Salasar Services Insurance Brokers Pvt. Ltd.

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Insurance penetration in India rises to 3.49%

Life insurance penetration stood at 2.72% while general insurance penetration stood at 0.77%.Insurance penetration, which is measured as a percentage of premiums to gross domestic product (GDP), saw a rise to 3.49 percent from 3.40 percent in FY17. Life insurance penetration stood at 2.72 percent while general insurance penetration stood at 0.77 percent. Insurance density or the premium per capita stood at USD 59.7 in India in FY17. The average for Asia stood at USD 343.1 while the global average was USD 638.3.Global insurance premiums increased by 3.1 percent in real terms in 2016, a fairly solid outcome in an environment of moderate global economic growth. The main cause of the weaker global premium development compared to 2015 were the advanced economies but growth in many emerging markets – excluding China – slowed also. Global life premium growth slowed to 2.5 percent in 2016 from 4.4 percent in 2015 as advanced market premiums contracted, while life premiums in the emerging regions together grew by more than double the long-term average. On the non-life side, global premiums grew 3.7 percent in 2016, reflecting relatively solid expansion among the emerging countries and another exceptional performance in China.

Initiatives by the Chinese and Indian governments to develop speciality lines will support agriculture, liability and credit insurance, and rising household disposable income will likely boost demand for personal lines. The total insurance premium volume in India stood at USD 79311 compared to the global average of USD 4 732188. The world average for insurance penetration is 6.28 percent. In India, life premiums grew by 8 percent due to surging demand for immediate annuity plans -- this in part is driven by demonetisation. The surprise demonetisation of high-value notes in November 2016 is likely to have slowed growth at the end of the year, but the main impact will only be felt in 2017.

Emerging markets will likely fuel improvement in life premiums in the coming years, with China and India being the main growth drivers. Excluding China, overall emerging market life premium growth was significantly lower but still a hearty 5.7 percent, driven by gains in India, Indonesia and Vietnam. The digitalisation of insurance distribution is set to continue, but the pace of change will vary across markets. It added that digital channels will ultimately be used throughout the distribution process, from information gathering to purchase completion to after-sales service. But not all insurance transactions will migrate to online, and intermediaries will continue to play an important role. Premiums are expected to increase by double digits this year and next. The rise of digital distribution channels, the expansion of bancassurance and the promotion of protection products will be key growth drivers.

INDIA:GOVT SOUNDS ALARM OVER UNDERWRITING PRACTICES

The Indian government, concerned about the health of the insurance industry in the country, has directed all state-owned general insurers to strictly adhere to prudent underwriting practices.The Department of Financial Services under the Ministry of Finance sent a letter to the heads of all Public Sector Unit (PSU) general insurers on 28 June 2017 in this regard, reported the Daily Pioneer.

The letter said: “In order to protect the interests of policyholders, ensure that the public sector general insurers continue to be effective players in the market for the provision of insurance services on a long term basis, and ensure that unhealthy underwriting practices in these companies do not cause unnecessary financial strain on their financial stability, it is desirable that prudent underwriting practices suggested in government advisories are followed strictly.”

The government’s move came after the Department found deviations from prudent underwriting practices in almost all PSU general insurers.

The Finance Ministry, in the letter, called for a proper underwriting mechanism to be put in place, in order to contain underwriting losses of the PSU insurers arising from various practices, including indulging in unhealthy competition so as to “snatch each other’s business by offering uneconomical and unviable discounts”.

The Ministry further said in the letter that it found that as a result of flouting government advisories, PSU general insurers face huge underwriting losses. “As a result, these companies are solely dependent upon investment income or profit from sale of investment. However, these are limited investments and are fast depleting as a result of indiscriminate disposal by the companies to make up for the losses on underwriting premium. Such an arrangement is not sustainable in the long run and has the capacity to permanently harm the competitiveness of public sector insurers,” it added.

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When contacted, a senior official of the Financial Services Department told The Pioneer: “It is true that we have noticed the gross misuse of underwriting rates in almost all general insurance firms in India. So, we have decided to take prompt and corrective action against those wrongdoings in the interest of customers/policy holders in this matter. We have also asked the Chairmen and Managing Directors of all PSU general insurers to kindly note the concern and strictly focus on prudence in underwriting.”

Citing group health insurance as an example, the Ministry said: “An appropriate pricing mechanism for pricing group health insurance should take into account the existing incurred claims ratio or ICR, management expenses, medical inflation, commissions, likely increase in quantum of claims due to ageing of the covered group, increase in size of the group, cost of underwriting of business and other such associated factors.”

