Salasar Services Insurance Brokers Pvt. Ltd.

salasarservices.com

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MyInsurancebazaar News

MyInsurancebazaar.com is an extended arm of Salasar Services (Insurance Brokers) Pvt. Ltd. which offers customers with the industry best online insurance comparatives and effective financial tools to help them understand and make the correct insurance buying decisions.

Current available Insurance options -

- Car Insurance
- Two Wheeler Insurance
- Health Insurance
- Life Insurance

Other Insurance categories in the process of integration -

- Commercial
- Top up (Health)

- Our priority is customer, and we aim to make complex insurance decisions accurate, simple and easy
- We assure the best covers at the least premium

We understand the complexity behind any financial decision a person takes, especially when it comes to insurance. Our technologically developed financial tools understand you only by the information shared by you. The information provided by you helps the platform to develop the correct financial profile for you and understand your requirement. Based on the understanding it displays the best options available with the help of its insurance partners.

LIFE INSURERS GET DEMONETISATION BONUS

Of the Rs12.44 trillion that has come into the formal system, some has found its way into financial assets such as life insurance policies

While the impact of the government's move to demonetise high denomination currency notes is still being evaluated, the insurance sector seems to have benefitted in the immediate aftermath.

According to the monthly business figures for life insurance companies released by the Insurance Regulatory and Development Authority of India (Irdai), individual single-premiums collected in November—for all the life insurers—was Rs6,692 crore; 507% more than the Rs1,103 crore collected in November 2015. Even on a onth-on-month basis, the segment grew 170% from Rs2,481 crore in October

The total first-year premium (regular plus single premium) has grown 113% year-on-year (y-o-y) and 45%, compared to October 2016.

"The industry on an average was growing at 28% month-on-month. But in the month of November, it grew over 40%, which is quite a pleasant surprise," said Anoop Pabby, managing director and chief executive officer at DHFL Pramerica Life Insurance Co. Ltd.

UNEXPECTED KITTY

According to industry experts, demonetisation has had a significant role to play in this, since about Rs12.44 trillion has come into the formal system, some of which is bound to make its way into financial assets.

"As a lot of money has come into the formal channel, the financial industry will see a lot of inflows. Not just insurance but even mutual funds would see a huge growth. This trend is here to stay... till the money stays in the banking system," said Vighnesh Shahane, chief executive officer and whole-time director, IDBI Federal Life Insurance Co. Ltd.

The added liquidity has given banks an opportunity to sell third-party products. "In November alone banks have sold twice of what they usually sell in a month of third party products," said Pankaj Razdan, managing director and chief executive officer, Birla Sun Life Insurance Co. Ltd.

BIG INCREASE IN INSURANCE PREMIUMS

Demonetization has led to more money into financial products, including insurance

	Premium collected (Rs crore)			MoM growth over October (%)	
	Nov 2015	Nov 2016	Growth Year-on-year (%)	Nov 2015	Nov 2016
Private sector	2,370.54	3,533.33	49.05	-14.24	-0.05
Individual single-premium	204.27	253.63	24.16	0.11	19.81
Individual non-single premium	1,554.44	2,205.50	41.88	-0.72	24.28
LIC	5,182.50	12,528.07	141.74	-34.79	65.46
Individual single-premium	898.78	6,438.22	616.33	8.39	183.65
Individual non-single premium	1,364.71	1,361.82	-0.21	-4.35	-9.86
Grand total	7,553.05	16,061.40	112.65	-29.49	44.61
Individual single-premium	1,103.05	6,691.85	506.67	6.75	169.68
Individual non-single premium	2,919.16	3,567.32	22.20	-2.45	8.58

'otal premium also includes premium from group policies

Source: Irdai

myinsurancebazaar.com

5 steps to Get the Best at the Least:

1. Open www.myinsurancebazaar.com
2. Enter your requirement(s)
3. System generates best options against the input
4. View comparatives – Choose the best Plan
5. Pay online

Few quick benefit pointers:

A. Other than the cash backs that you are getting from e-wallets and payment gateways, for paying your insurance premium online, the finance ministry has mandated an extra discount of 8% & 10% on insurance premium paid through debit / credit cards. So get yourself insured and start enjoying savings this New Year.

B. A recent initiative by IRDA for a hassle free repository of insurance document in physical formats is to get an e-insurance account and map the existing / new insurance policies to it. No loss of papers – No wear and tear!

