अथवा पहले किये गये नामांकन में परिवर्तन अभीष्ट हो तो बीमित व्यक्ति अथवा उसके किसी अधिकृत प्रतिनिधि के द्वरा इस सम्बन्ध में सूचना देना आवश्यक है। वास्तव में नामांकन बीमा कम्पनी द्वारा पंजीकृत कर लेने के पश्चात ही प्रभावी होता है। बीमा अधिनियम 1938 की धारा 39(3) के अनुसार बीमा कम्पनी नामांकन के अथवा उसमें परिवर्तन के पंजीकृत कर लेने की लिखित सूचना देने के लिए बाध्य है। बीमा कम्पनी इसके लिए कोई शुल्क भी ले सकती है।

> वास्तव में नामांकन बीमा कम्पनी द्वारा पंजीकृत कर लेने के पश्चाात ही प्रभावी होता है।

क्या नामांकन करना आवश्यक है?

यद्यपि यह कोई वैधनिक बन्धन नहीं है, परन्तु पॉलिसी की परिपक्वता से पूर्व बीमित व्यक्ति की मृत्यु हो जाने की स्थिति में शीघ्र एवं निष्कंटक दावा भूगताना पाने के लिए नामांकन कर लेना हितकर होता है।

नामांकन कर देने पर क्या पॉलिसी धारक का स्वामित्व एवं उसके अधिकार भी नामिती को हस्तांतरित हो जाते हैं?

नहीं! ऐसा कुछ नहीं होता। नामांकन कर देने से पॉलिसी धारक पॉलिसी में निहित अपने अधिकारों से वंचित नहीं हो जाता।

क्या दावा भूगतान के बाद नामिती बीमा राशि का स्वामी बन जाता है?

नहीं! उच्चतम न्यायालय ने "शरबती देवी बनाम जीवन बीमा निगम" मामले में दी गई अपनी रूलिंग से ये स्थापित कर दिया है कि नामिती (बीमा राशि का) स्वामी नहीं बन जाता वल्कि वह कानूनी उत्ताधिकरियों को भूकतान करने के लिए उत्तरदायी है। उसकी (नामिती की) पदवी तो बीमा कम्पनी को केवल बीमा राशि प्राप्त करने के लिए रसीद देना मात्र है।

यदि बीमित व्यक्ति बीमा पॉलिसीयों से सम्बन्ध वसीयत कर जाये तो क्या होगा?

ऐसी परिस्थिति में वसीयत नामांकन को विस्थापित कर देती है। अर्थात नामांकन स्वतः निरस्त हो जायेगा।

यदि नामिती बीमित व्यक्ति की मृत्यु के बाद दावा भूगतान से पहले मृत्यु को प्राप्त हो जाये तो बीमा राशि किस को मिलेगी?

बीमा राशि बीमित व्यक्ति के कानूनी उत्तराधिकारियों को मिलेगी।

यदि नामांकन के पश्चात पॉलिसी किसी अन्य को समनुदेशित कर दी जाये तो क्या नामांकन पर कोई प्रभाव पड़ेगा?

निस्संदेह पड़ेगा! बीमा अधिनियम की धारा 39(4) के अनुसार बीमा पॉलिसी का प्रार्वतन अथवा समनुदेशन, पूर्व किये गये नामांकन को स्वतः निरस्त कर देगा।

तथापि उपरोक्त स्वतः निरस्तिकरण में एक अपवाद भी है। वह ये कि पॉलिसी पर बीमा कम्पनी से लिये गये ऋण के कारण उसके पक्ष में किया गया समनुदेशन पूर्व किये नामोकन को निरस्त नहीं करता।

क्या समनुदेशन के फलस्वरूप निरस्त हुआ नामांन पलट समनुदेशन कि स्थिति में स्वतः पुनर्प्रभावी हो जायेगा?

नही! पूर्व नामांकन स्वतः ही पूनर्जीवी नहीं होगा। पॉलिसी में पलट समनुदेशन होने के बाद फिर से नामोकन करना होगा।

(शेष भाग अगले अंक में)

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The 11th Global Conference of Actuaries (GCA) was held jointly by the Institute of Actuaries of India (IAI) and International Actuarial Association (IAA) on 12th and 13th February, 2009 at Mumbai. The focus of the conference was "Global Frontiers in Risk Management".

