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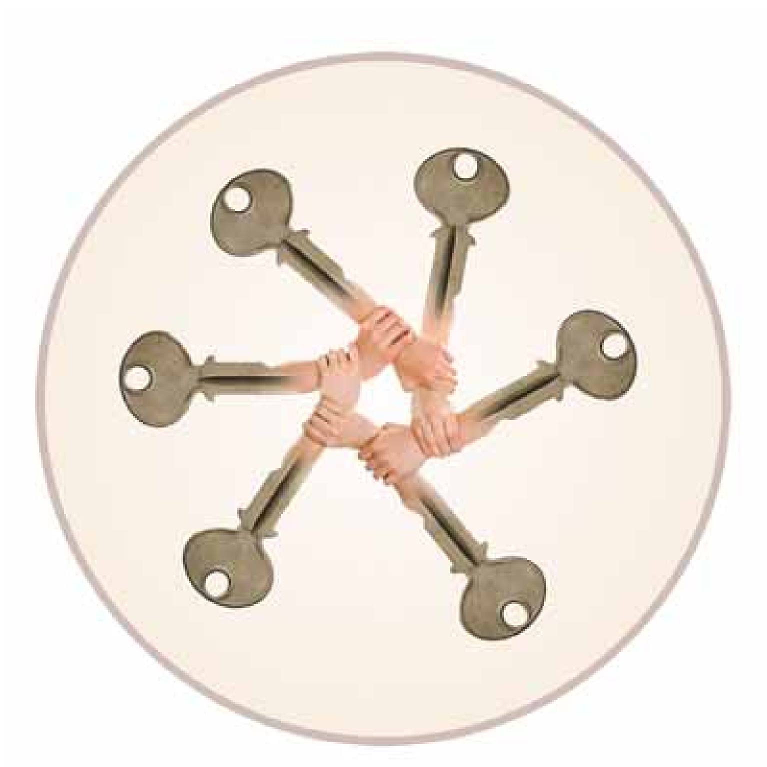

Group Insurance:

Key for Strength

बीमा विनियामक और विकास प्राधिकरण

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From the Publisher

For an insurer, it is very important to have a clear assessment of the risk that is in store before assuming it. In life insurance, this means that there has to be an underwriting of all the individuals before a contract is concluded. Depending upon the amount at risk and the quality of risk – like age, health condition etc. – insurers often accept proposals even without a medical examination. However, one factor that cannot be ruled out is the underwriting of the proposal. It is possible that on account of their being uninsurable individually, some people may totally fall out of the purview of insurance coverage. Group insurance provides the answer for such individuals, as the unit of underwriting would be the group; and not the individual.

For long, group insurance has remained largely unpopular in the Indian domain. Apart from the insurability factor, group insurance also makes it economically viable for several individuals who may not otherwise afford to buy insurance. Group insurance is a strong tool to ensure that a large chunk of the population comes under the ambit of insurance coverage; and in an evolving market with low penetration levels, it goes a long way in widening the safety net. It is gratifying to note that group insurance business has been growing steadily but it is still not anywhere near what it is in the more developed markets.

One way of achieving better results in this area is to ensure that participation in group insurance is made mandatory by employers for their employees at the time of their joining employment itself. While several employees welcome it as a perquisite, there are others who consider it as an avoidable burden. A better understanding of the benefits of insurance would certainly put the perspective in better light. Also, insurers should be positively inclined to cover more and more groups, both formal and informal; while ensuring that precautions are in place to ward-off any anti-selection.

'Group Insurance' is the focus of this issue of the **Journal**. Underwriting a risk efficiently holds the key to successful insurance business. However, insurers have to guard themselves against hazards that increase the incidence of risk. 'Hazards in Insurance' will be the focus of the next issue of the **Journal**.

J. Hari Narayan

INSIDE

ISSUE FOCUS

FOLLOW THROUGH

THINKING CAP

END USER

Group Dynamics
- Success Recipe for a Nascent Market

Group insurance is a relatively new form of insurance business universally. Even after making a formal entry, it has not been an instant success but had to wait for the concept to be totally digested. Despite the fact that it affords several facilities – both for the insurer as well as the insured – group insurance has enjoyed only limited success in the Indian domain. Contrary to the argument that it adversely impacts the line of individual business, group insurance has the ability to target different segments of the society without encroaching the existing sources of individual life/health insurance business. Accordingly, it can provide a great impetus to the process of widening the insurance umbrella; and thus contribute to a rise in the levels of penetration.

The success of insurance business is mainly dependent on the concept of pooling. While insuring a group, the pooling concept operates within the group and obviates the need for individual underwriting. It has often been commented that in group underwriting, risk assumption could adversely be affected. However, by adopting a few preventive measures, this limitation can easily be overcome. Especially, in a populous country with low levels of insurance penetration, group insurance can be used as an effective tool to bring a large number of people within the ambit of insurance.

Group Health insurance has been a very popular line of business for insurers for long. However, in the aftermath of detariffing, this line of business has suffered several setbacks and has taken a downward trend for obvious reasons. Employers and employees should appreciate the importance of being covered under Health insurance; and also realize the potential of group health covers as against individual insurance policies. A better understanding would certainly help not only in the improvement of claims ratios but also in the deepening of the insurance market.

'Group Insurance' is the focus of this issue of the **Journal.** To begin with, we have an article by Mr. Rajeev Varghese in which he enumerates the benefits of group insurance; and describes how it has been making rapid strides of progress in the Indian scenario. In the next article, Mr. Tarun Chugh talks about the usefulness of group insurance in the domain of employee benefits – especially superannuation and gratuity benefits. There has been a lot of debate about the applicability of Defined Benefit and Defined Contribution methods to the pension benefits of employees. Mr. Vijay Vaidyanathan throws light on this aspect of group pensions.

In the 'follow through' section, we have an article by Mr. K.S. Gopalakrishnan that deals with the actuarial insights in designing and pricing the riders in life insurance policies. Natural catastrophes and disasters have been on the rise with devastating results – thanks to global warming. Disaster risk financing accordingly has assumed challenging proportions; and it is exactly this area that Mr. Amit Kalra brings out in detail in his article in the 'thinking cap' section. There has been a lot of debate about simplicity in framing the clauses in insurance contracts; and this aspect has very special significance to an evolving market, like the Indian one. Mr. C.L. Baradhwaj brings out lucidly the issues associated with the clients understanding the clauses, in his article in the 'end user' section.

Underwriting is all about selection and classification of risks; and failure to achieve equitability in the classification of risks is bound to lead to adverse results for an insurer. However, it is not as simple as it sounds; owing to the presence of hazards that enhance a risk. 'Hazards in Insurance' 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 October, 2008

Sl No.	Insurer	Premium u/w (Rs. in Crores) Oct, 08	Up to Oct, 08	Up to Oct, 07	No. of Policies / Schemes Oct, 08	Up to Oct, 08	Up to Oct, 07	No. of lives covered under Group Schemes Oct, 08	Up to Oct, 08	Up to Oct, 07
1	**Bajaj Allianz**									
	Individual Single Premium	24.22	190.48	296.81	7311	46475	47197			
	Individual Non-Single Premium	315.61	2108.20	2332.84	219670	1376467	1724890			
	Group Single Premium	0.43	1.79	6.98	1	1	0	216	1511	4957
	Group Non-Single Premium	3.99	60.14	13.20	24	335	158	438752	3325233	457676
2	**ING Vysya**									
	Individual Single Premium	0.99	17.37	11.88	126	2100	1081			
	Individual Non-Single Premium	37.10	342.42	289.78	19261	185100	176669			
	Group Single Premium	1.41	10.05	0.81	0	1	0	914	3479	183
	Group Non-Single Premium	15.21	16.90	2.30	11	77	11	9911	39499	59210
3	**Reliance Life**									
	Individual Single Premium	13.94	230.22	97.74	5041	58376	19767			
	Individual Non-Single Premium	219.33	1392.52	611.65	173871	884263	333736			
	Group Single Premium	5.54	72.76	135.74	0	17	45	18653	42391	70789
	Group Non-Single Premium	0.47	16.89	11.99	20	174	148	19756	344338	223151
4	**SBI Life**									
	Individual Single Premium	33.60	320.81	504.19	6497	52081	70289			
	Individual Non-Single Premium	230.78	1317.51	760.17	67477	377081	247316			
	Group Single Premium	18.29	130.09	108.56	2	3	0	8614	63613	56380
	Group Non-Single Premium	43.20	962.73	98.82	7	63	34	585960	2503339	298355
5	**Tata AIG**									
	Individual Single Premium	2.50	26.94	17.93	432	5455	2714			
	Individual Non-Single Premium	53.37	464.24	346.55	56586	364063	233778			
	Group Single Premium	1.77	21.74	37.42	0	7	0	3646	66858	235006
	Group Non-Single Premium	3.41	42.33	39.41	1	45	39	10106	127594	127684
6	**HDFC Standard**									
	Individual Single Premium	9.66	76.95	62.91	2226	29298	182107			
	Individual Non-Single Premium	193.72	1372.13	926.87	64738	436714	295366			
	Group Single Premium	2.29	48.29	36.19	15	84	71	12660	131177	72552
	Group Non-Single Premium	1.74	15.01	41.61	2	7	28	392	13779	28845
7	**ICICI Prudential**									
	Individual Single Premium	9.63	136.49	192.70	1519	24215	30177			
	Individual Non-Single Premium	284.22	2921.79	2609.03	156533	1419067	1258671			
	Group Single Premium	21.50	152.81	100.04	15	162	120	47189	399850	254633
	Group Non-Single Premium	91.23	659.81	281.41	4	294	247	2033	468695	279826
8	**Birla Sunlife**									
	Individual Single Premium	2.89	21.99	12.18	12158	87551	39101			
	Individual Non-Single Premium	156.85	1206.62	696.93	79460	479739	198035			
	Group Single Premium	2.21	11.10	2.43	-2	1	3	6553	29790	3464
	Group Non-Single Premium	18.35	114.91	48.20	22	110	75	23412	136703	88225
9	**Aviva**									
	Individual Single Premium	20.79	30.75	11.23	2250	3683	1695			
	Individual Non-Single Premium	44.06	364.01	425.87	23997	192799	173513			
	Group Single Premium	0.00	0.05	1.54	0	0	0	2	65	771
	Group Non-Single Premium	0.39	12.21	20.04	8	44	82	73402	542468	386601
10	**Kotak Mahindra Old Mutual**									
	Individual Single Premium	1.13	13.21	11.64	173	1590	1535			
	Individual Non-Single Premium	94.81	636.61	295.25	49813	337761	109287			
	Group Single Premium	2.68	21.06	11.95	1	5	1	9014	81456	101411
	Group Non-Single Premium	3.44	25.05	28.82	26	211	127	38874	313330	272114

11	**Max New York**									
	Individual Single Premium	16.28	142.26	116.04	970	10180	7572			
	Individual Non-Single Premium	91.16	881.91	553.33	71733	639399	368486			
	Group Single Premium	0.27	7.41	0.00	0	10	0	0	187394	0
	Group Non-Single Premium	0.10	13.33	24.83	8	280	222	-63845	190858	332743
12	**Met Life**									
	Individual Single Premium	0.38	3.55	13.52	193	1229	2095			
	Individual Non-Single Premium	103.63	523.02	257.45	26356	138213	95962			
	Group Single Premium	3.82	17.27	4.63	11	74	36	15131	185421	111855
	Group Non-Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
13	**Sahara Life**									
	Individual Single Premium	3.06	25.90	15.40	767	6632	4016			
	Individual Non-Single Premium	5.22	39.10	27.91	5708	44943	41086			
	Group Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
	Group Non-Single Premium	0.00	0.00	0.00	0	2	2	0	78	52
14	**Shriram Life**									
	Individual Single Premium	6.32	99.80	74.23	1065	16590	13886			
	Individual Non-Single Premium	11.72	80.20	58.66	6242	41159	35824			
	Group Single Premium	0.00	0.00	0.02	0	0	1	0	0	1625
	Group Non-Single Premium	0.00	0.24	0.00	0	2	1	0	10755	571
15	**Bharti Axa Life**									
	Individual Single Premium	0.40	3.67	0.78	92	851	71			
	Individual Non-Single Premium	21.67	132.86	25.09	14331	90078	22175			
	Group Single Premium	0.58	4.64	0.00	0	1	0	3508	23179	0
	Group Non-Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
16	**Future Generali Life**									
	Individual Single Premium	0.27	0.95		65	209				
	Individual Non-Single Premium	2.87	10.80		2637	13862				
	Group Single Premium	0.00	0.00		0	0		0	0	
	Group Non-Single Premium	0.89	7.78		5	36		4836	216626	
17	**IDBI Fortis Life**									
	Individual Single Premium	8.40	57.97		1036	9041				
	Individual Non-Single Premium	10.07	72.22		4197	23596				
	Group Single Premium	0.00	0.00		0	0		0	0	
	Group Non-Single Premium	0.00	0.00		0	0		0	0	
18	**Canara HSBC OBC Life**									
	Individual Single Premium	0.00	0.01		3	4				
	Individual Non-Single Premium	28.35	94.16		3113	9379				
	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	0.08	0.16		13	25				
	Individual Non-Single Premium	2.25	5.36		2194	5597				
	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	0.08	0.14		66	128				
	Group Single Premium	0.00	0.00		0	0		0	0	
	Group Non-Single Premium	0.00	0.00		0	0		0	0	
	Private Total									
	Individual Single Premium	**154.53**	**1399.49**	**1439.18**	**41937**	**355585**	**423303**			
	Individual Non-Single Premium	**1906.89**	**13965.81**	**10217.36**	**1047983**	**7059408**	**5314794**			
	Group Single Premium	**60.78**	**499.06**	**446.29**	**43**	**366**	**277**	**126100**	**1216184**	**913626**
	Group Non-Single Premium	**182.42**	**1947.32**	**610.64**	**138**	**1680**	**1174**	**1143589**	**8233295**	**2555053**
21	**LIC**									
	Individual Single Premium	1037.79	7120.15	9161.90	302211	2012923	2489724			
	Individual Non-Single Premium	1227.93	8128.02	12265.11	1941514	12705292	15391635			
	Group Single Premium	517.02	6626.06	4474.18	1592	10155	11930	4300328	14252117	12044697
	Group Non-Single Premium	0.00	0.00	0.00	0	0	0	0	0	0
	Grand Total									
	Individual Single Premium	**1192.32**	**8519.64**	**10601.08**	**344148**	**2368508**	**2913027**			
	Individual Non-Single Premium	**3134.82**	**22093.83**	**22482.47**	**2989497**	**19764700**	**20706429**			
	Group Single Premium	**577.81**	**7125.12**	**4920.48**	**1635**	**10521**	**12207**	**4426428**	**15468301**	**12958323**
	Group Non-Single Premium	**182.42**	**1947.32**	**610.64**	**138**	**1680**	**1174**	**1143589**	**8233295**	**2555053**

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.

FIRST YEAR PREMIUM OF LIFE INSURERS FOR THE QUARTER ENDED SEPTEMBER 2008

INDIVIDUAL SINGLE PREMIUM (INCLUDING RURAL & SOCIAL)

(Rs.in Crore)

Sl. No.	PARTICULARS	PREMIUM		POLICIES		SUM ASSURED	
		Sep 2007	Sep 2008	Sep 2007	Sep 2008	Sep 2007	Sep 2008
	*Non linked**						
1	Life						
	with profit	82.75	153.78	6621	5194	147.19	129.83
	without profit	104.54	65.19	223301	123178	1362.95	2049.43
2	General Annuity						
	with profit	0.00	0.00	0	0	0.00	0.00
	without profit	6.09	6.33	657	553	0.13	1.03
3	Pension						
	with profit	40.62	12.28	2665	2143	2.10	2.58
	without profit	0.24	60.68	22	2077	0.00	0.00
4	Health						
	with profit	0.00	0.00	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0.00	0.00
A.	Sub total	234.23	298.25	233266	133145	1512.37	2182.87
	*Linked**						
1	Life						
	with profit	0.00	0.00	0	0	0.00	0.00
	without profit	2045.32	2610.16	513859	574997	3877.91	4489.33
2	General Annuity						
	with profit	0.00	0.00	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0.01	0.00
3	Pension						
	with profit	0.00	0.00	0	0	0.00	0.00
	without profit	6429.53	4415.43	1698846	1316379	25.23	52.07
4	Health						
	with profit	0.00	0.00	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0.00	0.00
B.	Sub total	8474.85	7025.60	2212705	1891376	3903.14	4541.39
C.	Total (A+B)	8709.08	7323.85	2445971	2024521	5415.51	6724.26
	Riders:						
	Non linked						
1	Health#	0.01	0.01	13	0	0.01	0.10
2	Accident##	0.01	0.01	73	0	0.55	0.37
3	Term	0.00	0.00	1	0	0.00	0.00
4	Others	0.00	3.18	0	0	0.00	0.00
D.	Sub total	0.02	3.20	87	1	0.56	0.47
	Linked						
1	Health#	0.01	0.01	11	1	0.13	0.49
2	Accident##	0.08	0.25	7723	109	58.54	197.14
3	Term	0.00	0.00	0	0	0.00	0.02
4	Others	0.00	0.00	0	0	0.00	0.00
E.	Sub total	0.08	0.27	7734	110	58.67	197.65
F.	Total (D+E)	0.10	3.47	7821	111	59.23	198.12
G.	**Grand Total (C+F)	8709.18	7327.31	2445971	2024521	5474.74	6922.38

* Excluding rider figures.
** for policies Grand Total is C.
# All riders related to critical illness benefit, hospitalisation benefit and medical treatment.
Disability related riders.
The premium is actual amount received and not annualised premium.