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HDFC Life, Max working on new merger structure

Under the new merger structure, Max Life Insurance and HDFC Life Insurance will merge to form a new firm, tentatively called HDFC Plus. HDFC Life Insurance Co. Ltd and Max Life Insurance Co. Ltd have extended the deadline for the merger talks till 31 July and are working on a new merger structure after the insurance regulator ejected the original three-step union. The board of HDFC Life, meeting on 17 July, will consider this new structure.

Under the new structure, Max Life and HDFC Life will merge to form a new company, tentatively called HDFC Plus. This new company will then incorporate a new subsidiary to which it will transfer the insurance business. This effectively means HDFC Plus will become a holding company for the insurance business and be free to merge with the listed Max Financial Services (after it spins off its residual non-insurance businesses). This structure sidesteps the insurance regulator's objection to an insurance company merging with a non-insurer, which was the first step of the original plan. The catch: When the new subsidiary is formed, it will have to apply for a fresh licence from the Insurance Regulatory and Development Authority of India (Irdai).

Within this month end the two companies will take a final decision whether to work on the merger as per the new structure or not. If the board of HDFC Life approves the new scheme and it is supported by the board of Max Life as well, the two companies will submit a fresh scheme of amalgamation to Irdai, which will lead to automatic listing of HDFC Life. However, if the boards of two life insurance companies do not agree on the new merger structure before 31 July, the merger talks are likely to be shelved for the time being and HDFC Life will go for an initial public offering (IPO) first, putting off the merger as a future option.

HDFC Life had appointed merchant bankers around a year ago. On 26 June the firm had informally asked the bankers to start preparing for an IPO even as it explored options to salvage the merger with Max. In January, Irdai had refused to approve the merger as per the original structure—which envisaged Max Life merging with Max Financial as the first step—citing a possible breach of norms under section 35 of the Insurance Act, which states that under a scheme of merger or amalgamation, an insurance company can merge with another insurance company, and not a non-insurance company. The new structure will have new swap ratios and could take a further 12-18 months as the firms will have to submit it for another round of regulatory approvals from Competition Commission of India, Irdai, the Securities and Exchange Board of India (Sebi) and a high court.

The merger, if it goes through, will create India's largest private-sector insurer.

GLOBAL INSURANCE BUYS AON'S 26% STAKE IN JV

India's Global Insurance Services has bought Aon's entire 26 per cent share in their joint venture Aon Global Insurance Brokers, for an undisclosed amount. With this, it has changed the brand name to Global Insurance Brokers.

The two joint venture partners had parted ways two years back and had received final approvals from the insurance regu lator and registrar of companies recently.

The joint venture, which started in 2001, saw Aon investing Rs 62 lakh for 26 per cent at par in the JV.

Aon Global Insurance Brokers had been the second-largest insurance broker in the country, collecting premium income of Rs 2,000 crore a year.

In the last year, our global access, capabilities and expertise for both inbound and outbound businesses have strengthened our positioning," said Prabhodh Thakker, promoter, Global Insurance Brokers. Global Insurance has been in the business for 45 years.

In the last two years, post the split with Aon and after the announcement of the deal, the company has added 200 employees and improved infrastructure.

Earlier, Aon was in talks with Catamaran to set up a new broking joint venture in India, after parting ways with a joint venture Aon Global.

The amendment to the Insurance Act had introduced a clause that states that management control needs to stay with Indian residents. In addition, a lot of joint venture agreements were signed with the understanding that foreign promoters would be allowed to raise stake at par to 49 per cent as and when the regulations permitted.

Many insurance companies have not raised stakes due to valuation mismatch and management control norms laid down by the regulators. The Reserve Bank of India norms prescribe that no transaction can happen at less than fair value.

Recently, in a similar instance, Kotak Life has bought out Old Mutual's stake in the life insurance joint venture, by becoming 100 per cent owned by Kotak.

TERRORISM: A LOW FREQUENCY, HIGH SEVERITY RISK

Terror insurance in India is growing bigger. With many public and private sector companies, landmark buildings and temples are queuing up to buy the cover. The importance of terror insurance was brought home by the September 11, 2001 attacks, and the 26/11 attacks in Mumbai prompted India Inc. to opt for terrorism insurance cover in a big way. The Indian Terrorism Pool, set up in 2001, paid some large claims for the first time.Now, terrorism coverage is generally offered separately at a price that more adequately reflects the current risk.

IS TERRORISM RISK INSURABLE?

Terrorism is a low frequency, high severity risk. Terrorist attacks are not random but purposeful to maximize damage and designed to cause surprise. Ideally, all big and small companies, infrastructure projects, schools, colleges, hospitals, government and private buildings, ports, hotels, stadiums and all business activities should be covered by terrorism insurance.