C. If you are using health bands like FitBit, GQ etc on a daily basis and follow you regular healthy routine, very soon Health Insurance companies would be treating your daily health tracks as valuable pointers while procuring insurance. Your daily health logs will give the insurance experts better understanding of your health status / requirement, which in turn will give you the best products at really comparative rates.

FALLING INTEREST RATES

One of the main reasons behind the sharp y-o-y increase in November has been growth of single-premium business for the Life Insurance Corporation of India (LIC). In November, LIC collected Rs6,438 crore as premium for individual single-premium plans, compared to Rs899 crore in November last year—clocking a growth of over seven times.

According to an emailed response from the insurance company, the growth was due to the sale of various plans including the Jeevan Akshay-VI immediate annuity product.

Annuity is a pension product that guarantees income for life. According to LIC, it was not demonetisation that had a role to play in the performance but vigorous sales pitches and sustained marketing activities. “The sale was also driven by the fact that there was downward revision in the annuity rates of Jeevan Akshay-VI plan with effect from 1 December,” LIC said in its response.

LIC’s Jeevan Akshay is immediate annuity plan where the policyholder pays a single premium and the annuity payment starts soon after. Annuities are paid through the lifetime assuring retirement income.

Experts believe that falling interest rates have been a factor as well.

“There is growth primarily because a fall in interest rates increases the attractiveness of fixed guaranteed returns (non-participating plans) products, so life insurance agents encourage their customers to buy these guaranteed products before they are discontinued and re-filed by the insurers with lower guarantees. Demonetisation would have had a minimal impact on the life insurance sales growth,” said Pabby.

OLD PRODUCTS, NEW SHAPE

A recent research note by Milliman, an actuarial services company, said that with the downward trajectory of interest rates in India, the life insurance industry in India could witness a re-pricing of existing products and could also lower the bonuses on traditional insurance plans.

Insurance companies have already begun the refiling process. Birla Sun Life Insurance Co. Ltd, for instance, plans to discontinue its non-participating plan called income assured after December, and will then re-launch it.

“We were expecting the rate to be around 6% in 2017-18 but that looks like will happen much earlier. In the case of our income assured plan, we are able to offer guarantees till December. Post-December, we will have to reset our returns and possibly offer a new product with a slightly lower rate,” said Razdan.

While demonetisation and falling interest rates may have been the reasons behind the bumper performance, some say that post-Diwali sales should be factored in as well.

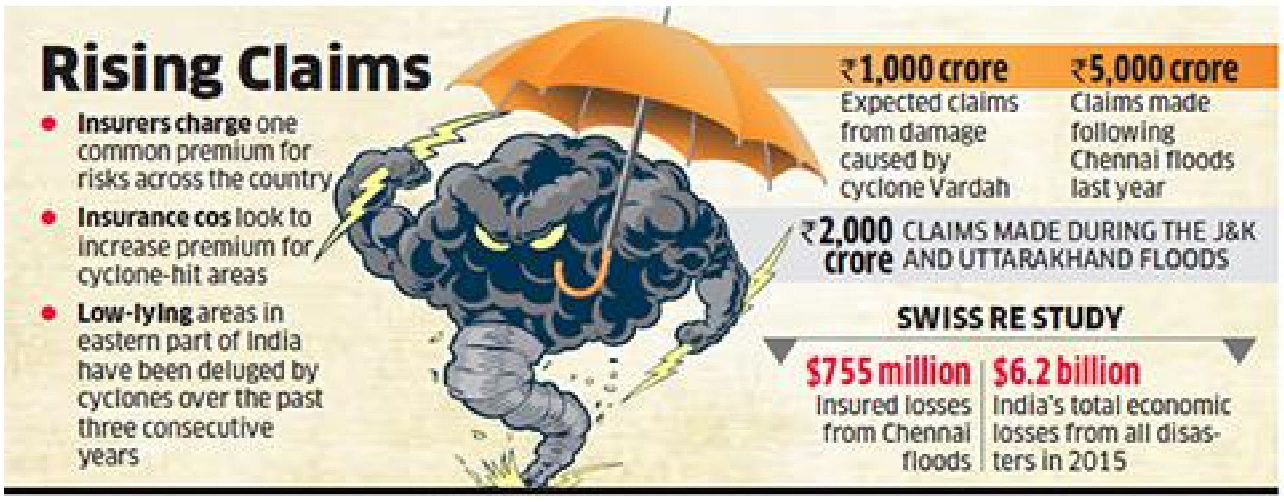
“Usually, the month of Diwali is slightly dull for the industry and a lot of that is made up for in the next month. Considering the festival was in October some spike in performance can definitely be attributed to post-Diwali sales,” said P. Nandagopal, founder and chief executive officer, OpenWorld Insurance Broking Ltd.