FIRST YEAR PREMIUM OF LIFE INSURERS FOR THE QUARTER ENDED SEPTEMBER 2008

INDIVIDUAL NON-SINGLE PREMIUM (INCLUDING RURAL & SOCIAL)

(Rs.in Crore)

Sl. No.	PARTICULARS	PREMIUM		POLICIES		SUM ASSURED	
		Sep 2007	Sep 2008	Sep 2007	Sep 2008	Sep 2007	Sep 2008
	*Non linked**						
1	Life						
	with profit	4068.78	4631.28	6223612	8960941	59555.48	89509.76
	without profit	102.45	82.49	438233	740712	8658.48	13556.83
2	General Annuity						
	with profit	0.05	0.00	63	0	1.15	0.00
	without profit	0.00	0.00	0	0	0.00	0.00
3	Pension						
	with profit	12.31	22.88	9941	28385	110.95	328.30
	without profit	8.56	6.36	3364	4280	0.00	0.96
4	Health						
	with profit	0.00	0.00	0	0	0.00	0.00
	without profit	37.04	80.45	162498	304055	12747.23	21450.90
A.	Sub total	4229.20	4823.46	6837711	10038373	81073.30	124846.75
	*Linked**						
1	Life						
	with profit	-0.01	0.01	8	0	0.20	0.00
	without profit	13505.74	10535.03	10648205	5642644	138030.39	100860.60
2	General Annuity						
	with profit	0.00	0.00	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0.00	0.00
3	Pension						
	with profit	0.02	0.01	5	0	0.00	0.00
	without profit	2005.47	3520.13	820853	1044558	1343.45	2430.86
4	Health						
	with profit	0.00	0.00	0	0	0.00	0.00
	without profit	0.00	56.44	0	56277	0.00	0.24
B.	Sub total	15511.22	14111.62	11469071	6743479	139374.04	103291.70
C.	Total (A+B)	19740.42	18935.08	18306782	16781852	220447.34	228138.45
	Riders:						
	Non linked						
1	Health#	0.82	1.12	6032	64	77.85	756.72
2	Accident##	1.98	2.70	108951	729	1774.58	2560.19
3	Term	0.11	0.57	1954	17	19.58	154.49
4	Others	6.42	0.78	699	3	748.19	17.33
D.	Sub total	9.33	5.18	117636	811	2620.20	3488.73
	Linked						
1	Health#	1.63	2.63	4358	199	180.60	786.00
2	Accident##	9.54	15.18	75345	1153	4707.25	5302.56
3	Term	0.19	0.12	9412	31	216.90	42.09
4	Others	0.26	1.67	2281	6	1180.89	320.29
E.	Sub total	11.62	19.60	91396	1390	6285.64	6450.94
F.	Total (D+E)	20.96	24.78	209032	2201	8905.84	9939.67
G.	**Grand Total (C+F)	19761.37	18959.85	18306782	16781852	229353.18	238078.12

* Excluding rider figures.
** for policies Grand Total is C.
\# All riders related to critical illness benefit, hospitalisation benefit and medical treatment.
\## Disability related riders.
The premium is actual amount received and not annualised premium.

FIRST YEAR PREMIUM OF LIFE INSURERS FOR THE QUARTER ENDED SEPTEMBER 2008

GROUP SINGLE PREMIUM (INCLUDING RURAL & SOCIAL)

(Rs.in Crore)

Sl. No.	PARTICULARS	PREMIUM		NO. OF SCHEMES		LIVES COVERED		SUM ASSURED	
		Sep 2007	Sep 2008	Sep 2007	Sep 2008	Sep 2007	Sep 2008	Sep 2007	Sep 2008
	*Non linked**								
1	Life								
a)	Group Gratuity Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	570.77	1733.47	784	952	433199	589332	1453.91	4251.53
b)	Group Savings Linked Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	4.38	3.30	239	348	47547	56128	311.63	329.79
c)	EDLI								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	2.65	3.65	450	375	457180	670469	1995.23	2301.80
d)	Others								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	1553.19	849.67	8836	6763	9793097	9550363	37746.08	44198.78
2	General Annuity								
	with profit	227.18	348.23	3	3	884	145	0.00	0.00
	without profit	681.02	2566.12	41	67	4618	4595	0.00	0.00
3	Pension								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	1062.85	901.96	279	322	199893	106265	0.00	0.00
4	Health								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
A.	Sub total	4102.03	6406.40	10632	8830	10936418	10977297	41506.86	51081.91
	*Linked**								
1	Life								
a)	Group Gratuity Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	67.82	125.12	55	43	36672	68991	199.67	121.98
b)	Group Savings Linked Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
c)	EDLI								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
d)	Others								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	6.70	0.50	1	1	435	153	0.04	0.02
2	General Annuity								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
3	Pension								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	57.84	14.92	15	12	26851	307	0.00	0.00
4	Health								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
B.	Sub total	132.36	140.54	71	56	63958	69451	199.71	121.99
C.	Total (A+B)	4234.39	6546.94	10703	8886	11000376	11046748	41706.57	51203.90
	Riders:								
	Non linked								
1	Health#	-0.01	0.05	7	10	3951	5142	215.51	179.26
2	Accident##	0.07	0.32	19	14	23506	4703	315.57	675.93
3	Term	0.00	0.00	0	0	0	0	0.00	0.00
4	Others	0.00	0.00	0	0	0	0	0.00	0.00
D.	Sub total	0.06	0.37	26	24	27457	9845	531.08	855.19
	Linked								
1	Health#	0.00	0.00	0	0	0	0	0.00	0.00
2	Accident##	0.00	0.00	0	0	0	0	0.00	0.00
3	Term	0.00	0.00	0	0	0	0	0.00	0.00
4	Others	0.00	0.00	0	0	0	0	0.00	0.00
E.	Sub total	0.00	0.00	0	0	0	0	0.00	0.00
F.	Total (D+E)	0.06	0.37	26	24	27457	9845	531.08	855.19
G.	**Grand Total (C+F)	4234.45	6547.31	10703	8886	11000376	11046748	42237.65	52059.09

* Excluding rider figures.
** for no.of schemes & lives covered Grand Total is C.
\# All riders related to critical illness benefit, hospitalisation benefit and medical treatment.
\## Disability related riders.
The premium is actual amount received and not annualised premium.

FIRST YEAR PREMIUM OF LIFE INSURERS FOR THE QUARTER ENDED SEPTEMBER 2008

GROUP NEW BUSINESS -- NON-SINGLE PREMIUM (INCLUDING RURAL & SOCIAL)

(Rs.in Crore)

Sl. No.	PARTICULARS	PVEMIUM		NO. OF SCHEMES		LIVES COVERED		SUM ASSURED	
		Sep 2007	Sep 2008	Sep 2007	Sep 2008	Sep 2007	Sep 2008	Sep 2007	Sep 2008
	Non linked*								
1	**Life**								
a)	Group Gratuity Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	47.33	357.43	23	63	27565	259008	192.42	602.43
b)	Group Savings Linked Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	17.10	36.21	0	1	133905	480532	1809.11	1047.42
c)	EDLI								
	with profit	0.97	0.15	83	86	90561	66876	813.49	737.57
	without profit	1.20	2.19	84	101	102174	217590	878.95	1765.83
d)	Others								
	with profit	15.94	2.57	110	141	197048	173028	5117.83	6051.75
	without profit	67.86	683.95	376	699	1170758	5283632	23566.09	45551.25
2	**General Annuity**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.36	0	1	0	0	0.00	0.00
3	**Pension**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.21	2.90	0	0	0	0	0.00	0.00
4	**Health**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
A.	**Sub total**	**150.61**	**1085.77**	**676**	**1092**	**1722011**	**6480666**	**32377.89**	**55756.25**
	Linked*								
1	**Life**								
a)	Group Gratuity Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	155.46	206.90	218	277	360854	545458	2148.14	2915.20
b)	Group Savings Linked Schemes								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	1.93	10.17	14	43	3301	14452	44.93	190.05
c)	EDLI								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
d)	Others								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	7.16	17.27	9	11	683	3352	7.40	0.34
2	**General Annuity**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	1.61	1.87	4	2	1022	130	1.61	1.87
3	**Pension**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	136.15	440.46	106	117	30904	40367	0.00	0.00
4	**Health**								
	with profit	0.00	0.00	0	0	0	0	0.00	0.00
	without profit	0.00	0.00	0	0	0	0	0.00	0.00
B.	**Sub total**	**302.32**	**676.68**	**351**	**450**	**396764**	**603759**	**2202.08**	**3107.46**
C.	**Total (A+B)**	**452.93**	**1762.45**	**1027**	**1542**	**2118775**	**7084425**	**34579.97**	**58863.71**
	Riders:								
	Non linked								
1	Health#	0.98	1.44	13	22	8197	16816	577.11	1000.64
2	Accident##	0.31	0.99	11	34	12694	28543	923.26	2428.22
3	Term	0.01	0.01	1	1	61	38	0.63	0.19
4	Others	0.01	0.01	4	7	379	1455	71.14	477.54
D.	**Sub total**	**1.30**	**2.45**	**29**	**64**	**21331**	**46852**	**1572.14**	**3906.60**
	Linked								
1	Health#	0.00	0.00	0	0	0	0	0.00	0.00
2	Accident##	0.29	0.00	13	0	13901	0	456.04	0.00
3	Term	0.00	0.00	0	0	0	0	0.00	0.00
4	Others	0.00	0.00	0	0	0	0	0.00	0.00
E.	**Sub total**	**0.29**	**0.00**	**13**	**0**	**13901**	**0**	**456.04**	**0.00**
F.	**Total (D+E)**	**1.59**	**2.45**	**42**	**64**	**35232**	**46852**	**2028.19**	**3906.60**
G.	****Grand Total (C+F)**	**454.52**	**1764.90**	**1027**	**1542**	**2118775**	**7084425**	**36608.16**	**62770.31**

* Excluding rider figures.
** for no.of schemes & lives covered Grand Total is C.
# All riders related to critical illness benefit, hospitalisation benefit and medical treatment.
Disability related riders.
The premium is actual amount received and not annualised premium.
$ Reflects revised data submitted by ICICI Prudential Life Insurance Company Ltd.

CIRCULAR

24/11/2008

Circular No. 022/IRDA/MasterAML/Nov-08

To
All the Insurers

Dear Sir/Madam,

Master Circular on Anti-Money Laundering Programme for Insurers

You are aware that the Anti-Money Laundering (AML) Guidelines were notified by the IRDA on 31st March, 2006. Subsequently, a few circulars on the subject have been issued to all Insurance Companies. In order to ensure that all instructions relating to AML are at one place, a master circular has been prepared incorporating all the instructions issued by the Authority upto 31st October 2008 and is being circulated for your information.

Yours faithfully

Sd/-
(C.R. Muralidharan)
Member (Finance & Investment)

CIRCULAR

05/12/2008

INV/LTR/012/2008-09

To

All Insurers

Sub: - Investments made during Sep 2008, Oct 2008 and Nov 2008 - Reg.

In the light of changing macroeconomic climate and risk parameters, there is an urgent need to be cautious with reference to investment of funds in general and policyholders' funds in particular. With a view to ensuring the safety and prudence as enshrined in the recently amended Investment Regulations, insurers are required to furnish ALL investments made (other than Government of India securities) for the months of Sep 2008, Oct 2008 and Nov 2008 with information as per the annexed format, certified by the statutory auditor of the insurer on or before 15th Dec, 2008.

Further, you are required to file with the Authority internal Norms to be adhered by the Investment Department in approving Debt / Debenture / Equity / Loan / Other Investments, as approved by the Board / Investment Committee. The details are to be furnished on or before 8th Dec, 2008. The softcopy of details required (in Microsoft Excel Format) should be to be mailed to snjayasimhan@irda.gov.in

Insurers may please note that non submission of this information within the stipulated time would amount to non-compliance and would attract penal provisions.

Sd/-
R. Kannan
Member (Actuary)

Dealing with Hazards

Tricky and Contentious

AN UNDERWRITER NEEDS TO BE ADDITIONALLY CAUTIOUS ABOUT VARIOUS HAZARDS – SOME SEEN AND SOME UNSEEN - THAT PRESENT THEMSELVES IN THE ACCEPTANCE OF A RISK, IN ORDER TO BE SUCCESSFUL' WRITES U. JAWAHARLAL.

In order that insurance business is successful, it is very important for the insurers to make a wholesome assessment of the risk that is at their disposal; and price it accordingly. Would it mean that the premium for a certain risk should be uniform, the specific conditions affecting each of them notwithstanding? Imagine a building made of fire-resistant material and another building made of wood being charged the same premium for a fire risk cover. While the risks in both the cases may be uniform, there is the additional hazard that makes the wooden house additionally vulnerable to a higher damage; and hence must be additionally charged.

It is not uncommon to use the words risk and hazard interchangeably although a clear distinction between them exists and has to be understood clearly. A hazard is a condition that may create or increase the chance of a loss arising from a given peril. The importance of hazard in insurance business is paramount and unless it is properly judged by the underwriters, it could lead to adverse results. The incidence of hazards could be of different intensity in different classes of insurance. Hazards are broadly classified into moral hazard and physical hazard, although some insurance markets also talk about morale hazard to be distinctly different from moral hazard. Morale hazard is supposed to exist where the insured adopts a careless approach towards the protection of the asset in view of the fact that it is insured.

Physical hazards, as the name indicates, present themselves visibly and hence can be tackled more easily – either by charging an additional premium or by enforcing restrictive clauses. In extreme cases where the risk can become prohibitively expensive, insurers may even reject the acceptance of risk. It should be appreciated that any means of additionally compensating by charging extra premium is applicable only in the case of physical hazard. No amount of additional premium can compensate the existence of moral hazard where the intention of the applicant is entirely to defraud the insurer.

Moral hazard can affect any class of insurance although its impact may be different. For example, in life insurance moral hazard is greatly reduced for the simple reason that no amount of money would compensate the loss of human life. Life insurers still guard themselves against a possible moral hazard, especially in cases where death is imminent in the near future; and also in cases of disability benefits. Besides, the clause of indisputability comes to their rescue in most cases where there is deliberate intent to defraud the life insurer. Moral hazard is a serious issue in most of the non-life insurance classes, particularly the Health and Motor in the Indian domain. While one cannot be expected to cause any detriment to one's own health, it could be an issue where a claim can be enforced or exaggerated.

'Hazards in Insurance' will be the focus of the next issue of the **Journal.** In view of the limited awareness of the Indian masses, it is a very pertinent topic and we look forward to a very interesting debate on the issue.

Hazards...

Lurking Danger

in the next issue...

Group Insurnace

THE KEY TO INSURANCE PENETRATION IN INDIA

RAJEEV VARGHESE ASSERTS THAT GROUP INSURANCE IS INDEED A POWERFUL TOOL THAT IS BENEFICIAL FOR THE MEMBERS OF THE GROUP, FOR THE GROUP INSURER AS WELL AS FOR THE EMPLOYER. HE ADDS THAT IT IS NO WONDER THAT GROUP INSURANCE BUSINESS IS STEADILY RISING.