TERRORISM RISK INSURANCE IN INDIA:

Terrorism coverage is provided as an additional cover to all risks underwritten under fire, engineering and property damage. Terror insurance comes as an inbuilt cover for personal accident, most of health and life insurance policies though some home and travel insurance policies do offer a cover for it, some don't include it as part of the package. It may need to buy at an additional cost. Property section of Engineering/ Project insurances including EAR, MCE, SCE, CAR, CPM, EEI, also provides the cover.

INDIAN MARKET TERRORISM RISK INSURANCE POOL:

The insurance of terrorism risks in the Indian market is undertaken through a pool system. All non-life insurance companies operating in India are members of the Pool. Indian Market Terrorism Risk Insurance Pool (IMTRIP) provides capacity up to the specified limit of liability to these insurers. Beyond that, insurers seek facultative reinsurance support from international market. Entire terrorism risk on Property Insurance policies written by all Companies is re-insured by all Pool members. Capacity offered by Pool is presently INR 20,000 million per location.

WHICH CORPORATE/GOVERNMENT BUILDINGS ARE COVERED?

Plants owned by nearly all top corporates are covered. Large energy companies such as ONGC have various types of insurance and terrorism insurance. Some of the large infra projects such as Metro projects, ports, airports and flyovers have started taking terror insurance cover. Oddly, however, government buildings don't have any insurance cover.

SALIENT FEATURES OF TERRORISM COVER:

Some of the salient features of terror cover as an add-on are:

- Terrorism cover is taken as add on cover by payment of additional premium at the option of the insured.
- The sum insured opted for can include material damage & business interruption.
- The maximum aggregate loss may vary from company to company.
- The premium charged will vary based on the risk occupancy (i.e. industrial/non-industrial /residential) and on the sum insured.
- Mid-term inclusion of terrorism coverage is not allowed.
- Terrorism cover has to be taken only in conjunction with property or engineering covers.

Stand-Alone Terrorism Coveris purchased primarily by organizations that are viewed by insurers as being at high risk of loss due to terrorism in one of the following situations:

- When terrorism coverage is not available as part of the commercial property policy.
- When the price of terrorism coverage from the insurer providing the commercial property policy is too high, or
- When the terrorism coverage offered by the insurer providing the commercial property policy is too narrow.

Cover: Material Damage, Contents, Business Interruption, Loss of Rent, Alternative Accommodation, Increased Cost of Working from verified Acts of Terrorism including verified Threats.

COVERAGE:

- Customization of coverage to augment locally-mandated and government administered programs.
- The terrorism pool covers only the property damage and consequential loss arising out of any terror strike.
- Threat and vulnerability assessment and online crises management services available.
- Coverage is provided for acts terrorism committed domestically and abroad.
- Flexibility of underwriting on a primary or excess basis and the rate to ease of handling unique coverage situations.

BASIS:

Full Property Schedule Value; or First Loss Limit based on an accumulation of locations; or First Loss Limit based on highest single location value; or Sum Insured defined by the Insured.

SIGNIFICANT EXCLUSIONS:

- Nuclear, Chemical, Biological or Radioactive contamination
- Asbestos
- Confiscation
- Emotional Distress unless as a consequence of physical injury
- Information Technology
- Nuclear Installation
- Pollution unless from an act of terrorism or an act of sabotage
- Strikes, riots or civil commotion unless caused by an act of terrorism
- War

CONDITIONS:

- Policy is subject to the same warranties, terms and conditions, definitions, clauses and exclusions as the associated policy.
- Policy will only respond if the associated policy specified in the Schedule is maintained in full effect for the duration of the period of insurance.
- Continuous cover

WORDING:

- LMA 3030 (For Property Damage)
- LMA 5039 (For Business Interruption)

WHAT YOU SHOULD KNOW BEFORE YOU OPT FOR A GLOBAL HEALTH INSURANCE COVER

Getting a treatment abroad can be a costly affair. Having a policy that covers your overseas medical expenses seems to be an attractive proposition. However there are various critical pointers one should know.

Global health insurance is gaining popularity with rising frequency of international travel among corporates and tourists. Apart from travel, many high-networth individuals now prefer to get treated abroad in case of critical illness or in case of life-threatening diseases. Even employers who send their employees abroad are interested in global health covers. To address the evolving needs of their customers, many Indian health insurance providers have launched policies having a global coverage. Along with the regular cover, these policies additionally cover you against any medical emergency when you are travelling abroad. Some policies even offer a cover for planned international hospitalization.

These policies are different from travel insurance, which is valid only for a limited period, does not cover any treatment in your home country and excludes any pre-existing diseases or planned hospitalization in a foreign country.

Getting a treatment abroad can be a costly affair. Having a policy that covers your overseas medical expenses seems to be an attractive proposition. However, there are various critical pointers one should know before they sign on the dotted line. Do not assume that these policies pay for each and every treatment abroad. There are various costs and restrictions which you need to be aware of.