Mr. J. Hari Narayan, Chairman, IRDA speaking during the inaugural session.

Seen in the photograph at one of the parallel sessions are (L to R): Mr. J.S. Salunkhe, ex-Chairman, LIC of India; Mr. Kouichi Kojima, President, Life Insurance Association of Japan (LIAJ); and Mr. DNKLNK Chakravarthi, Asst. Director (Actuary), IRDA.

Mr. Prabhat Kumar Maiti, Deputy Director (Actuary), IRDA presenting a paper at the conference.

The Associated Chambers of Commerce and Industry of India (ASSOCHAM) organized a one-day conference on Pension and Retirement Planning on 19th February, 2009 at New Delhi.

Dr. R. Kannan, Member (Actuary), IRDA delivering a speech at the conference.

IRDA conducted a day-long workshop on Consumer Grievance Management in Indian Insurance Industry on 27th February, 2009 at Hyderabad.

Mr. K. Rangabhashyam, Insurance Ombudsman, Kolkata lighting the lamp to mark the inauguration of the conference. Also seen in the picture are (from L to R): Mr. Rakesh Kacker, Additional Secretary, Ministry of Consumer Affairs, Food & Public Distribution; Mr. J. Hari Narayan, Chairman, IRDA; and Mr. G. Prabhakara, Member (Life), IRDA.

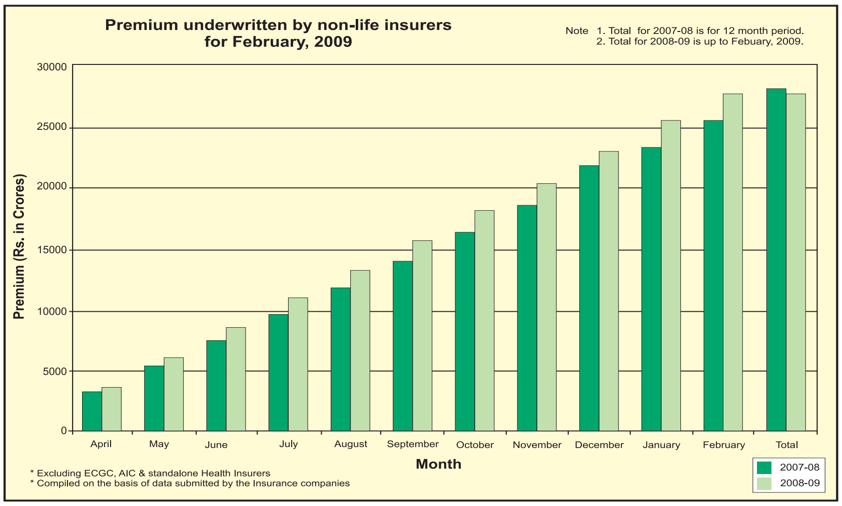
Report Card: General

GROSS PREMIUM UNDERWRITTEN FOR AND UP TO THE MONTH OF FEBRUARY, 2009

(Rs.in Crores)