Group Life Insurance covers a group of people against loss of life or disability. Usually the group constitutes employees of an organization, professionals in a common group, members of a society or customers of a financial institution.

More often than not Group Life insurance is less expensive than individual policies since a large number of individuals are insured under one common policy. The insurance company procures a large single-unit of business which enables it to administer the policy with ease across a large group.

> The insurance company procures a large single-unit of business which enables it to administer the policy with ease across a large group.

A variation of Group Life insurance happens when financial institutions have insurable interest to cover their employees up to the borrowed loan amount or any outstanding on a credit card. In case of death of the borrower/ cardholder, the outstanding amount is paid by the insurer to the lending entity. Insurance cover under such arrangement is called Credit Life insurance.

Individual members of any kind of a group life insurance plan can choose to receive insurance certificates which spell-out their eligibility for benefits.

Corporates usually finance their group insurance policies, providing a material benefit for their employees. Policies are generally for a year; and at the time of renewal, the past year's experience plays a part in determining the premium for the renewal year. Insurers do not always require physical examinations for all employees before issuing a master policy; certain members however, may have to undergo medical check-up or answer a detailed Health Questionnaire to avail of a higher Sum Assured than the No Evidence Limit.

Group insurance is definitely more affordable than a similar number of individual policies; many employees see group insurance coverage as an important perquisite.

Group insurance benefits can vary widely. Some insurers offer Terminal Illness or Critical Illness cover during the term of the policy as a living benefit. This helps the insured member to avail of the sum assured to pay their medical related expenses upon diagnosis of a life threatening illness.

Growing need for Employee Benefits

In developing markets where significant numbers are either uninsured or underinsured, both corporate and government establishments are entering into Group Life insurance form. Since employees often feel that such coverage is inadequate, employers can offer additional voluntary insurance to the individual, provided they are part of the group which is the policy holder.

The multiple benefits of Group Life insurance, often not availed of by employees can be used by employers to attract and retain talent. Smart employers are already looking at benefits beyond basic health and retirement needs to differentiate themselves from competition. Like in developed markets, they are offering benefits to help worklife balance for retaining talent. The influx of MNCs has seen their global insurance practices being implemented in India.

However, we also witness ambivalence about employer benefits among employees on the insurance front which may be attributed to inadequate employee education than to a lack of need. Demand for the core benefits of retirement planning, insurance and other financial products continues to be strong and is likely to increase as the economy evolves.

Major Mortality trends

Along with an increase in life-span resulting from better health care, we are witnessing an increase in mortality owing to the increasing prevalence of a host of diseases owing to our dietary and behavioural habits. These are popularly called life-style diseases. The World Health Organisation (WHO) report on India illustrates the increasing dominance of life-style diseases:

WHO Report 2007

The rising incidence of such diseases, especially among employees in the organized sector, makes both the private and public sector employers look at Group Insurance as an important employee benefit.

Group Insurance Market in India

Since the entry of multiple private insurers - post liberalisation, group market has seen a very healthy growth for both Group Term Life Insurance and Credit Life products. The market is split between employer-employee groups and Credit Life insurance policy-holders.

Here is a case study of a private life insurer that provides Group Insurance coverage to corporate houses across sectors. Approximately 2.8 lakh lives are covered under its Group Term Life business and 9.7 lakh lives are covered under its Credit Life business.

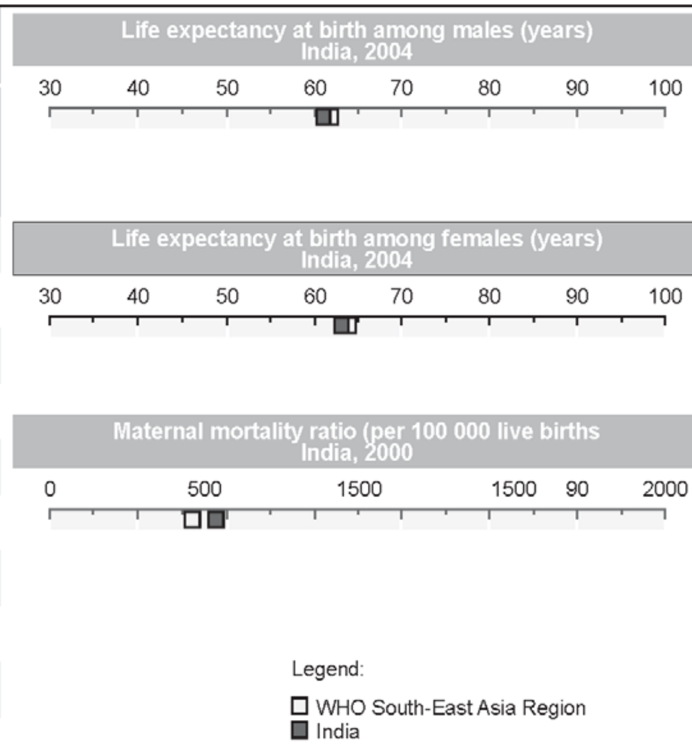
The life insurer has paid over Rs.38.70 crores covering 2116 lives, in claims under

Causes of Death

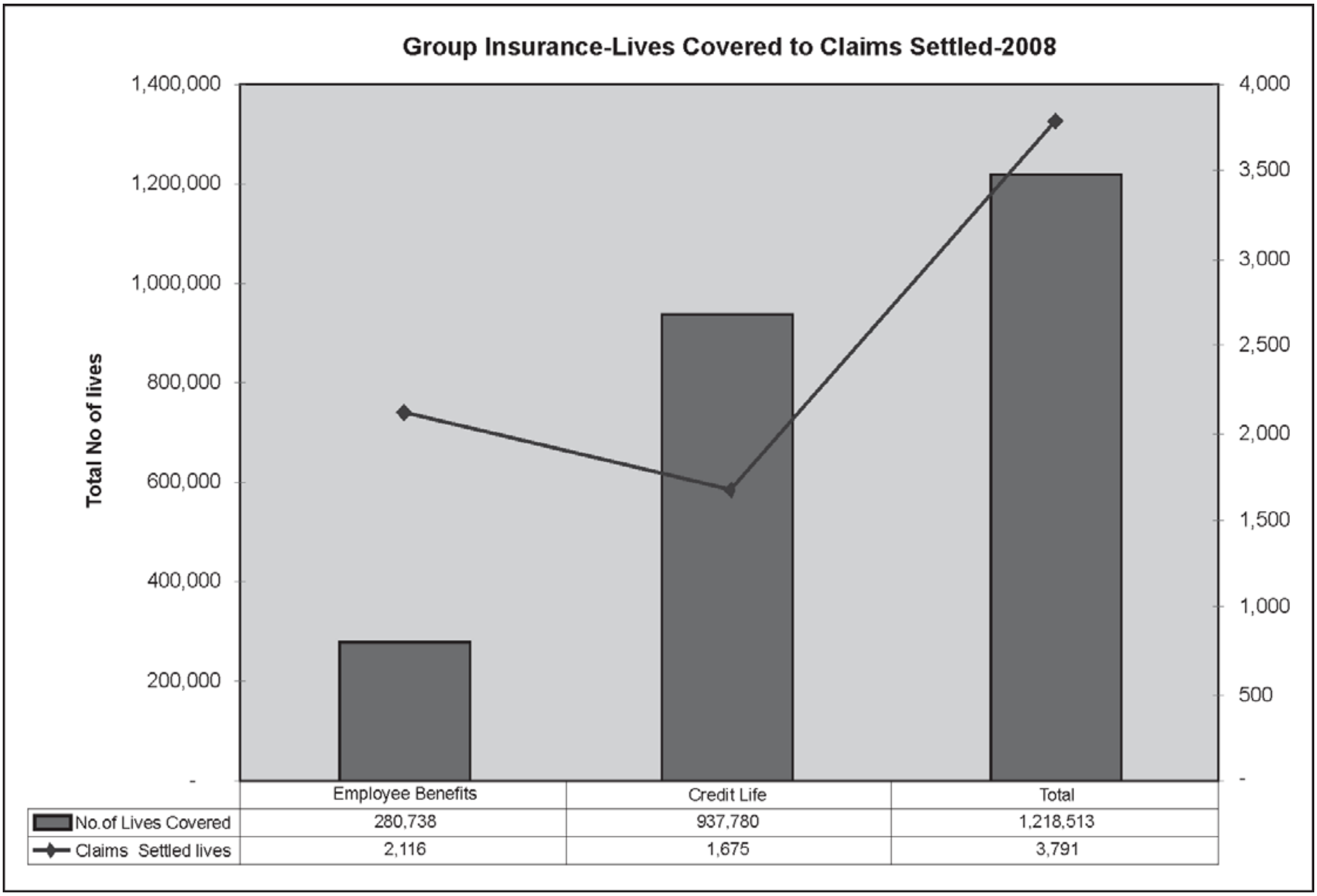
Top ten causes of death, all ages
India, 2002

Causes	Deaths (000)	Deaths (%)	Year of Life Lost (%)
All causes	105	100	100
Ischaemic heart disease	153	15	15
Lower respiratory infections	110	11	11
Cerebrovascular disease	771	7	7
Perinatal conditions	762	7	7
Chronic obstructive pulmonary disease	485	5	5
Diarrhoeal conditions	456	4	4
Tuberculosis	364	4	4
HIV/AIDS	361	3	3
Road traffic accidents	189	2	2
Self-inflicted injuries	182	2	2

Source: Death and DALY estimates by cause, 2002
http://www.who.int/entity/healthinfo/statistics/bodgbddeathdalyestimates.xls



Source: World Health Statistics 2006



the employer-employee Group Term Life cover and Rs. 8.5 Cr covering 1675 lives under its credit life business. This has helped companies transfer such risk to the insurer and settle claims quickly. Data from other insurers would also reflect a similar trend, confirming that corporates in India are looking at life insurance as a material benefit for its human resource.

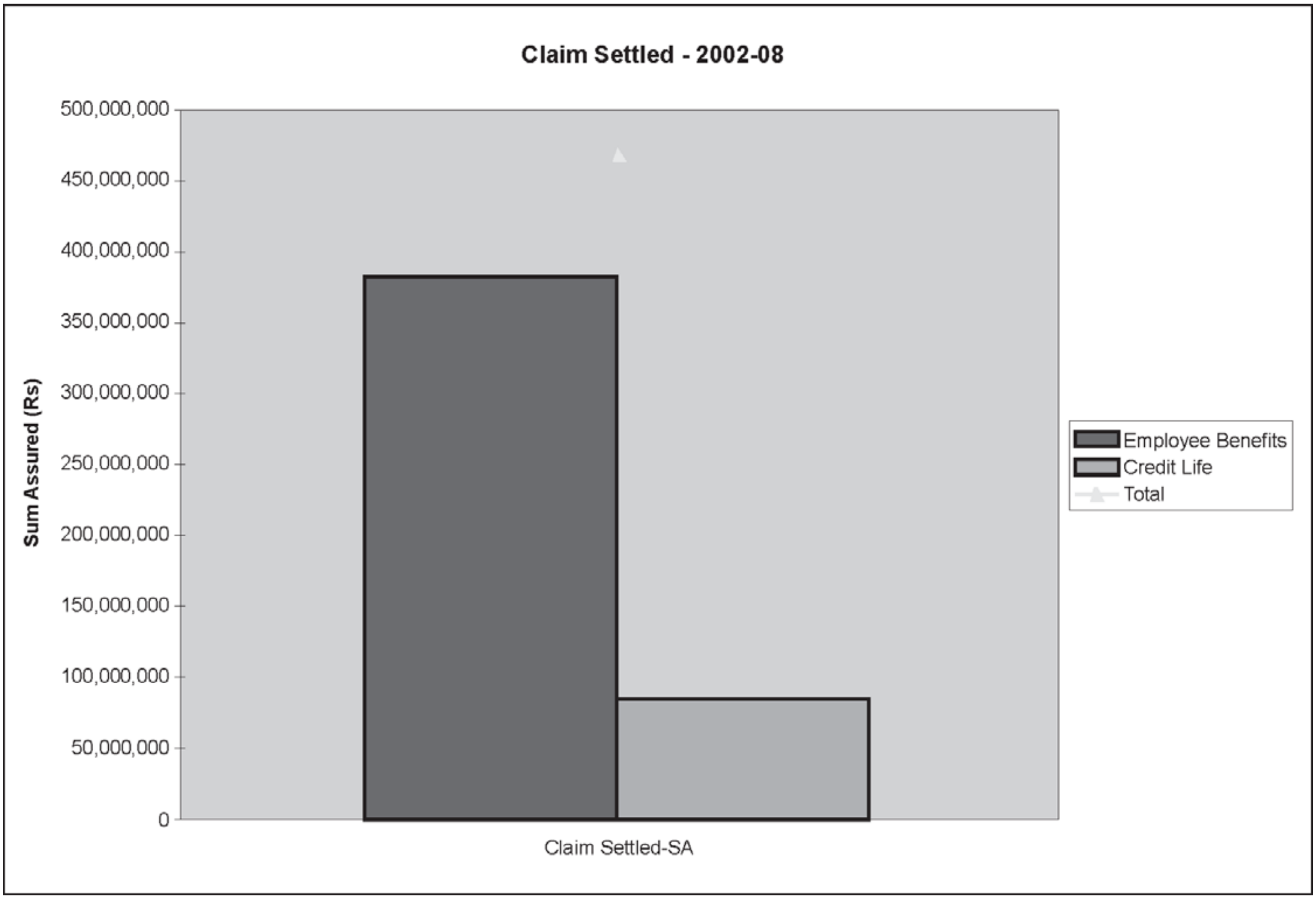
Employers are increasingly looking at Group Life insurance with riders. Not only administrative issues of managing multiple policies stand reduced, but also one can avail of better terms while adding multiple benefits under a single cover. The choice of riders varied with the prevalent terms under the policy.

More employers are considering life insurance cover enhancement under the Employee Deposit Linked Insurance (EDLI) scheme (as part of the statutory cover forming part of the Provident Fund Act). Employees can avail of better benefit terms with no linkage to their PF balance. Being a very small insurance component, this benefit misses attention of employees.

Over 40 lakh establishments in India are having PF account but only a fraction of these have the benefit of enhanced insurance coverage under the EDLI scheme. It is important that both employer and employee seriously evaluate the benefit structure and the cost being incurred for the same. Experience reflects that most employers double the current maximum limit of Rs. 60,000 sum assured provided under the EDLI Scheme.

Several group insurers bring the added advantage of term insurance benefit wherein the concept of ‘No Evidence Limit’ (NEL) ensures that majority of the employees get a high SA at very low group rates and those above the NEL too get the SA based upon a medical underwriting process with a health declaration or medical check-up at the cost of the insurer. A similar SA on individual basis will entail higher cost and possibility of postponement/decline.

Group Insurance providers bring high-end technological interface. This interface is used to service on an individual member basis with customised billing and easy



policy administration. There are global-platform applications that support the policy holder and individual members in policy administration.

Group Products Trends

The overall group insurance data for the period September 2008 as per the IRDA Journal reflects the following:

For the period Apr-Sept 08, 10,428 new policies for both Group Non-Sngle and Single Premium has contributed Rs. 83,121 Mln which is approximately is 24% of the total premium generated for the period. This reflects the growing trend of corporates contributing to group benefit for employees. Going by projected market data, one can assume that the overall share of group to total premium could be approximately 40% in the next 3-5 years.

Until recently, the booming credit market had enabled financial institutions to bundle the loan/balance outstanding amounts with life insurance cover. This enabled the borrowers to secure their large loans/outstanding and also enabled the financial institution to secure its books: a clear win-win for customers, financial institutions and insurance company.

The table below represents the overall credit statistics for all scheduled banks as per the RBI report for the period up to March 2007. The column reflecting the data pertaining to the individual accounts demonstrates the number of potential customers across both long term and medium term who could avail of the credit insurance to protect their outstandings.

Some insurers have strong and large financial institution tie-ups, offering various Credit Life products including Mortgage Reducing Term Insurance (MRTI), Personal Loan Protection, Credit Card Balance Outstanding Insurance, Education loan insurance, Vehicle Loan Life Insurance and SME loan Life insurance plans.