Take the case of Religare Health Insurance Co. The company offers global health insurance cover for sum insured of Rs 1-6 crore, for both planned and emergency hospitalisation. However, the plan does not insure you for hospitalisation in the US. You need to pay an additional premium for it. A mandatory co-payment of 10 percent per claim is also applicable. Moreover, the risk coverage period is only 45 continuous days from the date of travel in a single trip and maximum 90 days on a cumulative basis in a policy year. So, in case there is a medical emergency on the 50th day of your trip, the policy will not cover you. The global cover of the policy does not insure you for pre and post hospitalization expenses.

Also, note that the hospitalization expenses borne are limited to inpatient hospitalization treatment only. In case there is no hospital admission required and the treatment is dispensed in an OPD – Out Patient Department -- of the hospital, such expenses would not be covered in the policy benefits, unless the customer opts for an optional cover to include OPD treatments by paying an extra premium. Moreover, overseas maternity benefit is applicable only if the cover opted is a floater cover as per the company terms and conditions. Therefore, if the policy is a standalone policy and not a floater policy then the maternity benefit, which requires an inpatient treatment in a foreign country, would not come under the purview of this coverage.

The ProHealth plan by Cigna TTK Health Insurance Co., offers worldwide cover but only for emergency in-patient treatments. It is applicable only if the policyholder is not in a position to return to India for the treatment. This means that it requires a certification from a medical practitioner at the place of treatment that the case is one of emergency. The claim is admissible only in event of this certification. The insurance claim is paid on reimbursement basis only and no cashless facility is available. This means the expenses have to be incurred by the patient or his accompanies in case of emergency and the same will be reimbursed only in India. The claim is settled in Indian Rupees and only after the patient returns to India.

Max Bupa Health Insurance Company offers international coverage under the platinum version of its Heartbeat Health Insurance plan. The policyholder can avail treatment abroad for 9 specified illnesses. They are covered only if detected in India by a medical practitioner within the policy period on cashless basis. Emergency hospitalization is also covered under the policy and sum insured is upto Rs 1 crore. However, the coverage does not include treatment in USA and Canada. You need to pay extra premium for it. It also has a co-payment clause of up to 20 percent of the sum insured.

Royal Sundaram offers a worldwide emergency hospitalization cover under its Lifeline elite health insurance plan. The sum insured under this plan ranges from Rs 25-150 lakh. However, the policyholder can claim only 50 percent of the base sum insured up to a maximum of Rs 20 lakh under this plan. Plus, there is a clause for deductible of USD 1,000 per hospitalization. The policy also includes international treatment for 11 specified critical illnesses with coverage on hospitalization and reimbursement of return airfares up to Rs 3 lakh. But critical illness needs to be diagnosed in India and customer needs to take pre-authorisation before proceeding for treatment. And there is a co-payment clause of 20 percent of sum insured. The cover does not include treatment in USA and Canada. The policyholder can pay additional premium to include these two countries.

While each policy has different terms and conditions pertaining to the global cover, all policies have a waiting period for pre-existing illness. So, if one has been diagnosed with a critical illness at the time of buying the policy, one will not be paid for the treatment till the waiting period is over. The waiting period ranges from 2-4 years.

Health insurance companies offer global cover only for large sum insured from Rs 50 lakh to Rs 1 crore. Therefore, these plans can also be very expensive. Take the case of Max Bupa heartbeat plan with global cover - the premium for Rs 50 lakh sum insured comes to Rs 48,114 per annum for a 35 year individual with a co-payment option of 20 percent. Whereas, the plan from the same company for domestic cover with sum insured Rs 50 lakh costs only Rs 9,541, almost 1/5th of the cost for global cover.

Along with high cost, the benefits that these policies offer are sharply defined and there are stringent terms and conditions, where the policyholder may not be able to derive the maximum benefit that the plan offers. Sometimes the sum insured available is insufficient for overseas treatment, which along with post-hospitalization expenses, shoots up the out-of-pocket expenses that the policyholder has to bear.

So, while health insurance plans that offer global coverage may look attractive, customers need to read the fine print before they actually buy one.