INSURANCE PREMIUMS MAY GO NORTH FOR EAST INDIANS

Insurers may have to bring in differential pricing on insurance premiums in India as there have been an increase in claims, especially from low-lying areas in the eastern part of India which have been deluged by cyclones over the past three consecutive years.

At present, insurers charge one common premium for risks across the country. However, with three years of consecutive claims from cyclones in Andhra Pradesh, Orissa and Tamil Naidu, insurance companies are looking at increasing premium for properties located in low-lying areas, especially on the east coast.

"Claims in the past two consecutive years from one place is unprecedented," said G Srinivasan, chairman and managing director, New India Assurance.



"We may look at charging higher premium from factories located in the East and those in low-lying areas as the severity of claims is high."

"We will have to do the modelling of risk based on regions and accumulation of risks to charge differentiated premium," said Sanjay Datta head of underwriting, ICICI Lombard. "We have not done that yet."

Insurers expect around Rs 1,000 crore claims from damage caused by Cyclone Vardah. However, this is much lower than last year's Chennai flood claims of Rs 5,000 crore. This infact exceeded earlier claims made during the Jammu & Kashmir and Uttrakhand floods, when the industry took a Rs 2,000 crore hit.

Insured losses from Chennai floods at around $755 million, was the second costliest insurance event in India on sigma records, according to the latest sigma study by Swiss Re. India's total economic losses from all disasters, including natural and man-made events exceeded $6.2 billion in 2015, according to the study.

Total insured losses were $1 billion, up from $971 million the year before.

The severe flash floods in Chennai in November were the largest disaster, causing estimated economic losses of $2.2 billion. Insurance companies were working on setting up a natural catastrophe pool to pay for damages due to cyclones, floods or earthquake ..

In India, uninsured losses from all catastrophes and man-made disasters were 84% of the total losses in 2015. Most of the claims after floods are from motor and fire policies. These claims highlight the vulnerability of growing urban areas to floods caused by heavy rains.

INSURERS ASK MINISTRY FOR MOTOR THIRD PARTY CLAIM FILING

Since losses in motor insurance have continued to rise, non-life insurers sought relief from ministry The general insurance industry is seeking a time-limit of one year for filing claims under motor third party policies from the ministry of road transport and highways. Currently, there is no time limit or filing claims under such policies.

Since losses in the motor insurance have continued to be on the rise, non-life insurers have sought relief from the ministry.

Bhargav Dasgupta, MD & CEO, ICICI Lombard General Insurance said as an industry they have sought that there should a time limit for filing motor third party claims.

He said that the third party liability challenge in India is that there is no time limit for submission of claims. "If you see the industry data, the number of claims that get intimated to court after 3-5 years is huge," he said.

According to current norms of the Motor Vehicles Act, there is no limit neither on the liability of insurers in motor third-party accidents nor is there any time-limit to file them. Due to this, a victim can claim any amount in these cases after any number of years and if the insurer refuses to pay, they can approach the court.

Insurance sector estimates suggest that on an average, there is a 15-20 per cent increase in the quantum of compensation awarded by courts every year.

In the revised version of the road transport and safety bill there is a proposal that there will be a fixed compensation liability for third party accident victims will be limited. However, this bill does not mention any time limits.

Insurers had also sought motor third party policies could have a fixed liability and those in need of higher value covers could be offered.

Under the revised draft, the penalty for driving a vehicle without a valid insurance policy has become more stringent with penalties ranging from Rs 10,000-25,000 for different categories of vehicles. It also includes imprisonment for 6 months and impounding of vehicle for six months as a deterrent against driving without valid third party insurance which is mandatory for all motor vehicles.

Further, it has clarified that the death of or bodily injury to any person or damage to any property of a third party shall be deemed to have been caused by or to have arisen out of, the use of a vehicle in a public place. This is notwithstanding that the person who is dead or injured or the property which is damaged was not in a public place at the time of the crash, if the act or omission which led to the crash occurred in a public place.