Group Health Products offered tend to be the ever popular Group Mediclaim which provides for health insurance cover to employees and their immediate family members. Traditionally, it is the domain

Number of Policies YTD (April - September) FY 09					
Insurers	Individual Single	Individual Non-single	Group Single	Goup Non-single	Total
ICICI Prudential	22696	1262534	147	290	1285667
Bajaj Allianz	39310	1159628	0	311	1199249
Reliance	53335	710392	17	154	763898
Max New York	9210	567666	10	272	577158
Birla Sun Life	75406	404098	69	88	479595
HDFC Standard	27072	371976	1	5	399122
SBI	45584	309604	7	56	355245
Tata AIG	5023	307477	4	44	312551
Kotak	1417	287948	0	185	289554
Aviva	1433	168802	1	36	170271
ING Life	1974	165839	63	66	167880
Met Life	1036	111857	1	0	112956
Bharti Axa	759	75747	0	0	76507
Shriram	15525	34917	0	2	50444
Sahara	5867	39234	0	2	45103
IDBI Fortis *	8005	19399	0	0	27404
Future Generali #	144	11225	0	31	11400
Canara HSBC **	1	6266	0	0	6267
Aegon Reliagre $	12	3403	0	0	3415
DLF Pramerica ^	0	62	0	0	62
Total Private Insurers	313809	6018074	323	1542	6333748
LIC	1710712	10763778	8563	0	12483053
Industry	2024521	16781852	8886	1542	18816801

TABLE NO.44 – TYPE OF ACCOUNT AND ORGANISATION-WISE CLASSIFICATION OF OUTSTANDING CREDIT OF SCHEDULED COMMERCIAL BANKS MARCH 2007

(Amount in Rupees Lakh)

TYPE OF ACCOUNT	PUBLIC SECTOR			CO-OPERATIVE SECTOR			PRIVATE CORPORATE SECTOR		
	No. of Accounts	Credit Limit	Amount Out-standing	No. of Accounts	Credit Limit	Amount Out-standing	No. of Accounts	Credit Limit	Amount Out-standing
	1	2	3	4	5	6	7	8	9
Cash Credit	5718	10825056	5956042	23580	770770	510019	75673	24072697	12941248
Over Draft	3895	1973769	498899	6939	561068	225735	21960	7580046	2537726
Demand Loans	2304	2774031	2649743	11410	661488	530731	23749	8384932	7428632
Medium Term Loans	5644	4029820	3240721	33033	1107316	851045	47553	11356795	9788613
Long Term Loans	38688	8597772	6847467	93028	6410072	5372392	189935	40389817	31856103
Packing Credit	513	663790	385028	592	92908	42246	14613	5864341	3633093
Inland and Foreign Bills Purchased / Discounted	3513	1113567	350358	215	82693	50899	37128	14598025	5247480
TOTAL	**60275**	**29977806**	**19928260**	**168797**	**9686317**	**7583067**	**410611**	**112246654**	**73432895**

TYPE OF ACCOUNT	PRIVATE SECTOR - OTHERS			JOINT SECTOR UNDERTAKINGS			INDIVIDUALS		
	No. of Accounts	Credit Limit	Amount Out-standing	No. of Accounts	Credit Limit	Amount Out-standing	No. of Accounts	Credit Limit	Amount Out-standing
	10	11	12	13	14	15	16	17	18
Cash Credit	5,49,246	11478683	8096795	646	145042	58494	260696	2007585	1606965
Over Draft	176128	5276029	2945224	219	47118	9431	359159	3419543	2294795
Demand Loans	59312	2356255	1988081	106	28222	25367	642625	2577578	1937740
Medium Term Loans	110446	3149443	2433676	289	76617	68585	1275554	646375	4683239
Long Term Loans	298000	8684095	6725715	708	528442	437698	5649309	34522095	29066366
Packing Credit	25130	1849202	1407050	32	3795	3374	5458	80599	63808
Inland and Foreign Bills Purchased / Discounted	34142	3753772	1877118	145	72013	13085	7068	156126	100085
TOTAL	**12523683**	**36547479**	**25473858**	**2145**	**901248**	**614014**	**8199869**	**49227901**	**39752996**

of general insurance companies. Several life insurers have recently introduced single premium products in the form of Group Health and Group Life policies.

Group Health policies provide insurance to policy-holder members upon diagnosis of any of the specified critical illnesses. The maximum tenor of the cover is usually five years. An employer/financial institution can offer this product to its employees on single premium mode with an added advantage of no medical check-up prior to issuance of the policy. These products provide supplemental medical protection on single premium mode in addition to the regular Mediclaim which provides for re-imbursement of medical expenses.

Group Life policies provide double accident life insurance benefit, with a tenor extending from 3 to 10 years. This too doesn't require medical check up prior to issuance. A group can buy this cover to supplement its employer provided Group Term Life for its employees/members.

Both products can be paid for by individual employees on a voluntary basis

Benefits Strategies-Way Ahead

As organizations realize the importance of life and health insurance cover as a cost effective way of protection and retaining talent, we are seeing an evolution in the products offered as well.

Many employees, however, remain unaware of the range of protection available and a concurrent awareness drive organized by corporate houses by tying up with insurance companies or independent financial planners will help employees in understanding the benefits, and determining if the group cover needs to be supplemented. Employees and members could purchase group products on voluntary purchase mode either for Single Premium or for annual renewable term product, and enhance their insurance coverage at the same time availing the benefit of the group rates.

In the absence of a social security system, a viable Group Medical product will provide coverage for the employees and their families during their employment and post retirement. We are witnessing growing concern among employees about possible medical expenses, post retirement.

With most employees having official salary accounts with banks, it is possible for employers to offer group insurance benefits to those who avail of loans from their bank. The premium could form part of the compensation benefit structure. With a young workforce, the loan interface with the bank can be a convenient solution and this bundling of insurance with loans will offer necessary security to the family and to the lender to secure its books.

School fees protection and bill re-payment protection plans are other useful innovations. These anticipate and address the changing expenditure patterns in India and provide protection.

As India witnesses a fast developing insurance market and new players, increased competition brings innovation in both product design and servicing. Anticipating the future based on the evolving social and demographic patterns and finding the right-fit solutions will be as much an imperative for employers, as much as it is for insurance companies.

The author is Head - Group Insurance, Tata AIG Life Insurance Co.

Group Insurance in India

Need for Better Performance

TARUN CHUGH OBSERVES THAT ALTHOUGH THERE ARE HUGE ADVANTAGES IN BEING INSURED AS GROUPS, INDIA HAS A LONG WAY TO GO IN MAKING A MARK IN THE DOMAIN OF GROUP INSURANCE.

If I had known that I was going to live that long, I would have taken better care of myself! - Mark Twain

Today, India is looked upon as one of the fundamentally strong and growing economies. As a nation, we have made exemplary advancements in software, engineering, financial services and even manufacturing. At the core of these revolutions are the knowledge managers, the employees. Considering the in-roads made in numerous fields through the intellectual capabilities of these managers, investments made by their employers to secure their long-term future seem diminutive. In addition to their remuneration packages, employers need to have an equal emphasis on employee benefits such as group insurance, pension, and medical care.

Group insurance is a cover provided to a congregation of individuals who have commonality of purpose; other than that of buying insurance.

The group insurance advantage

Group insurance is a cover provided to a congregation of individuals who have commonality of purpose; other than that of buying insurance. Some examples of eligible groups include employee-employer and professional groups.

Advantages of group insurance are enjoyed both by employees and employers. From an employee perspective, security against risks is an important factor which can affect one's productivity. Employees look to their organization to provide support on the occurrence of any risk events, such as death. The impact of these risks is difficult for organizations to plan for and they tend to have a financial impact as well. Group insurance is a simple and cost effective solution whereby such impacts are transferred to a life insurance company.

Life insurance companies offer administrative ease in structuring and managing group insurance schemes and are an effective option to organizations to manage the statutory liabilities such as employee deposit linked insurance (EDLI) and gratuity.

Group insurance business in India

Group business in India can be broadly categorized as under:

- Term-insurance based schemes: they offer pure insurance protection. Some examples of fund-based schemes include,
  - o Group term insurance
  - o Group term in lieu of EDLI
- Fund-based schemes: they offer a return on investment; in addition they may offer insurance protection. Some examples of fund-based schemes include,
  - o Group gratuity
  - o Group pension/ superannuation
  - o Group leave encashment

Term insurance based schemes

Group term insurance is a one year renewable scheme that insures employees against unfortunate events like death, disability or disease. It pays a benefit to a designated beneficiary when the event occurs within the specified period. This scheme helps create goodwill among the employees since it is an additional benefit provided by employer for the employees' benefit. The

> **Life insurance companies add value to gratuity schemes by providing a built-in life cover. In case of premature death of an employee, a sum equal to the gratuity payable for the entire service is paid by the insurance company.**

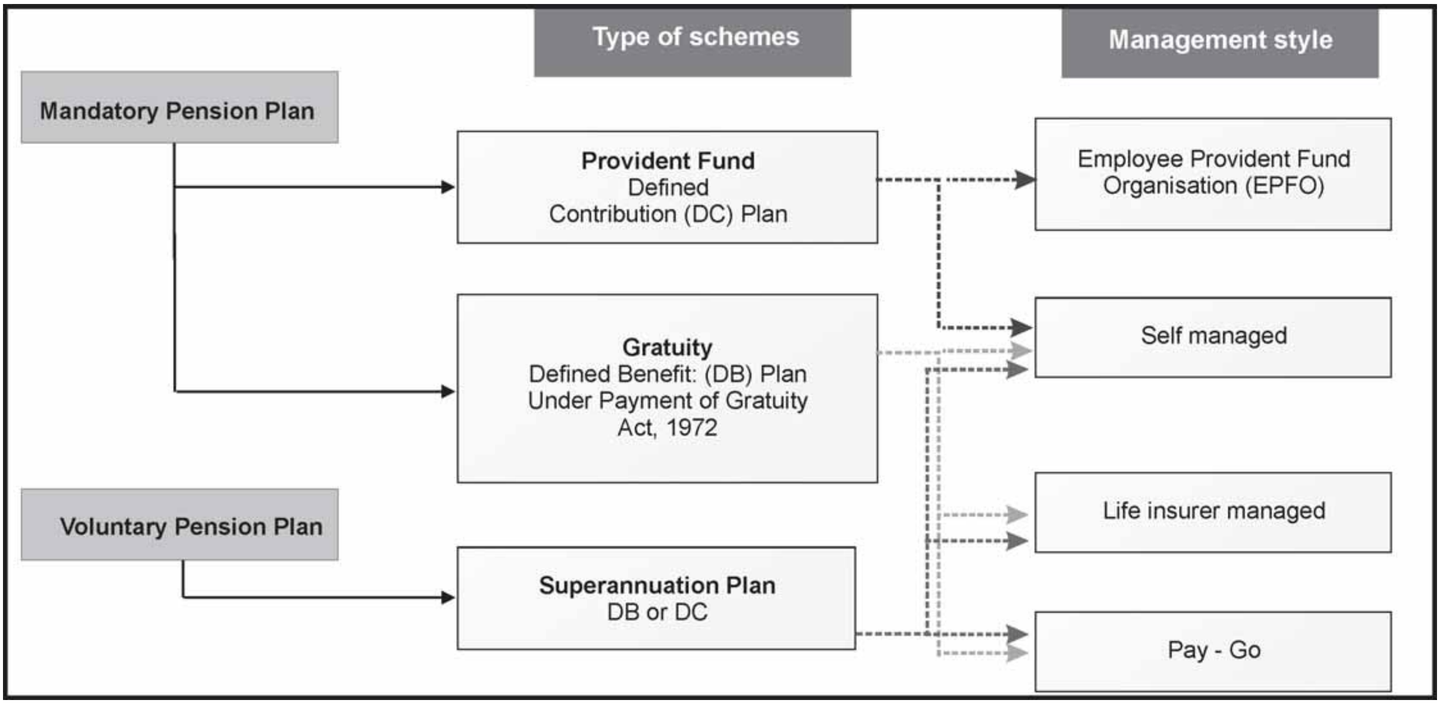
employer also has the statutory liability of providing its employees with the benefit of a life insurance cover through EDLI. Exemption from this scheme can be availed if a better provision can be made through a life insurer by way of a group term cover.

The advantages of providing term insurance based schemes to employees are manifold. These include providing the employees an insurance cover at a lower cost as compared to individual insurance and provisioning of higher insurance protection without medical underwriting. Further, members of an eligible group, who otherwise may not be insured under individual insurance, can also be covered under a group scheme.

Fund-based schemes

Gratuity, a statutory benefit, accrues to the employee on completion of five years of service. The benefit is paid in lump sum on separation and is typically half month's basic salary for every year of service. Life insurance companies add value to gratuity schemes by providing a built-in life cover. In case of premature death of an employee, a sum equal to the gratuity payable for the entire service is paid by the insurance company.

Superannuation is a structured voluntary pension scheme which enables employees to save systematically towards building a retirement corpus. Superannuation has two variants, defined benefit (DB) and defined contribution (DC) schemes. In a DB scheme, benefits payable at retirement are linked to a formula such as last drawn salary or number of years of service. No individual or employee accounts are maintained and contributions are arrived at by the means of an actuarial valuation. In a DC scheme benefits payable at retirement depend upon the contributions (defined as a percentage of salary) and earnings on these contributions invested. Employee



accounts are maintained individually, the contribution along with earnings is available to him/her on exit from the scheme. In both the schemes, the benefit is paid as life long regular income by way of annuities provided by life insurance companies.

Trends show that most old economy companies offer DB schemes, whereas new economy companies are predominantly DC schemes.

In India, the superannuation benefit is availed through annuities that need to be purchased from life insurance companies. Annuities protect the beneficiary from the financial risk of living too long and provide an assured payout for life with locked in investment rates.

Group leave encashment is another voluntary benefit offered by employers. This provides the employees with the option of encashing any leave to their credit at the time of retirement or resignation. Life insurance companies add value to this scheme by providing a built-in life cover.

Keeping this trend in mind, it is critical to consider the portability of these schemes, so that individuals continue to secure their retirement needs, even if they are working independently.

Management of fund-based schemes by life insurance companies

The Income Tax Act allows insurance companies to manage group gratuity, superannuation and leave encashment which are fund based schemes. The investments made by these schemes are regulated by the IRDA and allow significant exposure to equity and debt. Employers are increasingly outsourcing the management of this corpus to life insurance companies.

Life insurance companies offer two types of investment platforms for managing these schemes. These can be classified as traditional and unit linked investment plan (ULIP).

The traditional platform caters to investors with a low risk appetite with the capital invested being guaranteed. A major portion of the funds are invested in debt instruments, which are likely to result in steady returns year on year. However, it does not provide transparency of investment, fund management fees charged or administrative expenses. Actual returns earned by the insurance company may be different from the returns that are passed on to policyholders.

ULIPs, on the other hand, have gained acceptance amongst investors due to a) flexibility of investment, switching between asset classes and b) transparency of returns, fund management charges. Varied fund options are available to structure portfolios on the basis of the company's risk appetite. ULIPs also offer the convenience of tracking investment performance at any desired frequency.

Private insurance companies have been instrumental in popularizing the ULIP platform resulting in the new business increasing from a meagre Rs. 376 crores in 2003-04 to Rs. 3,886 crores in 2007-08. (Source: IRDA Journal, May 2008)

Ease in administration and efficient fund management are some of the advantages life insurance companies bring to the table. Further, they also provide exclusive client servicing options, dedicated help desks for customer assistance and assurance of timely settlement of dues.

In more recent times, it has been observed that frequency of changing jobs amongst individuals has increased. Keeping this trend in mind, it is critical to consider the portability of these schemes, so that individuals continue to secure their retirement needs, even if they are working independently. Also, with increase in expenses and longevity it is critical to plan and secure one's post-retirement needs and group schemes are indeed a powerful tool to enable the employed population to plan for it. Demographics of the Indian workforce being favourable (compared with many large economies such as China, Japan and Korea) and retirement not being imminent, results in a lack of adequate awareness of the importance of saving for the future. In such a scenario, employers should strive to educate and provide their employees with these benefits. These will play a crucial role in employee retention as well as their long term welfare.

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Group Pension Schemes

Defined Benefit vs. Defined Contribution

VIJAY VAIDYANATHAN **FEELS THAT THOUGH THE PRESENT DAY TREND TILTS HEAVILY TOWARDS DEFINED CONTRIBUTION, IT IS CERTAINLY NOT THE END OF THE ROAD FOR DEFINED BENEFIT SCHEMES.**

A few years back one of the largest and well-known car manufacturers in the world, General Motors (GM) was in the news for the wrong reasons. The car manufacturer was accused of lack of innovation.