HERE ARE A FEW KEY POINTERS TO KEEP IN MIND WHILE PURCHASING HEALTH INSURANCE WITH GLOBAL COVER

- The plans cover only in-patient hospitalization treatment and exclude all other pre and post hospitalization expenses and OPD treatments.
- Treatments in US and Canada are excluded. To avail insurance in these countries you have to pay extra premium.
- These covers have 10-20 percent co-payment clause, which means the insured has to pay for the entire amount initially, post that once the person comes to India the company will pay 80-90 percent of the total cost.
- There is a waiting period of 2-4 years for all pre-existing diseases and illness.
- The cost of policies with global cover is almost 3-4 times the cost for domestic health insurance policy.
- Insured needs to intimate the health insurance company before travelling abroad for treatment in case of planned hospitalization, and the same needs to be certified by the doctor in India.
- An emergency overseas treatment requires a certification from a medical practitioner at the place of treatment that the case is one of emergency. The claim is admissible only in event of this certification.
- The claims are usually settled on a reimbursement basis as it is difficult for insurers to maintain a global network of associated hospitals. This means the expenses have to be incurred by the patient or his family initially, which will be later reimbursed by the insurer.
- The insured is exposed to the risk of adverse movements in exchange rate as the claim is settled in Indian Rupees and the customer pays for the treatment in foreign currency.
- Overall, the benefits that these policies offer are sharply defined and there are stringent terms and conditions, where the policyholder may not be able to derive the maximum benefit that the plan offers.

DOCUMENTARY CREDIT AND ITS TERMS AND CONDITIONS

All transactions of international trade i.e. the buying and selling of goods and monetary exchange are based on Sales contract entered into between the buyer and the seller. In this contract all specifications regarding the quality, quantity and packing of goods, mode of payment etc. are specified. The terms of sale agreed upon also denotes the points of transfer of risk from the seller to buyer. A marine underwriter must be aware of the general terms of sale through "Documentary Credit".

In each transaction between the buyer and seller, the seller needs payment immediately on dispatch of his goods from his warehouse. Since advance payment is not always agreeable with the buyer's need who seeks terms for payment which allows him to either pay at the time of shipment of the goods or pay after some time of shipment.

A letter of credit is an undertaking issued by a bank for the account of the buyer or for his own account to pay the Beneficiary the value of the Draft and/or documents provided that, the terms and conditions of the Letter of Credit are complied with.

This Documentary Credit arrangement usually satisfies the seller's desire for cash and the importer's desire for credit. This financial instrument serves the interest of both parties independently. The Documentary Credit offers a unique and universally used method of achieving a commercially acceptable undertaking by providing for payment to be made against complying documents that represent the goods and making possible the transfer of title of those goods. The following documentary credit arrangements are generally used to comply with the requirement of the Sellers and/or the buyers in the international trade.

TYPES OF LETTER OF CREDIT

Revocable Letter of Credit means that the terms of the credit may be cancelled or amended by an overseas buyer at any time without prior consent of the beneficiary.

Irrevocable Letter of Credit means that once buyer's conditions in the letter have been agreed by an exporter, they constitute a definite undertaking by the buyer's bank and cannot be revoked without the exporter's agreement.

CONFIRMED AND UNCONFIRMED LETTER OF CREDIT

A confirmed letter of credit carries the confirmation of another bank, generally in the country of the exporter. Such confirmation, added at the request of the issuing bank, binds the confirming banker to negotiate the drafts drawn under the credit provided the terms and conditions thereof are fulfilled. An un confirmed L/C is one to which the correspondent bank in the exporter's country does not add its confirmation, and thereby, does not accept liability to make payment under the L/C.

PAYMENT AT SIGHT

Documentary credit may provide for payment at sight or for acceptance of a usance of bill of exchange by either issuing bank in a buyer's country or the correspondent bank in exporter's country.

DOCUMENTARY BILL

Under this system, the exporter draws bill of exchange on importer and shall negotiate with his banker for purchasing the bill from importer. If the bank purchases the bill, the exporters receive the payment immediately. Bank shall receive the payment only when the bill is paid by the importer. The shipping documents are delivered to the importer against receipt of payment through the negotiating bank. The following two methods are adopted/practiced for arrangement of payments.

DOCUMENTS AGAINST PAYMENT (D/P)

Under this system, the shipping documents are released to the importer against payment. This method indicates that the payment is made against Sight Draft.

DOCUMENTS AGAINST ACCEPTANCE (D/A)

Under this system, the documents are released against acceptance of the Time draft i.e credit is allowed for a certain period , say 30,60,90,120 days or more. However, the exporters need not wait for payment till the bill is met on due date, as he can discount the bill with the negotiating bank and can avail of funds immediately after shipment of goods.