INSURER	JANUARY		APRIL - FEBRUARY		GROWTH OVER THE CORRESPONDING PERIOD OF PREVIOUS YEAR
	2008-09	2007-08	2008-09	2007-08 *	
Royal Sundaram	65.07	61.54	728.10	627.74	15.99
Tata-AIG	63.47	67.99	813.19	740.27	9.85
Reliance General	140.74	136.10	1776.64	1809.74	-1.83
IFFCO-Tokio	96.18	100.82	1257.71	1028.29	22.31
ICICI-lombard	215.89	239.78	3255.56	3142.89	3.59
Bajaj Allianz	193.08	225.06	2407.50	2150.52	11.95
HDFC ERGO General	30.46	15.87	298.43	201.85	47.85
Cholamandalam	56.00	43.86	643.97	479.38	34.33
Future Generali $	20.31	2.93	170.45	8.37	1937.09
Universal Sompo #	7.29	0.00	19.35	0.00	
Shriram General @	25.44	0.00	107.38	0.00	
Bharti AXA General @	6.44	0.00	20.74	0.00	
New India	415.95	403.46	4982.24	4759.37	4.68
National	308.95	344.93	3867.90	3640.99	6.23
United India	317.01	287.89	3808.08	3368.97	13.03
Oriental	302.73	283.16	3564.55	3506.74	1.65
PRIVATE TOTAL	**920.37**	**893.96**	**11499.02**	**10189.04**	12.86
PUBLIC TOTAL	**1344.64**	**1319.44**	**16222.77**	**15276.07**	6.20
GRAND TOTAL	**2265.02**	**2213.39**	**27721.79**	**25465.10**	8.86
SPECIALISED INSTITUTIONS:					
1.Credit Insurance					
ECGC	65.99	59.46	665.53	590.41	12.72
2.Health Insurance					
Star Health & Allied Insurance	10.11	4.99	494.49	162.77	203.79
Apollo DKV	4.72	0.33	42.73	0.94	4451.79
Health Total	**14.83**	**5.32**	**537.22**	**163.71**	**228.15**
3.Agriculture Insurance					
AIC	80.41	66.67	733.53	766.83	-4.34

Note: *$ Commenced operations in November, 2007.*
 # Commenced operations in February, 2008.
@ Commenced operations in July, 2008.
** Figures revised by insurance companies*



14 - 15 Apr 2009 Venue: Dubai	**World Takaful Conference** By *Dubai International Financial Centre*
15 Apr 2009 Venue: Macau	**APLIC** By *Asia Pacific Financial Services Association*
19 - 23 Apr 2009 Venue: Orlando, USA	**RIMS Conference** By *Risk & Insurance Management Society*
20 - 25 Apr 2009 Venue: NIA, Pune	**Techno Marketing in General Insurance** By *National Insurance Academy*
23 - 25 Apr 2009 Venue: NIA, Pune	**Actuarial Practices in Life Insurance** By *National Insurance Academy*
28 - 30 Apr 2009 Venue: Tunis, Tunisia	**3rd MENA CEO Insurance Summit** By *Asia Insurance Review, Singapore*
04 - 09 May 2009 Venue: NIA, Pune	**Effective Underwriting in General Insurance** By *National Insurance Academy*
14 - 15 May 2009 Venue: Singapore	**10th Asian Conference on Bancassurance & Alternative Distribution Channels** By *Asia Insurance Review, Singapore*
18 - 20 May 2009 Venue: NIA, Pune	**Management of Change** By *National Insurance Academy*
25 - 27 May 2009 Venue: Hong Kong	**3rd Asian Insurance CFO Summit** By *Asia Insurance Review, Singapore*

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view point

The hyper-efficiency of information flows has in itself introduced new uncertainties as sentiment shifts rapidly and abrupt loss of confidence becomes self-reinforcing.

Mr Heng Swee Keat
Managing Director, Monetary Authority of Singapore

The International Association of Insurance Supervisors (IAIS) is taking an active role to closely monitor financial crisis developments and its particular impact on the global insurance sector.

Mr Peter Braumuller
Chair of the IAIS Executive Committee

These are difficult times, but I see this as an opportunity for all insurance companies to take stock, build on respective efficiencies, devise new marketing strategies, do some housekeeping and become lean and fit.

Mr J Hari Narayan
Chairman, Insurance Regulatory and Development Authority (India)

Today we are in the midst of a synchronized global recession. And we are also in the midst of the worst financial market crisis since the 1930s.

Mr Jim Flaherty
Minister of Finance, Government of Canada

We have a long history of consumer protection, conservative solvency oversight and market stability. Any system of financial stability regulation can, and must, build on this proven regime.

Ms Therese M (Terri) Vaughan
NAIC Chief Executive Officer

The heady days over much of this decade which saw an unprecedented build-up in risk appetites and borrowings by low interest rates; and an explosion in complex and opaque financial instruments, are gone.

Mr John F Laker
Chairman, Australian Prudential Regulation Authority (APRA)