"From the exterior, GM's newest cars are not that different from what they had before," a noted consumer research expert said.

On careful analysis, it was observed that GM spends $1,525 per car in raising retirement benefit costs, for its employees, about four times what Toyota pays on cars built in the US. While downsizing helped GM cut its payroll, the bill for retiree pensions kept rising. These high costs left GM with less to spend on innovation. And this was showing and was indirectly affecting their sales.

Unfortunately this is a situation faced by many Defined Benefit Schemes in Group Pension schemes in India as well, where they are up against under funded liabilities, escalating benefit costs, and reduced income on investments. All together, the annual contribution required to sustain the existing group pension scheme is increasing from year to year crossing the normal upper limit of 15% of salary as prescribed in the Income Tax Rules. All these lead to a huge drag on legacy costs and ends up affecting the business indirectly just like in the example above.

Attitude of the young generation of employees is also adding to the problem. The trend of shifting from Defined Benefit Pension scheme to Defined Contribution Pension scheme in Group schemes has now gained ground all over the globe. It has become the current trend in India as well.

This article attempts to put together the related factors and examine whether and how Defined Benefit Pension scheme can have any chance of survival in our country.

Defined Benefit and Defined Contribution

Group Pension schemes are basically of two types – Defined Benefit and Defined Contribution. In the rules of a Defined Benefit Pension Scheme, the benefits payable are clearly specified, normally mentioned as fixed amounts or related to service and salary or in some such defined manner. Most of the Defined Benefit Pension schemes in India are usually final salary related. Defined Contribution Pension schemes only specify the contributions that will be payable into the scheme in respect of each member (as fixed amounts or calculated as a percentage of salary) and the benefits payable under the scheme depend on the accumulated value of the contributions.

While downsizing helped GM cut its payroll, the bill for retiree pensions kept rising. These high costs left GM with less to spend on innovation.

The financial factors responsible: In India, the Defined Benefit Pension schemes are recently facing serious financial problems mainly due to –

- **Declining trend of interest rate:** In last few years the interest rate in India has shown steeply declining trend,
  - Yield on Government Securities have fallen from 12% to 6.75%.

Criteria	Defined Benefit	Defined Contribution
Fairness to all classes of employees	Such pension scheme only payspension, provided the memberhas completed a fixed number ofyears of service and has attainedat least minimum years of age.	Under the scheme, everymember on exit, providedone has served minimumperiod, will receive pension.Minimum service is as lowas 3 yrs.
Fairness to career progress of employee	The schemes are generally afinal salary scheme and is therefore ill suited to cope with lifetime earnings. In other words those who make less progress, will subsidise those who make better progress.	The Scheme is well suitedto cope with pattern of lifetime earning.
Copes with volatileearnings	For salary increase over andabove that adopted in valuationbasis, additional contributionwill be required to keep the fundsolvent.	Has no suchproblems, and would require no additional contributions.
Tax Efficient	Additional contribution paid tokeep the fund solvent, on largersalary increase, will be taxdisallowable.	The tax shield for pensionschemes is contribution-basedand not benefit-based.Therefore, thedefined contributionscheme will always remaintax-efficient.
Easy to Understand	Rules are generally not easy tounderstand. There is scope formisinterpretation of rules.	Members already have a Provident fund, based upon Defined Contribution. Therefore, the proposed scheme will be easily understood by members.
Transference ofInvestment Risk	In a Defined Benefit scheme, the investment risk is borne by the employer as the members' benefits are guaranteed regardless of investment performance. If investment rates fall, larger contribution will be required to be paid by employer.	Under Defined Contribution, such investment risk is borne entirely by the members.
Annuity Rate	Pension is not affected by the annuity rate. Cost is borne by Fund.	Quantum of Pension will depend upon annuity rate.

- Public Sector Bonds fallen 14% to 7.25%
- Special Deposit fallen 12% to 8%.
- Further fresh investment in Special Deposit has remained suspended.

Consequently, the rate of discounting to be used for the future period in case of a Defined Benefit Pension scheme is also decreasing from year to year boosting up the liability figures substantially.

- **Hike in immediate annuity prices:** As per the Income Tax Rules, the approved Superannuation Funds in India must purchase annuities from life insurance companies in India at the time any pension becomes due for payment. The two main factors underlying the annuity pricing, viz. longevity and interest rate, are both independently contributing to increase in the prices of annuities. In many countries the insurers are already observing that inadequate prices were charged in the past from the annuitants purchasing immediate or guaranteed deferred annuities. Increase in annuity prices immediately increases the liability of a Defined Benefit pension scheme because the pension amounts calculated as per the Rules of the scheme do not change with increase in annuity prices.
- **Unprecedented salary escalation:** With liberalization of Indian economy and associated factors the restrictions on the upper limit of salary have been removed. Executives at senior level are now getting salaries and raises which were simply unimaginable even 10 years back. Since most of the existing Defined Benefit pension schemes are for managerial staff, significant increase in salary escalation rate has also substantially increased the liabilities of final salary pension schemes.

Defined Benefit pension scheme, with its complex features and distant promises do not attract the young generation of employees.

Most of the Defined Benefit pension schemes had earlier been managing well with contributions within 15% of salary, the upper limit of the ordinary annual contribution rate prescribed in the Income Tax Rules. Some funds even increased the benefit levels substantially when interest rates were quite high. Now the annual contribution rates required are crossing the prescribed limit of 15% of salary giving rise to not only additional financial burden on the companies but also problems regarding tax advantage and the risk of violating the provisions stipulated for the approved Superannuation Funds. The employers having such Defined Benefit pension schemes are naturally alarmed at the increasing cost of continuing such schemes. The immediate panacea that is being prescribed to them is to convert the Defined Benefit pension schemes to Defined Contribution pension schemes or to discontinue such Defined Benefit pension schemes altogether.

Another emerging attitude is aversion towards any sort of cross subsidy – whether it is real or perceived. Defined Benefit pension scheme, with its complex features and distant promises do not attract the young generation of employees. It is also difficult to directly match the "cost to company" concept of employees' remuneration with the features of the traditional Defined Benefit pension schemes. All these factors are driving new generation employees towards Defined Contribution pension scheme if at all they have to choose any Superannuation scheme for the sake of tax benefit or otherwise.

Conclusion

There is no reason why Defined Benefit pension scheme cannot and should not survive in spite of all the odds faced at present. However, theoretical solutions cannot simply motivate everyone to go for or continue with a Defined Benefit pension scheme. There are trends and waves as also mindsets that are all created by the surrounding circumstances. So the general perception of the employers and the employees in respect of the usefulness of a Group Pension scheme and Defined Benefit Pension scheme in particular, will play the crucial role in deciding the survival or extinction of the Defined Benefit Pension scheme in our country.

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Riders in Life Insurance

Design and Pricing

K S GOPALAKRISHNAN **EMPHASIZES THAT RIDERS ARE A GREAT VALUE ADDITION TO THE BASE PRODUCT, AT A MINIMAL ADDITIONAL COST. HE FURTHER ADDS THAT WITH THE AWARENESS LEVELS RISING, THE DAY IS NOT FAR WHEN THE DEMAND FOR RIDERS WILL BE HUGE.**

Objective

The objective of this paper is to explain life insurance rider products with specific focus on design, pricing, reserving and solvency in India.

What is a Rider?

The Oxford Mini Dictionary carries the following meaning for rider:

- A person who rides horse etc.
- An additional statement or condition.

The rider gives the customer the flexibility to select insurance cover as per his or her ongoing needs by adding or deleting a rider any time during the period that the base life insurance policy is in force.

Rider in a life insurance product context means the latter i.e. an additional benefit that is available for a price and sits on top of a base product. The rider gives the customer the flexibility to select insurance cover as per his or her ongoing needs by adding or deleting a rider any time during the period that the base life insurance policy is in force. The insurance company is likely to offer a rider at a relatively cheaper price when compared with a stand alone product offering the same cover. Why is this so? The answer is simple and lies in economics. Consider a dealer selling car stereo for Rs.20,000. The same dealer could offer the car stereo for Rs.18,000 if the customer buys a new car from him as well.

Riders present excellent opportunities to sales people as it helps in

- Providing a comprehensive protection package to fulfill various needs of a customer
- Higher consumer satisfaction from agent's services
- Higher persistency ratio
- Up-selling to existing customers. It is proven that selling products to an existing customer is much easier than acquiring a new customer.

Product Design

Common Riders

Riders made a simple start in the life insurance market with easy to understand accidental death rider and waiver of premium rider. Now there are a plethora of riders in the international market that can easily make one's head spin. This includes the heads of customers, pricing actuaries, valuation actuaries, policy servicing representatives, underwriters and distributors.

Riders have evolved into meeting various protection needs and the most common ones are:

- Waiver of Premium (waives policy premiums on various events such as death, disability, dismemberment, critical illness and so on; such events can apply to the life insured or the policyholder)
- Accidental death / disability / dismemberment rider
- Family insurance rider
- Guaranteed insurability rider
- Inflation protection rider (also known as cost of living adjustment rider – COLA)
- Term rider
- Major surgeries rider

A life insurance company could define "heart attack" in specific medico-legal terminology whereas the agent who is selling and the less-informed customer who is buying might understand it in more colloquial terms.

- Critical illnesses rider (either advances basic death benefit or pays additional benefit on CI)
- Unemployment rider
- Protection from stock market volatility (in unit linked or variable universal life products)
- Long term care rider
- Return of premium rider (on pure term product)

Some of these riders can be attached on a life other than the main life insured. For example, a term rider can be attached on the life of the spouse of the life insured. As another example, a critical illness rider can be developed to cover only juveniles.

The Indian market has seen introduction of some of the above riders in the past decade.

Product Design

Designing of a rider is relatively straightforward once the basic objectives of the rider are clearly laid out.

Challenges, however, arise when defining the insured events and exclusions. A particular example is the critical illness rider where some of the illnesses could mean different things to different people. For instance, a life insurance company could define "heart attack" in specific medico-legal terminology whereas the agent who is selling and the less-informed customer who is buying might understand it in more colloquial terms. Such situations pose a serious risk of litigation in the event of the life insurance company disallowing a claim. Another example would be the definition of disability.

Life insurers often depend on reinsurers in designing some of these riders. This results in further complications at times, as a life insurer might reinsure with more than one insurer for different product lines. Let us take a life insurer who selects two different reinsurers for say individual business and group business. These two reinsurers could have different definitions for the same illness (e.g. cancer), resulting in a customer having cover under both individual and group businesses ending up in a piquant situation.

Thus a major challenge in rider design is keeping the design (for example, number of conditions in a surgical rider), definitions and exclusions simple to understand and easily verifiable. The onus can't be put fully on the customer to be clear on when he will be covered and for what.

Pricing

Riders are usually priced for healthy profits and yet the price is kept at affordable levels for customers. Let us see some challenges that confront pricing actuaries.

- Insured Events – Actuaries are quite comfortable when it comes to measuring and forecasting risks for which adequate past data exist. However, the same cannot be said of risks involved in covering riders such as long term care, disability income or critical illness. For some riders, like the disability rider, there is not enough available experience on insured lives for the actuary to become comfortable with the pricing best estimate assumptions. Claims experience in riders such as critical illness rider is vulnerable to tremendous strides in medical terminology. Currently, pricing actuaries are thus largely dependent on reinsurer's risk premium rates for setting their own expected incidence rates, even though this is not the most ideal solution.
- Lapses – A rider is normally attached with different base products. Each base product could have different lapse assumptions depending on the nature of the product, distribution channel and target market segment. The rider however is likely to carry the same price irrespective of which product it is attached to. This makes the rider profitability somewhat vulnerable. For example, the lapse rates on a critical illness rider with a term policy could be different from the lapse rates on a critical illness rider with a unit linked policy. Having said this, the risk of lapses having materially adverse effect on profitability, however, is not likely to be significant because of, among other things, lower acquisition expenses on riders.
- Reviewable Rates – The uncertainty over emerging experience is being addressed

by many pricing actuaries by offering limited premium guarantees or even the right for the company to change definitions. It is common to guarantee critical illness premium rate for say, the first five policy years and make it reviewable every year thereafter. Whilst this does appear to be a good risk mitigation step, in reality there could be practical issues such as the ability of company to increase premium rates and the extent to which policyholders understand the reviewability clause.

Other Regulatory Boundaries

A brief description of other regulatory boundaries is listed below:

- As the rider does not have an identity of its own it is bound by regulations that apply to the base product. Thus, a rider's profitability is influenced by the 0:100 gate for non-par products and 90:10 gate for par products. This could mean that the same rider should, assuming the shareholders target same profitability, have different prices depending on which product it gets attached with.
- IRDA's Protection of Policyholders' Interests Regulations, 2002 specify that premium on health related or critical illness riders in case of term or group products shall not exceed 100% of premium under the basic product. All other riders put together shall be subject to a ceiling of 30% of the premium of the basic product. Any benefit arising under each of the riders shall not exceed the sum assured under the basic product.
- Issuance of rider on a life other than the base policy's life insured is disallowed by the IRDA.

Life insurance companies are focusing more on top line growth by new premium and average rider size is not seen as high enough to warrant focused attention.

Barriers to Success of Riders

Riders are popular in many markets with attachment rate in excess of 80% for some riders such as accident, waiver and critical illness riders. Every life insurance company in India has various riders and the total number would be in excess of 50. However, no published data is available in India on rider sales. Unconfirmed reports suggest that accident rider has a decent attachment rate close to 30% whereas each of the other riders does not have a rate in excess of 10%. This is perhaps disappointing because riders present a win-win situation for all concerned – shareholders, customers and distributors.

The following reasons are likely for this low attachment rate

- Life insurance companies are focusing more on top line growth by new premium and average rider size is not seen as high enough to warrant focused attention.
- Relative newness of agents / distributors in the market resulting in significant knowledge gap. It takes additional efforts to understand details of riders.
- Fear of disallowance at claims stage, complex definitions, long list of exclusions and underwriting requirements makes distributors to give riders a pass.

The increasing consumer knowledge of insurance, economic growth and increased competition may not only mean more protection products / riders but also that these will be more accurately priced. Riders are like toppings on a pizza – not so expensive but at the same time makes the meal satisfying. Hopefully, the time is not far off when customers buying life insurance product remember to ask the distributor for the toppings.

The author is Appointed Actuary, AEGON Religare Life Insurance Company Ltd. Views expressed in this article are those of the author.

Disaster Risk Financing

Need for Public Private Partnerships

AMIT KALRA OPINES THAT IN VIEW OF THE INCREASING INCIDENCE OF CATASTROPHIC LOSSES WORLD OVER, PROACTIVE RISK MANAGEMENT AND MITIGATION STRATEGIES HAVE BECOME THE TOP PRIORITIES IN MANAGING NATURAL DISASTERS.

Rising impact of natural disasters

Over the last few decades, heightened natural disaster activity has impacted virtually all nations. Higher frequency and severity of such events could be attributable in part to climate change, which has sped up the hydrologic cycle and triggered heavier rainfall.

The increasing social and economic effects of disasters - driven by the rise in population density and economic activity in risk-prone areas – are alarming. According to Swiss Re's *sigma* study on natural catastrophes and man-made disasters,[1] natural catastrophes led to worldwide economic losses of over USD 63 billion and claimed approximately 14,600 lives in 2007. This is still lower than the USD 220 billion losses estimated for 2005.

Emerging economies are particularly vulnerable to disasters due to insufficient urban planning, higher population growth and continued environmental degradation. Increasingly, risks are accumulating in regions already exposed to natural catastrophes. For example, India, which has over one-sixth of the world's population on just two percent of its landmass, is highly vulnerable to natural disasters, including earthquake, flood, tropical cyclone, tsunami and drought. About 60% of India's land mass is prone to earthquakes of various intensities. Over 40 million hectares of land are prone to floods, while 8% of the total land mass is prone to cyclones. Approximately 68% of the area is susceptible to drought[2].

India's vulnerability to disasters has a significant impact on the country's social and economic development. It is a key consideration in efforts to improve the livelihood of its people, many of whom are in acute poverty. According to a Ministry of Home Affairs report, 4344 people lost their lives and about 30 million people were affected by disasters every year, on an average, between 1990 and 2000. The loss in terms of private, community and public assets has also been staggering, with natural disasters causing over USD 23bn in damages since 1999[3].