Currently, combined ratios in the motor insurance segment stand at 140-150 per cent, owing to losses in the third party motor segment and high claims from commercial vehicles.

HEALTH INSURANCE COLLECTIONS JUMP OVER A FIFTH IN A YEAR

In 2015-16, health insurance companies collected Rs 24,448 crore in premium according to figures compiled by IRDAI — 21.7 per cent higher than the year before.

From specialised packages to lifelong cashless cover, more and more Indians are buying health insurance products.

In 2015-16, health insurance companies collected Rs 24,448 crore in premium according to figures compiled by the Insurance Regulatory and Development Authority of India (IRDAI) — 21.7 per cent higher than the year before. This is the highest year-on-year growth in premium in the last five years, and the first time that the growth rate has gone upward during this period (see graph).

Low penetration of health insurance has always been a concern in India given that the government sectors struggles with a huge patient load and the private sector is largely unregulated and often exorbitantly priced. In 2015-16, the number of Indians covered by health insurance was 35.90 crore (out of an estimated population of 125 crore) according to IRDAI statistics, up 24 per cent from the previous year's 28.80 crore.

These figures include the number of people covered under the Rashtriya Swasthya Bima Yojana (RSBY) — a scheme originally targeted at migrant workers and managed by the labour ministry and recently transferred to the health ministry in preparation for the National Health Protection Scheme (NHPS) announced in the 2016-17 budget.

RSBY is currently running in 398 districts in 19 states with 4.13 crore enrolled families, with the premium paid by the state varying between Rs 745 per family in Mizoram and Rs 191 in Karnataka. NHPS, which found mention in the PM's Independence Day speech this year, will provide a cover of Rs 1 lakh to every target family.

"Health insurance continues to be the fastest growing segment… The industry grew by 21 per cent in FY 2015-16 and by 2020, it is expected to exceed Rs 50,000 crore with standalone health insurance companies growing faster than market. With thrust on innovation, wellness and customer centricity, the new health regulations offer numerous opportunities and will propel the industry forward…," said Ashish Mehrotra, MD and CEO Max Bupa Health Insurance.

Statistics of Apollo Munich show there has been an increase in the number of people opting for sum-insured policies in the range of Rs 5 lakh and above this past year, said CEO Anthony Jacob. "We have been clocking a steady growth path for the past five years and believe that we are in the business of paying claims. Hence our insurance payouts have also grown at a CAGR [compound annual growth rate] of 12 per cent in the last five years. Also, we have seen a steady 55:45 payout ratio of reimbursement of claims versus cashless claims at Apollo Munich. We expect this trend to change in the coming year, as a result of demonetisation and re-monetisation efforts of the government," he added.

CUSTOM DUTYPACKAGE INSURANCE

OPERATIVE CLAUSE

The Company hereby agrees subject to the terms, conditions and exclusions of this Policy to indemnify by payment of Lossto the Beneficiaryarising out Warehoused Goods being lost, destroyed or damaged by any Insured Peril specifiedherein, occurring at any time during the period of this insurance stated in the Schedule hereto, provided that the liability of the Company shall in not exceed the Duty thereon and in no case beyond the total Sum Insured stated in the Schedule.

DEFINITIONS

1. "Proposal" means any signed proposal by filling up the questionnaires and declarations, written statements and any information in addition thereto supplied to the Company by Insured or on Insured's behalf.
2. "Policy"includes the terms and conditions contained herein together with the Proposal, Schedule, and any applicable endorsements thereon.
3. "Period of Insurance" means the period between the commencement date and the expiry date shown in the Schedule
4. "Duty" means a duty of customs leviable under Customs Act 1962 and subsequent amendments from time to time and which has not been paid;
5. "Dutiable Goods" means any goods imported into India which are chargeable to Duty and on which duty has not been paid:
6. "Warehouse" for the purpose of this insurance means the Insured's public/private/special warehouse at the location specified in the Schedule licensed under the relevant provisions of Customs Act 1962;
7. "Warehoused goods" means Dutiable Goods permitted to be deposited in Warehouse under bond, until clearance for home consumption or for export as per the Customs Act, 1962 and includes such goods undergoing actual transit from the Customs Station of import to the Warehouse and the transit back to the port for export;
8. "Loss"under the policy means the loss of Duty only,in respect of Warehoused Goods due to the operation InsuredPerils.
9. "Insured"under the policy shall mean the owner of the Warehouse licensed by the Commissioner of Customs.
10. "Beneficiary" under the Policy shall be the Commissioner of Customs on behalf of President of India for the loss of Customs duty by operation of Insured perils. The Commissioner of Customs shall be the sole beneficiary under the policy and all claim monies payable to the President of India as insured will be paid on his behalf to the Commissioner of Customs.
11. "Employee" means any person with whom the Insured has entered into a contract of service.
12. "Excess" means that portion of the Loss over and above which alone the Company will be liable to indemnify in respect of a claim.