THE FOLLOWING ARE THE GENERAL TERMS AND CONDITIONS OF LETTER OF CREDIT

1. The consignment shall be packed properly as per packing specification provided by the importer, if any;
2. To select a good ship for carriage;
3. To pay freight to the Steamer Company and to ensure that the goods are loaded on board the Ship;
4. To obtain clean bill of lading from the Steamer Company against delivery of the consignment to them;
5. To prepare the Shipping documents properly to avoid any dispute during negotiation of L/C;
6. To arrange for necessary insurance coverage as advised by the importer in terms of the Sale contract;
7. To send all the necessary shipping documents including insurance policy duly endorsed and assigned to the consignees for early clearance of cargo

If the terms and conditions provided by the buyers to the sellers are not complied with, the buyers may refuse to release the document for payment against "Documentary credit"

INDIAN GENERAL INSURANCE SEGMENT WISE PREMIUM REPORT, 2017-18

Period : Q1. 2017 Premium in INR Crores STAR

MOTOR TOTAL (OD+TP)				
Top 10 Insurers		2016-17	2017-18	Growth
1	New India	1,702	**2,174**	27.7%
2	United India	1,358	**1,688**	24.3%
3	National	1,419	**1,645**	15.9%
4	ICICI Lombard	1,073	**1,213**	13.0%
5	Oriental	866	**1,004**	16.0%
6	Bajaj Allianz	818	**983**	20.1%
7	IFFCO-Tokio	726	**750**	3.3%
8	Cholamandalam	480	**636**	32.6%
9	Reliance General	481	**599**	24.5%
10	HDFC ERGO	380	**489**	28.6%
INDUSTRY GROWTH				**19.2%**

MOTOR TOTAL (OD)				
Top 10 Insurers		2016-17	2017-18	Growth
1	New India	708	**857**	21.1%
2	ICICI Lombard	648	**708**	9.2%
3	National	588	**636**	8.2%
4	United India	449	**526**	17.1%
5	Bajaj Allianz	494	**513**	3.8%
6	IFFCO-Tokio	363	**373**	2.9%
7	Oriental	323	**357**	10.5%
8	Royal Sundaram	254	**297**	16.8%
9	Reliance General	220	**292**	33.1%
10	HDFC ERGO	230	**292**	27.1%
INDUSTRY GROWTH				**12.4%**

MOTOR TOTAL (TP)				
Top 10 Insurers		2016-17	2017-18	Growth
1	New India	994	**1,317**	32.5%
2	United India	909	**1,162**	27.8%
3	National	831	**1,009**	21.4%
4	Oriental	542	**647**	19.2%
5	ICICI Lombard	425	**505**	18.9%
6	Bajaj Allianz	324	**470**	45.0%
7	Cholamandalam	274	**381**	39.0%
8	IFFCO-Tokio	363	**377**	3.6%
9	Shriram General	282	**322**	14.0%
10	Reliance General	262	**307**	17.3%
INDUSTRY GROWTH				**25.2%**

HEALTH (TOTAL)				
Top 10 Insurers		2016-17	2017-18	Growth
1	New India	1,646	**2,028**	23.2%
2	United India	1,209	**1,495**	23.7%
3	National	1,260	**1,414**	12.2%
4	Oriental	848	**915**	7.8%
5	Star Health	467	**655**	40.3%
6	ICICI Lombard	638	**546**	-14.5%
7	Bajaj Allianz	253	**364**	43.7%
8	Reliance General	140	**317**	127.1%
9	Apollo Munich	189	**240**	26.7%
10	HDFC ERGO	206	**222**	7.9%
INDUSTRY GROWTH				**21.3%**

HEALTH (RETAIL)				
Top 10 Insurers		2016-17	2017-18	Growth
1	Star Health	430	**607**	41.3%
2	New India	382	**432**	13.0%
3	National	300	**335**	11.7%
4	Oriental	293	**325**	10.7%
5	ICICI Lombard	196	**232**	18.1%
6	United India	284	**224**	-21.0%
7	Apollo Munich	136	**176**	29.1%
8	HDFC ERGO	142	**166**	16.4%
9	Max Bupa	108	**137**	27.2%
10	Religare	73	**116**	59.1%
INDUSTRY GROWTH				**17.0%**

HEALTH (GROUP)				
Top 10 Insurers		2016-17	2017-18	Growth
1	New India	1,161	**1,523**	31.2%
2	United India	816	**1,268**	55.3%
3	National	898	**935**	4.1%
4	Oriental	547	**580**	6.1%
5	ICICI Lombard	212	**241**	13.6%
6	Bajaj Allianz	132	**220**	67.3%
7	Reliance General	96	**147**	52.6%
8	Religare	58	**75**	29.2%
9	SBI General	43	**70**	63.3%
10	IFFCO-Tokio	0	**67**	
INDUSTRY GROWTH				**32.3%**