Emerging economies are particularly vulnerable to disasters due to insufficient urban planning, higher population growth and continued environmental degradation.

1. Swiss Re *sigma* No 1/2008, Natural catastrophes and man-made disasters in 2007: high losses in Europe.
2. Government of India Ministry of Home Affairs, Disaster Management in India
3. Analysed data sourced from EM-DAT: The OFDA/CRED International Disaster Database; www.em-dat.net - Université Catholique de Louvain - Brussels - Belgium

Table 1: Loss Financing Mechanisms and Instruments

Low frequency / High severity event financing	**Loss Financing – Transfer** ▪ Disaster Insurance and Reinsurance ▪ CAT Bonds ▪ Exchange traded Instruments ▪ Weather Derivatives ▪ Catastrophe pools	**Loss Financing – Loans** ▪ Emergency Loans from International bodies or through pre-arranged facilities ▪ Reconstruction Loans
High frequency / Low severity event financing	**Prevention Funding** ▪ Prevention and Mitigations Funds ▪ Development Funds: Municipal, Social etc ▪ Mitigation Loans ▪ Prevention Loans ▪ International Aid	**Loss Financing** ▪ Self-Financing ▪ Calamity Funds: Reserve Funds ▪ Transfers of Government Budget ▪ Development Funds ▪ Reformulation of Existing Loans ▪ International Aid ▪ Contingent Credit

Sources: Swiss Re Economic Reserach & Consulting: Inter-American Development Bank

Governments can either transfer risk to traditional insurers and reinsurers or issue catastrophe bonds. They may also purchase derivatives and other financial instruments in order to hedge the risk

Focus on holistic approach for disaster management

Given the huge impact of natural disasters on society and the economy, comprehensive national disaster management policies have grown in importance around the world. These policies address disaster preparedness and relief, as well as disaster prevention and mitigation. Ex-post risk financing (eg. raising taxes after an event) is becoming unsustainable given the magnitude of disasters and the growing risk exposure. This has led to a widening gap between available funds and post-disaster requirements. As a result, proactive risk management and mitigation strategies have become the top priorities in managing natural disasters in order to minimise losses and related funding requirements.

Understanding the overall risk landscape is important. Disasters are classified as either low risk - i.e 'high frequency/low severity events'; or high risk – i.e 'low frequency/high severity events'. For each category of risk, specific risk management strategies and potential risk transfer/ financing solutions are needed. From a national government perspective, natural disasters which fall in the high risk category need to be effectively managed. Governments can either transfer risk to traditional insurers and reinsurers or issue catastrophe bonds. They may also purchase derivatives and other financial instruments in order to hedge the risk.

Table 1 provides an overview of the loss financing mechanisms and instruments for the two types of risk mentioned above:

Re/insurance has always been the most widely accepted tool for risk financing. However, insurance markets in a number of emerging economies are still under-developed and have limited options to finance the cost of natural disasters. The demand for such products is often constrained by limited re/insurance capacity, regulatory uncertainties (eg the applicability of capital market solutions), the poor quality of exposure and loss data and the lack of risk awareness.

A key recent development in risk financing has been the emergence of capital market solutions and various reinsurance arrangements that help to mitigate and manage risk in a more cost-efficient manner. The use of such mechanisms can be advantageous as they allow governments and businesses to diversify risk until domestic insurance markets are fully developed. They also:

- Ensure availability of funds during recovery and rebuilding efforts
- Protect financial budgets and reduce volatility; pre-determined premiums also

A number of initiatives have been launched around the world that demonstrate how the public and private sectors have teamed up to provide innovative solutions that mitigate the impact of natural disasters.

allow for budget certainty, particularly in multi-year contracts.

- Have no payback obligation (in contrast to loans) and limit the pressure to divert funds from other important projects to affected areas.

Public-private partnership in risk financing

The financing and effective reduction of disaster risks require a joint response from the private and public sectors. As complexity and costs rise, neither group can meet the challenge alone. This is particularly true for emerging economies that lack funds, yet must also deal with the increasing frequency and severity of natural disasters. Moreover, as the underlying risk exposure increases, the inflation-adjusted costs of future events could far exceed the limited government budget.

The public sector, despite significant financial constraints, has the power to set conditions that facilitate adaptive responses by individuals, as well as the public and private sectors. In contrast, the private sector often has the financial resources and the expertise to deal with catastrophes, but they generally lack the power to set conditions.

Public private partnerships, especially those involving reinsurance and capital market solutions, can improve disaster planning and prepare stakeholders for the consequences of climate change. They can also facilitate risk awareness and joint solutions using various risk transfer mechanisms. Solutions for risk prevention, risk transfer and financing include:

- **Partnerships for risk prevention:** Insurers have the expertise needed to identify risk prevention measures and can offer more attractive premiums if such measures are implemented. The public sector, on the other hand, is better able to enforce and finance risk prevention measures, such as building codes, zoning, fire prevention regulations, etc.
- **Partnerships for risk transfer and financing:** Government can play a significant role by creating a legal framework that enables market mechanisms to function. Given the insurability challenges, the public sector can assume different roles in each transaction. For instance, the public sector may be involved in:
    - ▲ The development of risk transfer solutions that involve the collection of critical exposure data. In doing so, governments can also draw on the support and know-how of re/insurers.
    - ▲ Expanding the availability of risk transfer solutions for individuals and corporations
    - ▲ Becoming the *de facto* insurer of last resort; it can support protection coverage on a national basis and can partner with the private sector to transfer the risk using reinsurance or capital market solutions.
    - ▲ Acting as a reinsurer in order to supplement private insurance schemes.

Overall, such partnerships play an important role in managing the increasing cost of disaster relief, and enable the public sector to fund disaster relief proactively. As a result, governments are able to provide relief at lower costs, without creating a significant burden on public finances. A number of initiatives have been launched around the world that demonstrate how the public and private sectors have teamed up to provide innovative solutions that mitigate the impact of natural disasters. Some of the cases have been cited below:

Case Study I: Caribbean Catastrophe Risk Insurance Facility (CCRIF)

Caribbean states are highly susceptible to natural disasters, but have only limited options available to them. Given their lack of funds and high debt levels, they often depend on donors to finance post-disaster costs. However, donor resources often arrive late or not at all. In order to overcome this challenge, the Caribbean Catastrophe Risk Insurance Facility (CCRIF) was launched in June 2007. Under the guidance of the World Bank, CCRIF receives financial support from international donors. Some of the solution's features include:

- The CCRIF offers parametrically-triggered hurricane and earthquake insurance policies to 16 CARICOM governments.

The Turkish Catastrophe Insurance Pool (TCIP) was established in 2000 as a joint partnership between the Government of Turkey, the World Bank, international reinsurers and brokers.

- The policies provide immediate liquidity to participating governments when they are affected by events with a probability of 1 in 15 years or more.
- The mechanism will be triggered by the intensity of the event (eg winds exceeding a certain speed). This means countries will get automatic payments, without having to wait for an assessment of the damage.
- Member governments choose how much coverage they need, up to an aggregate limit of USD 100 million, arranged by private reinsurer(s).

Case Study II: Turkish Catastrophe Insurance Pool (TCIP)

Turkey has been historically exposed to earthquakes with annual economic losses averaging USD 1 billion. The Turkish Catastrophe Insurance Pool (TCIP) was established in 2000 as a joint partnership between the Government of Turkey, the World Bank, international reinsurers and brokers. It aims to provide a solution to Turkey's rising risk exposure and reduce government fiscal exposure by transferring catastrophe risk to international reinsurers. It also encourages risk mitigation and safer construction practices. Some of the key features include:

- Compulsory earthquake cover for all registered residential dwellings.
- Stand-alone products, separate from fire (homeowner's) insurance, with cover up to USD 50 000 per dwelling and none for contents.
- Cover in excess of the TCIP (>USD 50 000) is obtainable from private insurers.
- Private insurers acting as agents distribute TCIP policies.
- Premium reserves are held in creditor-proof escrow accounts that are segregated from government funds.

Case Study III: Earthquake coverage for Mexico

- The Mexican government, in order to mitigate the impact of earthquake losses, entered into an innovative public-private partnership with a reinsurer in May 2006. As per the arrangement, earthquake exposure for FONDEN, the Mexican government's natural catastrophe fund, was structured, securitised and reinsured. Some of the solution features are:
- Coverage is triggered when an earthquake exceeds a certain threshold (defined by magnitude, depth and location – i.e. a parametric trigger).
- Payments are to be used for immediate emergency relief after an earthquake.
- The aggregate insurance limit is USD 450 million – of this amount, USD 160 million is covered by a catastrophe bond; the remaining is covered by parametric reinsurance.

Conclusion

Public private partnerships can help emerging economies cope with the increasing number of natural disasters and their impact on the socio-economic environment. Various nations and markets - in partnership with reinsurers, brokers and international agencies - have successfully implemented innovative re/insurance and capital market solutions. With these solutions, governments will be better prepared to handle post-disaster consequences without creating additional burden on national budgets or relying on emergency aid.

Sources

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Disclosure of Facts

The Customer should get a Fair Deal

C.L. BARADHWAJ STATES THAT REPUDIATION OF A LIFE INSURANCE CLAIM OCCURS ON ACCOUNT OF NON-DISCLOSURE OF MATERIAL FACTS, WITHOUT THE APPLICANT ACTUALLY KNOWING ABOUT THE QUERIES IN THE PROPOSAL FORM. HE GOES ON TO SUGGEST A FEW REMEDIAL STEPS TO CHECK THIS.

Introduction

Life insurance products are different from other products in one important sense - they are contracts 'uberrima fides' - the contracts of utmost good faith. The life assured is required to disclose the state of his health, occupation, income and other material facts in the proposal form. In case there is any misstatement, misrepresentation or non disclosure of any material fact in the proposal form or any of the documents accompanying the proposal form, death claim for sum assured under the policy can be repudiated by the insurer. For this purpose insurance companies generally engage an investigator who conducts enquiries in the hospital, clinic, diagnostic centres (where the life assured underwent treatment), neighbourhood, nearby pharmacy etc. to produce documentary evidence of the life assured suffering from or taking treatment for an ailment before the date of proposal form.

In this article we will discuss the responsibilities of the insurance company in ensuring that the sales process facilitates proper customer disclosures, the distortions in the process and the suggested remedial measures.

Since the proposal forms are designed by the insurance companies, the insurer is expected to ask all the possible questions in the proposal forms which, in the opinion of the insurer, are relevant. No further voluntary disclosures can be expected.

Principles enshrined under Section 45 of Insurance Act, 1938

Section 45 restricts the right of insurance company to repudiate a death claim after a period of 2 years from the date on which policy was effected - only upon fulfillment of the three conditions mentioned in the section - misstatement on or suppression of material facts by the policyholder, which were fraudulently made or concealed by the policyholder and that the policyholder knew that the statement was false or knew that he was suppressing material facts.

Within the period of 2 years, the insurance companies can repudiate the death claim on the ground that any material fact in the proposal or accompanying document was inaccurate or false.

All insurance companies follow the above principles and repudiate claims if there are any misstatements or non disclosures as described above, as upheld by various judicial pronouncements.

Since the proposal forms are designed by the insurance companies, the insurer is expected to ask all the possible questions in the proposal forms which, in the opinion of the insurer, are relevant. No further voluntary disclosures can be expected.

Properly filling up the proposal form

assumes significance in view of the consequences mentioned above.

Regulatory responsibilities of agents during the sales process

Since it is the insurance agent who invariably assists the customer in getting the proposal form filled up, it is important to understand the key regulatory responsibilities of the agent in this process

As per the Code of conduct given under IRDA (Licensing of Insurance Agents) Regulations, 2000, the key regulatory responsibilities of an insurance agent during the sales process can be summarised into the following points:

It is the duty of the agent to inform the prospect the need for disclosing the information required in the proposal form, especially the information about his health, family history, habits, occupation, and income, previous policies etc.

- Duty to analyse the customer's needs and recommend the policy which suits the customer (Regulation 8 (1)(i)(c))
- Duty to inform the prospect the premium to be charged by the insurer for the insurance product being sold (Regulation 8(1)(i)(e)
- Duty to obtain the requisite documents at the time of filing the proposal form with the insurer and other documents subsequently asked for by the insurer for completion of the proposal (Regulation 8(1)(i)(i))
- Duty to explain to the prospect the information required to be disclosed and the importance of correctly disclosing them (Regulation 8(1)(i)(f))
- Duty to inform the insurer about the health, habits and income inconsistencies of the proposer (Regulation 8(1)(i)(g))

The last two points are important with reference to the topic of discussion in this article. It is the duty of the agent to inform the prospect the need for disclosing the information required in the proposal form, especially the information about his health, family history, habits, occupation, and income, previous policies etc. as these directly have an impact on risk assessment and therefore constitute material facts requiring true and full disclosure. Even an unintended omission or wrong statement can lead to the risk of repudiation of the death claim.

Customer's knowledge about the material questions

Let us look at the real life situation and see how the process works. In reality, in most of the cases it is the insurance agent who fills the proposal form on behalf of the customer. The customer is expected to review each and every question and satisfy himself that the questions have been answered properly. While this is the expectation, in most of the cases, either due to number of questions or paucity of time, the prospect invariably does not take pains to check the answers, especially with reference to present and past personal health questions.

In fact the answers to health questions are objective - "yes" or "no". If it is "yes", then details are required. The questions on family history, income or occupation are answered specifically with reference to each case.

The most critical part in the proposal form is with reference to health questions. If the agent has answered the health related questions as "no" (thinking that the customer is in good health) and if the customer ignores to review these questions, then there is a high risk of loss of intended benefit.

In most of the cases, the question is whether the customer is made aware of the material questions in the proposal forms. Eventhough it is deemed that the customer should have read the questions and reviewed, it is the duty of the agent filling up the form to take the customer through the replies given. Even if the customer does not have time, he should atleast highlight the material questions.

Most of the customers therefore end up signing the proposal form ignorant of the fact that they are signing on an undertaking that sum assured on death is not payable if misstatement or concealment of material fact is proved. The declaration at the end of the proposal

> **In the vernacular declaration, the agent certifies that he has explained the questions to the customer and that he has recorded the answers in the proposal form as dictated to him by the customer duly translated in English language.**

form binds the customer to the principles of truthful disclosure and makes him confirm that he is aware of the consequences. The customer, in most of the cases, never intended to conceal any fact. Had he known the consequences, the customer would have, probably, disclosed the facts correctly and paid some extra premium rather than taking the risk of non-disclosure - the ignorance of which leads to forfeiture of benefits - a clear communication gap.

It is the responsibility of the insurance company to ensure that the sales process facilitates customer understanding of the need for proper disclosures. This understanding is as important as the understanding of the risks and charges under unit linked insurance contracts. While customer ignorance of the nature of ULIP results in possible erosion of the funds of the customer, ignorance of the proper disclosure on material facts leads to a greater loss - total loss of the primary insurance cover - even if he had paid the insurance premiums sincerely and regularly.

Role of insurance agent in filling up the proposal form

During the time when the agent fills the form on behalf of the customer, the agent acts as customer's agent and not insurance company's agent.

If the customer signs in a vernacular language or affixes thumb impression, most insurance companies allow the introducing agent himself to give the vernacular declaration. In the vernacular declaration, the agent certifies that he has explained the questions to the customer and that he has recorded the answers in the proposal form as dictated to him by the customer duly translated in English language.

As more and more insurance companies open branches in Class "B" and Class "C" cities, more cases of signatures in vernacular languages would be forthcoming.

If the agent does not properly check and record the answers, the risk of repudiation is much higher. In all such cases, the agent should be careful in avoiding conflicts of interest. Such conflicts result in distortions in the sales process. In the interests of getting the policy issued, the agent should never attempt to give a better picture about the health of the customer, ignoring the facts.

Apart from filling up the form, the agent is also duty bound to inform the insurer the adverse status of customer's health or income inconsistencies.

Consequences of not answering the material questions properly

- the valuable life insurance benefit will not reach the intended beneficiaries.
- the Company is exposed to the reputation risk, (as news spreads in the market that claim has been denied which would affect the trust reposed by the customers in the insurance company)
- consequently it also affects the future business prospects of the Agent.
- The Agent would be personally held liable for breach of his duties if it is proved that he/she has filled the application form and willfully concealed the material information with/without the knowledge of the prospective customer and liable for disciplinary action.