INSURED PERILS:

1. Fire, Lightning, Riot & Strike, Malicious Damage, Aircraft Damage, Impact Damage, Explosion Damage, Implosion Damage, Missile Testing Operations, Bursting and /or overflowing of Water Tanks, Apparatus and Pipes, Leakage from Automatic Sprinkler Installations, Bush Fire, Natural Calamities Earthquake Fire & Shock, Subsidence & Land Slide including Rock slide, Storm, Cyclone, Typhoon, Tempest, Tsunami, Hurricane, Tornado, Flood and Inundation) whilst in Insured's Licensed Warehouse
2. Burglary, House Breaking, Theft,Robbery,hold-up, Attempted Theft causing damage to Warehoused Goods, Skillful Pilferage,whist stored in the premisesas per the sub-limit specified in the schedule.
3. Marine All Risk as per Inland transit clause including SRCC-during actual transit of Warehoused Goods to and fromthe Warehouse
4. Acts of dishonesty/ infidelity / Crime committed by employees,agents ,representatives,assigns of Insuredwhist stored in the premises as per the sub-limit specified in the schedule.
5. Terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes as per the limit specified in the schedule.

INSURED PERILS:

This policy does not cover Loss:

i. attributable to willful misconduct of the Insured or the Importer, ordinary leakage, breakage ordinary loss in weight or volume, or ordinary wear and tear of the subject-matter insured.

ii. caused by inherent vice or nature of the subject-matter insured
iii. arising from the use of any weapon of war employing atomic or nuclear fission and/ or fusion or other like reaction or radioactive force or matter.
iv. Caused by Insects, vermin, rodents, bacteria, moulds, inherent vice, rust, dampness of atmosphere, extremes of temperature or fumigation, latent defect, weevils or other infestations or fumigation.
v. arising from insolvency or financial default of the warehouse-owners/importers.
vi. caused by its own fermentation, natural heating or spontaneous combustion.
vii. Caused by any processing operation including but not limited to cooling, thawing, packaging, repackaging, mixing, ripening or freezing, or any actual work upon the property as described above unless loss by fire or explosion ensues, and then only for such ensuing loss
viii. Caused by Corrosion, rust extremes or changes in temperature, dampness, dryness, wet or dry rot fungus shrinkage evaporation loss of weight pollution contamination change in colourflavour texture or finish action of light vermin insects marring or scratching.
ix. Caused by coastal or river erosion
x. Caused by ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel. Solely for the purpose of this Exclusion Combustion shall include any self-sustaining process of nuclear fission.
xi. Of Any goods where duty has not been paid and remains in the bonded warehouse for a period beyond 365 days unless extension has been permitted by Commissioner of Customs by order in writing; .
xii. Arising out of any material change/deviation from the facts stated in the application for obtaining licence.
xiii. occurringafterthe date of expiry or cancellation of license issued to the Insured for the Warehouse by the Commissioner of Customs;
xiv. Any fines and penalties levied by any authorities for which Insured is liable under the statute.
xv. For Consequential loss and/or legal liability of any kind.
xvi. For any Duty which is liable for abatement or remission as per the Customs Act 1962 , which extinguishes the custom duties; .
xvii. The amount of the excess as specified in the schedule after the application of all other terms and conditions of the policy.
xviii. Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalism or requisition or destruction of or damage to property by or under the order of any government or public or local authority.
xix. Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.This Insurance also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism. If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
xx. This policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused .Nevertheless, if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this policy) be covered.Excluding however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

NON-PROPORTIONAL REINSURANCE

Non-Proportional reinsurance is also known as Excess of loss reinsurance.

XL is the abbreviated form for 'excess of loss' and Xs is the abbreviated form for 'excess'.