HEALTH (GOVT. SCHEMES)				
Top 10 Insurers		2016-17	2017-18	Growth
1	National	60	**142**	137.6%
2	Reliance General	15	**140**	817.4%
3	New India	98	**69**	-29.8%
4	IFFCO-Tokio	130	**23**	-82.6%
5	ICICI Lombard	191	**21**	-88.7%
6	Oriental	5	**8**	41.1%
7	Max Bupa	3	**2**	-24.7%
8	Bajaj Allianz	6	**2**	-65.8%
9	United India	106	**0**	-100.0%
10				
INDUSTRY GROWTH				**-33.7%**

FIRE				
Top 10 Insurers		2016-17	2017-18	Growth
1	New India	556	**650**	17.0%
2	United India	474	**513**	8.1%
3	Oriental	346	**356**	2.9%
4	National	273	**316**	15.8%
5	ICICI Lombard	290	**313**	7.9%
6	Bajaj Allianz	166	**243**	46.4%
7	HDFC ERGO	174	**183**	5.2%
8	SBI General	153	**180**	17.3%
9	Reliance General	108	**137**	27.1%
10	IFFCO-Tokio	123	**125**	1.9%
INDUSTRY GROWTH				**14.4%**

MARINE CARGO				
Top 10 Insurers		2016-17	2017-18	Growth
1	New India	101	**113**	11.3%
2	ICICI Lombard	102	**103**	0.7%
3	United India	81	**72**	-10.6%
4	Oriental	72	**63**	-11.9%
5	National	49	**45**	-7.8%
6	Bajaj Allianz	41	**41**	2.1%
7	HDFC ERGO	40	**40**	1.3%
8	IFFCO-Tokio	34	**37**	9.6%
9	Reliance General	21	**32**	46.8%
10	Future Generali	21	**21**	0.0%
INDUSTRY GROWTH				**2.5%**

MARINE HULL				
Top 10 Insurers		2016-17	2017-18	Growth
1	New India	93	**85**	-7.9%
2	United India	58	**49**	-15.8%
3	Oriental	54	**33**	-39.5%
4	National	32	**18**	-42.8%
5	ICICI Lombard	21	**14**	-35.1%
6	HDFC ERGO	8	**9**	11.7%
7	Bajaj Allianz	5	**4**	-16.8%
8	Reliance General	1	**3**	259.8%
9	IFFCO-Tokio	2	**1**	-14.6%
10	Universal Sompo	1	**1**	-28.5%
INDUSTRY GROWTH				**-20.8%**

ENGINEERING				
Top 10 Insurers		2016-17	2017-18	Growth
1	New India	132	**119**	-9.7%
2	United India	101	**108**	6.5%
3	ICICI Lombard	71	**82**	15.2%
4	Oriental	89	**75**	-15.5%
5	National	56	**70**	24.6%
6	Bajaj Allianz	24	**30**	23.6%
7	HDFC ERGO	28	**29**	2.5%
8	Reliance General	16	**18**	16.7%
9	IFFCO-Tokio	18	**16**	-6.9%
10	Future Generali	11	**13**	19.8%
INDUSTRY GROWTH				**2.9%**

CROP				
Top 10 Insurers		2016-17	2017-18	Growth
1	ICICI Lombard	430	**723**	68.3%
2	HDFC ERGO	2	**548**	22179.7%
3	Reliance General	52	**109**	111.9%
4	SBI General	40	**104**	158.3%
5	IFFCO-Tokio	0	**68**	
6	Oriental	0	**41**	
7	AIC	175	**40**	-77.1%
8	Bajaj Allianz	9	**36**	313.2%
9	United India	0	**10**	
10	Cholamandalam	-4	**3**	-163.0%
INDUSTRY GROWTH				

LIABILITY				
Top 10 Insurers		2016-17	2017-18	Growth
1	New India	130	**138**	5.8%
2	ICICI Lombard	93	**115**	23.5%
3	Bajaj Allianz	62	**80**	29.4%
4	HDFC ERGO	45	**54**	20.1%
5	United India	49	**54**	10.7%
6	National	38	**36**	-4.1%
7	Oriental	35	**31**	-11.1%
8	Reliance General	32	**28**	-10.6%
9	IFFCO-Tokio	35	**19**	-46.0%
10	Future Generali	12	**11**	-12.0%
INDUSTRY GROWTH				**6.9%**

PERSONAL ACCIDENT				
Top 10 Insurers		2016-17	2017-18	Growth
1	HDFC ERGO	115	**148**	28.3%
2	ICICI Lombard	90	**109**	21.8%
3	New India	77	**93**	20.1%
4	Oriental	56	**76**	35.3%
5	SBI General	58	**73**	27.0%
6	United India	61	**61**	0.4%
7	Bajaj Allianz	37	**53**	44.0%
8	National	53	**51**	-2.7%
9	Cholamandalam	26	**42**	59.7%
10	Future Generali	13	**27**	106.4%
INDUSTRY GROWTH				**27.0%**