Judicial precedents

Cases filed with Insurance Ombudsmen are awarded in favour of insurance companies if it is conclusively proved through the investigation report based on hospital records that the policyholder was suffering from material ailments or undergone diagnosis and treatments which were not disclosed in the proposal form.

While the principles are the same, the consumer courts, in addition, look into deficiency of service. Further, it is pertinent to note from some of the decisions of consumer forums in regard to disputes arising on account of repudiation of claims on account suppression of material information, the imperatives of Section 45 of the Insurance Act, 1938 are not properly appreciated and applied, and consequently, even in case of early death claims, i.e., claims within 2 years from the date of policy, the consumer forums hold the insurers to satisfy the rigours of the second part of Section 45 (the three conditions given in the beginning), and not merely the factum of suppression of material information. Thus it becomes all the more important for insurance companies to ensure that the sales process is correctly followed.

While legally insurance companies are absolutely right in repudiating claims based on documentary evidence, morally they owe a duty to the customer's family.

Are we doing the right thing for the customer?

While legally insurance companies are absolutely right in repudiating claims based on documentary evidence, morally they owe a duty to the customer's family. If the process of explaining the customer about the health questions has not been followed, management of insurance companies feel bad in repudiating the claims especially in those vernacular cases where the benefit of doubt is expected to be given to the customer's family.

What can we do to improve the process?

Here are some suggestions to introduce transparency in the process:

- Highlighting the material questions in the proposal form - insurance companies can consider removing the health related questions from the proposal form and attaching it as a separate sheet (like Benefits illustration) and getting it signed by the customer. The idea is to catch the attention of the customer. Alternatively, we can highlight the health questions with a special colour so that customer cannot afford to miss it.
- Special training sessions to Agents focusing on the need for proper disclosure and consequences of misstatements and non-disclosures in proposal forms - how it results in loss to everyone - customer's family, insurance company (reputation risk) and agent (loss of future business).
- Strict disciplinary action to be taken if agent is proved to have failed in his duty to disclose based on investigation reports
- Tracking trends in repudiated death claims to see if there is concentration of claims on policies of agents or unit or branch and take disciplinary action.
- Customer call back on sample basis to reconfirm the health questions.
- Printing of proposal forms in major local languages, especially in Class "B" and Class "C" cities.
- In vernacular cases, any person other than the introducing agent should be asked to complete the vernacular declaration process (instead of introducing agent).

These are only a few suggestions. We can do many more innovative things to improve the transparency and customer awareness. But the need of the hour is a concerted effort in this direction. Only then insurance companies can ensure that customer gets a fair deal.

The author is Vice-President (Compliance), Bharti-AXA Life insurance Co. Ltd., Mumbai. The views expressed herein are the personal views of the author and should in no way be deemed to be the views of Bharti-AXA Life Insurance Company Limited or any of its associate companies.

प्रकाशक का संदेश

किसी बीमाकर्ता के लिए यह महत्वपूर्ण है कि उस जोखिम जमा कल्पना करने से पहले मूल्यांकन स्पष्ट रूप से किया जाए। जीवन बीमा में इसका अर्थ है कि सभी व्यक्तिगत संविदाओं के निष्कर्ष से पूर्व बीमा लेखन किया जाए जिसमें जोखिम की राशि तथा जोखिम की गुणवत्ता शामिल है - जैसे आयु, स्वास्थ स्थिति इत्यादि, बहुत बार बीमाकर्ता प्रस्ताव को बिना मैडिकल परिक्षा के शामिल कर लेते है। प्रस्तावों के बिमालेखन करते समय यह एक ऐसा घटक है जिसे भूला नहीं जा सकता। यह संभव है कि अपने व्यक्तिगत रूप से गैरबीमित होने के कारण कुछ लोग बीमा आवरण के क्षेत्र से बिल्कुल बाहर आ जाये। ऐसे व्यक्तिगत मामलों का उत्तर सामुहिक बीमा में मिलता है क्योंकि बीमालेखन का घटक एक समुह होता है और न की कोई एक व्यक्ति।

लम्बे समय से भारतीय पटल पर सामुहिक बीमा अधिक प्रचलित नहीं रहा है। बीमा करने के कारकों के अतिरिक्त, सामुहिक बीमा भी इसे आर्थिक रूप से अनेक व्यक्तियों के लिए व्यवहार्य पुर्ण बनाता है जोकि अन्यथा बीमा क्रय करने का सामर्थ नहीं रखते हैं। सामुहिक बीमा इसे सुनिश्चित करने के लिए महत्वपूर्ण औजार है जिससे अधिक से अधिक लोगों को बीमा आवरण मिल सके। तथा एक निर्मित होते बाजार में जिसमें निम्न भेदन स्तर, यह सुरक्षा जाल को बडा करने में महत्वपूर्ण भूमिका अदा करेगा। यह एक अनुग्रह की बात है कि सामुहिक बीमा व्यवसाय तीव्रता से बढ रहा है लेकिन यह विकसित बाजारों के कही आसपास भी पहुँच नहीं सका है।

इस क्षेत्र में भेदन बढाने का एक अच्छा तरीका यह भी है कि नियोक्ता द्वारा अपने कर्मचारियों के लिए रोजगार में शामिल होते समय ही इसे आवश्यक बना दिया जाए। कुछ कर्मचारी इसे सेवा लाभ के रूप में तो कुछ वहन योग्य भार के रूप में स्वीकार कर लेंगे। इन लाभों की बेहतर जानकारी परिपेक्ष को बेहतर प्रकाश से प्रस्तुत करेगी। साथ ही बीमाकर्ता धनात्मक रूप से अधिक से अधिक समुहों औपचारिक तथा अनोपचारिक को शामिल करने के लिए ललायित रहेगा। यह करते हुए कि किसी भी चुनाव के लिए पूर्वोपाय सुनिश्चित हो।

''सामुहिक बीमा'' जर्नल के इस अंक के केन्द्र बिन्दु में है। जोखिम को प्रभाव शाली रूप से बीमालेखन करना बीमा उद्योग की सफलता की कुंजी है। फिर भी बीमा कर्त्ताओं को उन बाधाओं को संरक्षित करना है जो जोखिमों को बढा देती है। ''बीमा में जोखिम'' जर्नल के अगले अंक के केन्द्र बिन्दु में होगा।

जे. हरि नारायण
अध्यक्ष

दृष्टि कोण

इंटरनैशनल एसोसिएशन आफ इंशुरेंस सुपर्वाइजर (आई.ए.आई.एस) ने अपनी कार्यक्षमता का परिचय (ग्लोबल वित्तिय) संकट में सहकारी कोशिशों के द्वारा दिया है।

श्री पीटर ब्रामुलर
आई.ए.आई.एस कार्यकारी कमेटी के अध्यक्ष

बीमा उत्पाद - जिसमें शामिल है इंडेक्स एन्युयिटि का सम्बन्ध अनेक राज्य के बीमा कानुन से है। हम समझते है इंडेक्स एन्युयिटि एक बीमा उत्पाद है - तथा इसका विनियामन इसी प्रकार से होना चाहिये।

सुश्री सेंडी प्रैगर
कनसास के बीमा कमीशनर तथा एन ए आई सी के अध्यक्ष

लेने वाले प्रचालकों के लिए बडी चुनौती शारिया में संपत्तियों में निवेश के अधिकार क्षेत्र का उद्धरण की कमी है। हम इस बात से उत्साहित है कि अधिक से अधिक इस्लामिक वित्तिय उत्पाद तथा सेवाएं सिंगापुर में सामने आ रहे हैं।

सुश्री टीओ स्वी लिया
उप प्रबन्ध निदेशक (प्रूडेंशल प्रभाग) सिंगापुर की मानेटरी अथोरिटी

हैल्थ इंशुरेंस बढ़ रहा है वास्तव में (भारतीय) बीमा बाजार में यह सबसे ज्यादा वृद्धि प्राप्त करता क्षेत्र है। मैं देख रहा हूँ हैल्थ उत्पादों में काफी प्रगती आ रही है।

श्री जे हरि नारायण
अध्यक्ष, बीमा विनियामक विकास प्राधिकरण, भारत

प्रूडेंशल विनियामक का सम्पूर्ण सम्बन्ध पासे को सुरक्षा तथा मजबूती में बदलने से है, लेकिन यह वित्तिय संगठनों के सारे बुराइयों का जवाब नहीं है।

डा डेविड लुईस
आस्ट्रेलियन प्रूडेंशल विनियामक प्राधिकरण

हम ग्राहकों के बीच विश्वास पैदा करने के लिए अपने को जारी रखेंगे, साथ ही अपने को जिसमे बातावरण के मुद्दों का सम्बोधन किया जाता है तथा आगे हम सामाजिक सुरक्षा तैयार में योगदान दे रहे हैं।

श्री माकोटा हायडो
अध्यक्ष, जापान की साधारण बीमा एसोसिएशन

अभिकर्ता की महत्ता

राधेश्याम शर्मा कहते हैं उत्तम चयन के लिए अभिकर्ता का प्रस्तावक के साथ पर्याप्त परिचय होना चाहिए।

अभिकर्ता बीमा कंपनी का स्थानीय प्रतिनिधि है। बीमा अदृश्य उत्पाद है। जिसकी आवश्यकता प्रत्यक्षतः अनुभव नहीं की जाती है। जबकि बीमा व्यक्ति तथा परिवार के सुखमय जीवन के लिए आवश्यक है। इसके साथ ही जीवन बीमा संविदा दीर्घावधि एवं नैतिक जोखिम सम्बद्ध है। अतः अभिकर्ता का महत्व बढ़ जाता है।

अभिकर्ता निम्न बातों का पालन करके अपनी महत्ता में वृद्धि कर सकता है

बीमा योग्य व्यक्तियों का चयन एवं यथा शीघ्र बीमित करना

बीमा कंपनी व्यक्तियों को बीमा सुरक्षा प्रदान करता है। जिनको, स्वयं की आय के साथ बीमा की आवश्यकता हो तथा उनका उत्तम स्वास्थ्य हो। तथापि तृतीय श्रेणी की घरेलू महिला का बीमा पति तथा बच्चों का बीमा माता-पिता की आय से किया जा सकता है। उत्तम चयन के लिए अभिकर्ता का प्रस्तावक के साथ पर्याप्त परिचय होना चाहिए।

अभिकर्ता को प्रस्ताव के अन्तर्गत पांछनीय आवश्यकताओं की पूर्ति यथाशीघ्र करानी चाहिये ताकि प्रस्तावक / बीमित को बीमा सुरक्षा का आवरण शीघ्रता से प्राप्त हो सकें। उसे बीमित के लिए उपयुक्त तालिका, बीमाधन, अवधि तथा पिकल्प आदि के चयन में निःस्वार्थ सहायता करनी चाहिये। एक प्रस्ताव के अन्तर्गत यथासंभव अधिकतम जोखिम सुरक्षा (टर्म राइडर आदि) के चयन में सहायता / प्रोत्साहन करना चाहिये।

बीमा सेवापक्ष

जीवन बीमा संविदा के दौरान बीमाधारक को अनेक सेवाओं यथा पुनर्चलन, पता परिवर्तन, नामांकन आदि की आवश्यकता हो सकती है। अभिकर्ता को बीमाधारक को त्वरित, सामयिक एवं मितव्ययी सेवा प्राप्त करने में मदद करनी चाहिये। समयपूर्व परिपक्वता दावा भुगतान, शत-प्रतिशत कराना चाहिये।

अभिकर्ता को व्यक्तिगत वार्तालाप, गोष्ठी आदि में बीमाधारक को पॉलिसी-शर्त, सुविधा, दावा, जोखिम विस्तार आदि की जानकारी देनी चाहिये।

अभिकर्ता को अवितरित पॉलिसी बाण्ड व चेकों के निस्तारण में सहयोग करना चाहिये। मृत्यु दावा निस्तारण में दावेदार की परानुभूतिपूर्ण दृष्टिकोण से सहायता करना अभिकर्ता का नैतिक व व्यवसायिक कर्तव्य है।

अभिकर्ता को व्यक्तिगत वार्तालाप, गोष्ठी आदि में बीमाधारक को पॉलिसी-शर्त, सुविधा, दावा, जोखिम विस्तार आदि की जानकारी देनी चाहिये।

उत्तम सेवा से ग्राहक को जहां अटूट बीमा सुरक्षा मिलती है, वही अभिकर्ता को कमीशन के साथ-2 अन्य लाभों यथा क्लब सदस्यता, ब्याजरहित अग्रिम आदि में वृद्वि होती है।

महत्वाकांक्षी लक्ष्य एवं प्राप्ति

आई.आर.डी.ए. के उद्देश्यों में प्रमुख उद्देश्य है कि प्रत्येक बीमायोग्य व्यक्ति का बीमा करना। हमारे देश में करीब 65 करोड़ व्यक्ति बीमायोग्य हैं। अभी तक मात्र 18 करोड़ व्यक्तियों को बीमित किया जा सका है। अतः बीमा संवर्धन के विपुल अवसर है। प्रत्येक अभिकर्ता को महत्वाकांक्षी लक्ष्य निर्धारित करना चाहिये। जैसे 500 व्यक्तियों को बीमित करना, पूरे गाँव / मोहल्ले का बीमा करना आदि। नवव्यवसाय वृद्वि के अतिरिक्त, पॉलिसी कालातीतन - शून्य, अध्यक्ष क्लब सदस्यता, एम.डी.आर.टी. आदि लक्ष्य एक महत्वकांक्षी अभिकर्ता के लिए आवश्यक एवं आकर्षक है। लक्ष्य प्राप्ति के लिए नियोजित अधिक प्रयास, समायिक समीक्षा, आवश्यक संशोधित नियोजन एवं विजयी विश्वास आवश्यक है।

बीमा साहित्य के अलावा, मानव-व्यवहार, टैक्स, निवेश आदि का पर्याप्त ज्ञान व्यवसायिक सफलता के लिए आवश्यक है।

अभिकर्ता को अपने सभी संभावित ग्राहकों का बीमा यथा शीघ्र कर लेना चाहिये। अपनी ग्राहक डायरी में संभावित ग्राहकों के नाम व पते निरन्तर जोड़ते रहना चाहिये। ज्ञातव्य हो कि प्रतिवर्ष लगभग 3 करोड नये बीमे बेचने के अवसर और उत्पन्न होते हैं। दृढ़ प्रतिज्ञ कर्मठ-महात्वकांक्षी अभिकर्ता को नये बीमें की कभी कमी नहीं रहती है। अभिकर्ता को अपने व्यवसाय में उच्चतम गुणवत्ता बनाये रखनी चाहिये।

बिक्री व मानवीय - सम्बन्ध कला

बीमा आवश्यकता प्रत्यक्षतः अनुभव नहीं की जाती है। जोखिम सुरक्षा ऐसी स्थिति पर प्राप्त होती है जिसे अधिकांश व्यक्ति सुनना पसन्द नहीं करते। धार्मिक एवं सामाजिक मान्यतायें भी बीमा बिक्री में बाधाये उत्पन्न कर सकती है। अतः बीमा अभिकर्ता को बड़ी व्यवहार कुशलता एवं सजगता से व्यक्ति को बीमा की आवश्यकता का अहसास कराना चाहिए। प्रतिस्पर्धा के इस युग में अन्य कंपनियों के अभिकर्ता / विज्ञापन बीमा विक्रय को जटिल / बाधा पैदाकर सकते हैं। बीमा अभिकर्ता को सफल बीमा-वार्ता के लिए समय व शब्दों चयन, योजना के आकर्षक बिक्री-बिन्दु, अन्य आर्थिक / बीमा कंपनियों / संस्थाओं के उत्पादों के उचित एवं आवश्यक दोष / कमियाँ आदि को घ्यान / वर्णन / सिद्ध करना चाहिए। बिक्री कला में निखार, अनुभव, समय, अध्ययन, मीटिंग व ट्रेनिंग आदि से आता है।

परानुभूति, शिष्टता, स्वीकार्यता, व्यावसायिक ईमानदारी, सेवा भाव आदि आधारभूत गुण जीवन बीमा विक्रय में तुलनात्मक रूप में अधिक प्रभावी हैं। मानवीय व्यवहार एवं विक्रय का अच्छा ज्ञान रखने वाला अभिकर्ता गुणात्मक एवं गुणवत्ता युक्त व्यवसाय कर सकता है।