Under Excess of loss contacts, the reinsurer agrees to indemnify the reinsured for losses that exceed a specified monetary amount identified by the reinsured. Such an identified amount is the deductible also known as 'excess' or 'priority' or 'underlying'.

The reinsured bear all loss amounts up to the deductible and the reinsurer pays the balance of any loss that exceeds the deductible up to an agreed limit. An excess of loss reinsurance arrangement with deductible of Rs.25,00,000 and agreed limit of Rs 1,00,00,000 will be expressed as:

Rs. 1,00,00,000 Xs Rs. 25,00,000.

The excess of loss contract is not concerned with any proportionate shares of the original sum insured, premium and claims on any one risk, but is concerned with the amount of loss being reinsured.

Status of Ceding Insurer

The status of the ceding insurer is that of a reinsured. He does not cede risk and proportional premium. He seeks protection to mitigate a loss beyond his chosen limit of loss retention.

Thus, excess of loss reinsurance contacts are formed on a basis much different than proportional reinsurance.

Balance of Loss

Balance of loss over and above the total of retention and agreed XL reinsurance cover limit reverts to the reinsured.

Difference types of excess of loss reinsurance and their purposes as well as functions can be considered as under:

1. **Working (Risk) Excess of Loss (XL)**

   This reinsurance is intended to limit losses that arise on the reinsured' day-to-day operations. It caters to the reinsured's need for protection against numbered losses that arise out of a single accident or event.

   For Example:

   a. This reinsurance is intended to limit losses that arise on the reinsured' day-to-day operations. It caters to the reinsured's need for protection against numbered losses that arise out of a single accident or event.

   b. A pharmaceuticals manufacturer's products may poison many people, Similarly, the working XL reinsurance can be effective for reinsurance of legal liabilities to third parties, as the quantum of a loss for a liability claim is established only after an award has been made by a court of law.

2. **Risk Excess of loss:**

   Adverse underwriting result of proportional treaties and resultant shrinkage of proportional reinsurance capacities, may force the reinsured to increase per risk retention levels, beyond what their financial strength may justify. Under such situations, the "Per Risk" Excess of Loss provides protection for the increased retention levels. This form of reinsurance is mainly used in protecting properly risk loss exposures.

3. **Surplus Facultative&Facultative Excess of Loss reinsurance**

   A Surplus facultative reinsurance may be affected on an individual risk where a 'one off ' types of large loss may be expected to occur or Facultative XL reinsurance may be arranged on a number of such risks. Both these types of reinsurances are for agreed deductibles and selected limits of cover.

4. **Catastrophe Excess of loss (Cat XL) reinsurance**

   This reinsurance protects a reinsured against an accumulation or aggregation of losses arising from an identified event such as Earthquake, Flood, Cyclone, Riots, Etc. Which may affect a large number of risk. Such accumulations or aggregation may far exceed the reinsured retention on an "any one risk"basis.

   Modeling techniques are provided by leading risk consultants and brokers, with data of policies issued being electronically processed, it assists to build up a scenario of aggregations by areas exposed to catastrophe down to pin code and city market or any other desired levels.

5. **Stop Loss or Excess of Loss Ratio Reinsurance**

   This form of reinsurance limits the aggregate amount of loss the reinsured would lose on a given class of business in an annual period. It response if an accumulation of losses exceeds the deductible selected.

   The cover is normally expressed in percentage terms. In the event of the reinsured's net loss on a given year rises above a certain percentage, this reinsurance pays in excess of that figure up to a higher agreed percentage beyond which the reinsured retains the loss.

   In short, this is a method that mitigates the impact of an unbearable net loss ratio. Application of stop loss method: This method applies to the loss ratio of the reinsured for any one class of business. This does not apply on the basis of per risk (working) or catastrophe.

   The Trigger: The trigger can be a pre-agreed percentage of net written premiums.

6. Aggregate Excess of loss Reinsurance

Aggregate excess of loss cover is on the similar lines as Excess of loss Ratio reinsurance for a defined class of business but the cover parameters (i.e. the limit and deductible) are expressed in amounts rather than percentage. In Aggregate Excess of loss, the amount applies as a trigger for cover instead of loss percentage / loss ratio. This can be written excess of a Rupee amount in Rupees

7. Whole Account Excess of Loss Cover

There are variants to stop loss and Aggregate and Aggregate Excess of Loss covers. A reinsured may wish to protect his whole book of business. A single composite cover could be installed protecting at one go the whole business of the reinsured incorporating all classes of business.