MISCELLANEOUS				
Top 10 Insurers		2016-17	2017-18	Growth
1	National	141	**229**	63.0%
2	New India	190	**220**	15.7%
3	United India	200	**219**	9.2%
4	Oriental	122	**147**	20.3%
5	Bajaj Allianz	91	**121**	32.7%
6	ICICI Lombard	49	**68**	38.8%
7	Future Generali	18	**37**	106.3%
8	IFFCO-Tokio	39	**36**	-7.2%
9	Universal Sompo	19	**30**	62.6%
10	HDFC ERGO	14	**15**	12.9%
INDUSTRY GROWTH				**25.9%**

TOTAL				
Top 10 Insurers		2016-17	2017-18	Growth
1	New India	4,660	**5,671**	21.7%
2	United India	3,604	**4,271**	18.5%
3	National	3,338	**3,834**	14.8%
4	ICICI Lombard	2,880	**3,321**	15.3%
5	Oriental	2,508	**2,759**	10.0%
6	Bajaj Allianz	1,516	**1,964**	29.5%
7	HDFC ERGO	1,019	**1,750**	71.7%
8	Reliance General	885	**1,269**	43.3%
9	IFFCO-Tokio	1,128	**1,216**	7.8%
10	Cholamandalam	649	**874**	34.6%
INDUSTRY GROWTH				**21.2%**

Case Study 01

New India Assurance Insurance Co. to pay Rs 1.05 lakh for denying medi-claim

New India Assurance has been directed by a consumer forum here to pay Rs 1.05 lakh to a policy holder for rejecting his claim for medical expenses incurred on treatment of his injuries suffered in an accident.

The Central District Consumer Disputes Redressal Forum held that denial of the claim by the insurance firm by relying on the medical report, which mentioned smell of alcohol from claimant's breath, was "not justified"as no examination was conducted to see if he was under the influence of alcohol at the time of accident.

"In the present case, the doctor merely recorded in the MLC (medical report) that there was smell of alcohol. No further examination was conducted. There is no evidence on the file nor was collected by the insurance firm to find out that cause of accident due to which the complainant received injury was due to the fact that he was under the influence of liquor.

"The insurance firm did not find out any connection of accident of the complainant with taking of liquor or smell of alcohol. Hence, it is held that repudiation of the claim was not justified.

"We allow the complaint with directions to the insurance firm to pay to the complainant a sum of Rs 90,000 (the claim amount) along with Rs 10,000 for causing harassment, pain and mental agony and Rs 5,000 towards litigation charges," the bench presided by B B Chaudhary said.

The forum's order came on a complaint filed by north-west Delhi resident Sahil Kwatra, who had said that he was insured under a medi-claim policy bought for the period from January 8, 2009 to January 7, 2010.

Kwatra had met with an accident and was admitted in Jaipur Golden Hospital on February 22, 2009 and was discharged four days later, he had said, adding that he had spent Rs 90,000 on his treatment.

He had said his claim was rejected by the insurance firm on the ground that as per the report of his medical examination after the accident, he smelt of alcohol.

The insurance firm was proceeded against ex-parte as no one appeared on its behalf.

Case Study 02

Penalise insurance firms for harassing customers

The Union finance ministry has been asked by a Delhi consumer forum to deal strictly with the private insurance firms and consider cancelling their licences for harassing customers and illegally rejecting their claims.

The East District Consumer Disputes Redressal Forum made this recommendation while ordering Apollo Munich Health Insurance Co Ltd to pay over Rs 1.8 lakh to a policy holder for not reimbursing his treatment expenses and illegally cancelling his insurance cover after he submitted his claim.

"Private insurance firms are resorting to such acts just to save the amount which they are legally bound to reimburse to policy holders. This needs to be dealt with by appropriate authorities and license of such companies may be considered to be cancelled," said the forum's bench presided by N A Zaidi.

"Let copy of this order be forwarded to Secretary (Finance), Ministry of Finance, Govt. Of India for perusal and strict action," it added.

The forum gave this order holding that the insurance firm "harassed and traumatised" the insured by their "unlawful action" and "illegal methods" to deny his rightful claim under the policy.

"Complainant (policy holder) of this case has been harassed, traumatised by the opposite party (Apollo Munich) by their unlawful action and illegal methods to deny rightful claim under the policy," the bench said, directing the insurance firm to reimburse the medical expenses of over Rs 1.4 lakh incurred by policy holder. It also asked to pay him Rs 40,000 as compensation.

The forum also comprising member T Vijayan observed that the policy holder had already been admitted for treatment prior to cancellation of his policy and refund of the premium and as he had already submitted his claim such termination "shall be deemed to be a device to deny his rightful claim."