Such an arrangement is known as whole Account Excess of loss cover. This method is common is miscellaneous class of business wherein limits and priorities are set for each different sub-class.

8. Umbrella Excess of Loss Cover

Another variant is the Umbrella Excess of loss cover. This is installed to assist to cover any gap in the various reinsurance arrangements made by a reinsured.

In addition, it offers additional limits for protection when in a catastrophe all reinsurance arrangements are exhausted in their limits and there is a huge financial accumulation of net retained losses from various classes of business.

CONTROL OF DAMAGE TO CONTAINERISED CARGO

According to the International Union of Marine Insurers, analyses of major insurance claims in respect of containerized cargoes reveal the following types of damage:

- Breakage, dents and abrasions
- Contamination, stains and leakage
- Fresh water damage
- Sea water damage
- Sweat
- Theft and skillful pilferage

In general failure to take proper precautions to ensure protection to cargo causes such damages. Selections of structurally unsound container, poor stowage inside the container and environmental changes at different places during transit have considerable bearing on the safety of the cargo

CONDITION OF THE CONTAINER

Apart from the normal wear and tear in services, a container may be damaged due to:

- Racking stresses during ocean transportation due to the characteristic motions of ships particularly in heavy seas.
- Pressure of cargo on the inner faces of the container during road, rail, marine transit due to the effect of ship's motions, sudden braking, jerks and jolts during land transit
- Internal movement of the goods due to poor stowage
- Mechanical damage arising out of improper handling and loading methods
- Corrosion damage due to atmospheric condition

PRECAUTIONS TO BE TAKEN:

- Water tightness - All sides of the container may be checked before stuffing so that there should not be any holes, dents, cracks, corrosion and any opening in the doors
- Condition of the container -The inside of the container must be clean, dry and free of odour
- Proper stowing of the goods - The condition of the interior fittings for securing the stow of the goods must be satisfactory
- Lifting of container - The condition of the top and bottom corner castings for lifting and securing the container should be examined
- Types of container -Special types of container may be selected for carrying special types of commodities. Few types of cargo requires ventilation, some cargoes need refrigerated container and in some cases open top container may be utilized for carrying the goods suitably.

  Similarly if the goods are likely to be damaged by odour, containers with walls can be easily washed before carrying out stuffing operations.

CONDENSATION

- Condensation may occur in containers due to unfavourable combination of humidity in the atmosphere, temperature changes, and the types of commodities shipped and the packing. The condensations are of two types. One type of condensation may occur due to container and other may develop due to inherent nature of cargo. The former occurs when the metal of the container is exposed to a temperature lower than the condensation temperature of the air inside the container. Water drops which form as a result on the inner faces of the container roof, fall on to the cargo wetting it
- Goods permeable to water such as hygroscopic goods, packing of cardboard and unseasoned timber may also cause condensation problem as they tend to increase the degree of humidity in the atmosphere particularly when they are placed inside the container after they have absorbed water vapour from the atmosphere of very damp climates

The Risk of condensation damage can be reduced provided the following precautions are adopted:

- Utilize internally lined container
- Stuffing of containers shall be carried out as early as possible under cover and stuffing during rainy season may be avoided, if possible
- Dry and seasoned goods may be used for securing the goods
- De humidifiers such as silica gel may be used in packages, particularly those that contain goods which present condensation problem when carried in containers
- Cargo may be covered with some protection to avoid falling of droplets which may drip from the roof of the container

REJECTION OF CLAIM DUE TO SWEAT DAMAGE

In most of the cases the liability under the policy is denied due to sweat damage of the goods while the consignment was shipped on FCL basis. According to the surveyors, the container was found to be structurally sound and no evidence of penetration of water was found inside the container. However, the surveyors may wish to arrange for light test to ascertain as to whether or not any crack or small hole was developed due to corrosion. Moreover, existence of hairline cracks at the seams of the joints between the roof and the sides of the container could be visible if thorough inspection of the container was done. Since ingress of water through the hairline crack can be attributed during transit, the cargo may not always be damaged due to sweating of the same.

Hence, the surveyors must examine the container carefully to conclude the cause of wet damage to the consignment if the same isdespatched in containers under FCL/FCL terms.