अन्य

अभिकर्ता बीमा सेवा का महत्वपूर्ण एवं वृहद कार्य सम्पादित करता है। अतः उसे बीमा-व्यवसाय का अच्छा ज्ञान होना चाहिये। बीमा साहित्य के अलावा, मानव-व्यवहार, टैक्स, निवेश आदि का पर्याप्त ज्ञान व्यवसायिक सफलता के लिए आवश्यक है। आधुनिक सुविधा (कम्प्यूटर आदि) प्रपत्र एवं अभिलेख से सुसज्जित एवं उपयुक्त स्थान पर अभिकर्ता कार्यालय आज के प्रतिस्पर्धात्मिक युग में अनिवार्य है। अभिकर्ता को उत्पाद, सेवा, विपणन एवं विज्ञापन रणनीति हेतु अपने तथा जनता के सुझाव देने / प्रेषित करने चाहिये। प्रशासनिक पक्ष को कुशलतापूर्वक सहयोग व सम्मान देकर सहयोग प्राप्त करना चाहिये।

बीमा कंपनियों का दायित्व

बीमा कंपनी को अभिकर्ताओं के लिए सधन एवं सुलभ व्यावसायिक, मनोवैज्ञानिक तथा व्यवहारिक प्रशिक्षण की व्यवस्था करनी चाहिये। प्रशासनिक पक्ष को अभिकर्ता को सम्मान व सहयोग देना चाहिये। ज्ञातव्य हो कि बीमा-बिक्रीय जटिल / कठिन एवं मनोवैज्ञानिक है। अतः इसकी परानुभूति प्रशासनिक पक्ष को हमेशा रखनी चाहिये। विपणन नेतृत्व (विकास अधिकारी / एवं उच्चाधिकारी) को परिणामी प्रोत्साहन (समय पर कमीशन एवं पुरस्कार आदि का भुगतान) व लक्ष्य निर्धारण एवं प्राप्ति में सहयोग / मार्ग दर्शन करना चाहिये।

निःसन्देह एक सन्तुष्ट एवं स्वावलम्बी व्यावसायिक अभिकर्ता मंत्रमुग्ध ग्राहक सेवा एवं विश्व में बीमा को वित्तीय संस्थानों में प्रथम स्थान दिलाने व बनाये रखने की गारण्टी है।

लेखक प्र. अधिकारी, भा.जी.बी निगम, शाखा कार्यालय-1 मेरठ

विभिन्न शिक्षण विधियाँ एवं रीतियाँ

अर्चना सिन्हा तथा उमेशचन्द्र कुदेसिया कहते हैं शिक्षक को ज्ञानवान एवं विचारवान होने के साथ शिक्षण विथियों का ज्ञाता होना चाहिये।

यह सत्य है कि कोई भी शिक्षक कितना ही ज्ञानवान एवं विचारवान हो वह तब तक अच्छा शिक्षण कार्य नहीं कर सकता, जव तक वह प्रचलित विभिन्न शिक्षण विधियों एवं रीतियों का प्रयोग अपने अध्यापन के समय समुचित ढंग से नहीं करता है। कोई भी शिक्षक किसी न किसी विधि (मैथड) अथवा रीति (टैकनीक) के माध्यम से ही दिया जाने वाला ज्ञान प्रशिक्षार्थियों के मस्तिष्क तक कुशल रूप से पहुँचा सकता है। शिक्षक कोई भी विधि (मैथड) किसी न किसी रीति (टैक्नीक) के साथ ही प्रयोग करता है। शिक्षण के दौरान उसे दोनों का ही सहारा लेना होता है। वैसे शिक्षण विधियाँ एवं रीतियाँ अनेक हैं, किन्तु प्रस्तुत लेख में केवल उन विधियों तथा रीतियों की ही चर्चा करेंगे जो प्रायः बीमा से संबंधित विषय वस्तु में अध्यापन करने में उपयोगी सिद्ध हो सकती है। प्रस्तुत लेख को दो भागों में विभाजित किया गया है। लेख के प्रथम भाग में शिक्षण विधियों की चर्चा की गई है तथा पाठ के द्वितीय भाग में शिक्षण रीतियों के विषय में बतलाया गया है।

शिक्षण विधियाँ

लेख के इस भाग में निम्न छः विधियों पर ही प्रकाश डाला गया है, जिनका बीमा से संबंधित विषय सामग्री को पढ़ाते समय एक शिक्षक प्रयोग कर सकता है।

- भाषण विधि (लेक्चर मैथड)
- वाद-विवाद विधि (डिसकशन मैथड)
- योजना विधि (प्रोजेक्ट मैथड)
- समस्या विधि (प्राब्लम मैथड)
- विश्लेषण एवं संश्लेषण विधि (एवोलैटिक एण्ड़ सैनथेटिक मैथड)
- निरीक्षण अध्ययन विधि (सुपरवाइन्ड स्टडी मैथड)

भाषण विधि (लेक्चर मैथड)

इस विधि में शिक्षक विषय सामग्री के सम्पूर्ण तथ्यों को क्रमबद्ध एवं व्यवस्थित करके प्रशिक्षार्थियों के सम्मुख चित्र खींचता है। शिक्षक बीमा-योजना तथा क्रियाओं से संबंधित कठिन बातों की व्याख्या इस विधि द्वारा करता है। भाषण विधि उपयोगिता के विषय में विविंग एवं विनिंग ने कहा है कि, "यही एकमात्र व्यावहारिक विधि है जो कि बड़ी मात्रा में कक्षाओं में प्रयाग की जाती है और इसका वर्तमान समय में विस्तृत रूप से प्रयोग होने का मुख्य कारण इसकी उपयोगिता ही है।"

दुरूह एवं जटिल बीमा संबंधी बातों को बार-बार दोहराकर प्रशिक्षार्थियों के समझ अधिक स्पष्ट रूप से रखा जा सकता है।

भाषण विधि के कुछ प्रमुख गुण नीचे दिये जा रहे हैंः

- शिक्षक एवं प्रशिक्षार्थी दोनों ही भाषण के बीच प्रश्नोत्तर द्वारा सक्रिय रहते हैं।
- भाषण द्वारा छात्रों की कठिनाइयों को दूर करने का प्रयास किया जाता है। साथ ही व्यक्तिगत विभिन्नताओं के आधार पर शिक्षण कार्यकिया जा सकता है।
- दुरूह एवं जटिल बीमा संबंधी बातों को बार-बार दोहराकर प्रशिक्षार्थियों के समझ अधिक स्पष्ट रूप से रखा जा सकता है।
- बीमा संबंधी विशाल विषयवस्तु को संक्षिप्त रूप में प्रशिक्षार्थियों के सम्मुख प्रस्तुत किया जा सकता है। साथ ही प्रशिक्षार्थी यदि गहन अध्ययन के आदि नहीं हैं तो वे भाषण द्वारा अनेक बातें कक्षा में समझ सकते हैं।
- प्रशिक्षार्थियों को बीमा संबंधी ज्ञान जब पुस्तकों, प्रचार-पत्र, बीमा योजनाओं के संबंध में उपलब्ध प्रकाशित साहित्य द्वारा पूर्ण रूप से प्राप्त नहीं हो पाता है तो भाषण विधि से ही वे गहन जानकारी प्राप्त करने में समर्थ हो सकते हैं।

शिक्षक को भाषण विधि का प्रयोग करते समय ध्यान रखना है कि भाषण बहुत लंबा और नीरस

वाद-विवाद की समाप्ति पर प्रत्येक दल एक संक्षिप्त प्रतिवेदन तैयार करेगा और फिर उन प्रतिवेदनों को सुनकर शिक्षक बीमा संबंधी जिस विषयवस्तु पर चर्चा हुई उसके संबंध में ठोस निष्कर्ष निकालेगा।

न हो जावे। भाषण की भाषा कठिन न हो और बोलते समय शिक्षक की आवाज में उतार-चढ़ाव भी हो। कक्षा में प्रस्तुत की जाने वाली बीमा संबंधी जानकारी व्यवस्थित एवं क्रमबद्ध हो और जो जानकारी दी जा रही हो उसे पूर्ण विश्वास के साथ प्रस्तुत किया जावे। भाषण देते समय शिक्षक की ध्वनि न तो तेज और न ही अधिक धीमी हो। बोलते समय उसे न तो तेज गति से और न ही धीमी गति से बोलना चाहिये भाषण द्वारा किसी प्रकार की निरसता कक्षा में नहीं पनपनी चाहिये। शिक्षक द्वारा भाषण को रोचक बनाने के लिये बीच-बीच में उदाहरण देते रहना चाहिये तथा प्रशिक्षार्थियों द्वारा पूछे गये संबंधित प्रश्नों के उत्तर आत्मविश्वास के साथ देना चाहिये ।

वाद-विवाद विधि (डिसकशनमैथड)

इस विधि में प्रशिक्षार्थी शिक्षक के मार्गदर्शन में बीमा योजनाओं से संबंधित किसी विषयवस्तु का ज्ञान प्राप्त करते हैं और तत्पश्चात शिक्षक के मार्गदर्शन में वाद-विवाद द्वारा विषयवस्तु को समझाने का प्रयास करते हैं। इस विधि में शिक्षक का कार्य एक मार्गदर्शक के रूप में अधिक होता है। शिक्षक प्रशिक्षार्थियों को अपने विचार अनुभवों तथा जानकारियों को स्वतंत्र रूप से रखने की स्वतंत्रता दे सकते हैं। शिक्षक का प्रमुख कार्य होता है कि प्रशिक्षार्थियों द्वारा प्रस्तुत किये गये विचारों तथा तथ्यों को ध्यान से सुने और फिर सर्व सम्मति से त्रुटिपूर्ण विचारों को अस्वीकार करते हुये सही तथ्यों पर निर्णय तथा वाद-विवाद का आयोजन तभी करें जब प्रशिक्षार्थियों को बीमा संबंधी बातों का ठोस ज्ञान हो। वाद-विवाद के दौरान यदि शिक्षक को यह प्रतीत हो रहा है कि अमुक प्रशिक्षार्थी गलत व्याख्या कर रहा है तो उसे उसी समय प्रशिक्षार्थी की गलती सुधारना चाहिये और जो सही तथ्य है उसे कक्षा में रखना चाहिये। वाद-विवाद को अधिक उपयोगी बनाने के लिये कक्षा में प्रशिक्षार्थियों को विभिन्न दलों में विभाजित कर देना चाहिये। प्रत्येक दल का एक नायक योग्यता और अनुभव के आधार पर बनाना आवश्यक है, जिसके नेतृत्व में प्रत्येक दल के प्रशिक्षार्थी अपनी बात कक्षा के सम्मुख रख सकें। वाद-विवाद की समाप्ति पर प्रत्येक दल एक संक्षिप्त प्रतिवेदन तैयार करेगा और फिर उन प्रतिवेदनों को सुनकर शिक्षक बीमा संबंधी जिस विषयवस्तु पर चर्चा हुई उसके संबंध में ठोस निष्कर्ष निकालेगा। वाद-विवाद के दौरान यदि कोई महत्वपूर्ण तथ्य छूट गया है तो उसे भी बतलाना अच्छे शिक्षक का ही कर्तव्य है। वाद-विवाद के कुछ प्रमुख गुण नीचे लिखे गये हैं :

- वाद-विवाद विधि प्रशिक्षाथियों को कक्षा में सक्रिय बनाये रखती है।
- इस विधि द्वारा प्रशिक्षार्थियों की अभिव्यंजना शक्ति (एक्सप्रेशन पावर) का विकास सफलता से किया जा सकता है।
- प्रशिक्षार्थियों की बौद्धिक शक्तियाँ जैसे तर्कशक्ति, विचार शक्ति, निर्णय लेने की शक्ति का विकास सरलता से हो सकता है, जो एक अभिकर्ता के लिये अत्यन्त आवश्यक है।
- प्रशिक्षार्थियों में सहयोगितापूर्ण स्वस्थ प्रतियोगिता एवं स्पर्धा की भावना विकसित होती है।
- प्रशिक्षार्थियों में बीमा संबंधी उपलब्ध साहित्य का अध्ययन करने की आदत विकसित हो सकती है।

शिक्षक को वाद-विवाद का आयोजन करते समय स्वयं सक्रिय सहना बहुत जरुरी है। उसे प्रशिक्षार्थियों द्वारा प्रस्तुत विचारों, तथ्यों तथा जानकारियों को सुनकर निर्णय लेना है कि सभी बातें उचित रुप में प्रस्तुत की जा रही हैं अथवा नहीं। वाद-विवाद में रखे जाने वाले प्रशिक्षार्थियों की संख्या दल में 5 से 8 तक होनी चाहिये। यदि वाद-विवाद में क्रमबद्धता तथा तारतम्यता का अभाव है अथवा प्रशिक्षार्थी विषयान्तर हो गये हैं तो शिक्षक को चाहिये कि उन्हें तुरंत सही मार्ग पर ले आयें, जिससे वाद-विवाद में नीरसता न आ सके। वाद-विवाद का आयोजन करते समय शिक्षको अंत में स्वयं के कथन द्वारा अच्छी और गलत दोनों बातों की चर्चा करना चाहिये और सही प्रयासों की प्रशंसा भी करना चाहिये जिससे प्रशिक्षार्थी के आत्मविश्वास में वृद्धि हो और वह कक्षा में गहन अध्यापन करके वाद-विवाद में भाग ले सकें।

योजना विधि (प्रोजेक्ट मैथड)

योजना विधि का प्रयोग सन 1918 में सर्वप्रथम अमेरिका में किल पेट्रिक ने किया था। डब्लयु.एच.किलपैट्रिक महोदय ने योजना शब्द की व्याख्या करते हुये कहा है कि ''योजना वह सहृदयतापूर्ण अभिप्राययुक्त क्रिया है जो पूर्ण

संलग्नता के साथ सामाजिक वातावरण से की जाती है'' योजना पद्धति में प्रशिक्षार्थियों का स्थान प्रमुख और शिक्षकों का स्थान गौण होता है जो भी योजना हो वह बीमा व्यवसाय से ही संबंधित हो और वास्तविक जीवन के क्षेत्र से ही ले जावे। इस विधि से प्रशिक्षार्थी स्वयं क्रिया करके ज्ञान प्राप्त करते हैं। योजना-विधि का प्रयोग कक्षा के बाहर अधिक किया जाना चाहिये। इस विधि में सम्पूर्ण कार्य वास्तविक एवं प्रयोगात्मक रुप से होता है। योजनायें दो तरह की होती हैं प्रथमव्यक्तिगत योजना, जिसके अंतर्गत एक प्रशिक्षार्थी किसी एक बीमा उत्पाद पर एक योजना तैयार करके उससे संबंधित साहित्य अथवा प्रयत्नों अथवा विषयवस्तु का संकलन करके गहन अध्ययन करता है। द्वितीय सामूहिक योजना होती है, जिसमें सभी प्रशिक्षार्थी मिलकर कार्य करने की योजना बनाते हैं। प्रशिक्षार्थीगण इस बताई गई योजना से कुछ रचनात्मक कार्य करके बीमा उत्पाद के विषय में एकत्रित जानकारी को सरल, सुगम तथा व्यावहारिक बनाने का प्रयास करते हैं। वैयक्तिक योजना में प्रशिक्षार्थी बगैर किसी भी सहायता के शिक्षक के निर्देशन में समस्या का चयन करके योजनानुसार संबंधित साहित्य संकलन करके अध्ययन करता है और स्वयं ही निष्कर्ष निकालता है जबकि सामूहिक योजनाओं में प्रशिक्षार्थियों का एक दल साहित्य का सर्वेक्षण करके विभिन्न क्रियायें सम्पन्न करके सामूहिक रुप से निष्कर्ष निकालते हैं। शिक्षक को इस विधि से अध्यापन करने के लिये एक शैक्षिक वातावरण सृजन करना होता है और बीमा संबंधी किसी समस्या को लेकर कार्यशील योजना प्रशिक्षार्थियों से तैयार करवाई जाती है जिसे शिक्षक के मार्गदर्शन में कार्यान्वित किया जाता है। योजना में जो उद्देश्य निर्धारित किये जाते हैं, उनके आधार पर क्रियायें की जाती हैं, जिसका मूल्यांकन शिक्षक करता है। शिक्षक जहाँ पर त्रुटि पाता है वहाँ अपने मार्गदर्शन में प्रशिक्षार्थियों द्वारा ठीक करवाता है और अंत में उन्हीं से एक प्रतिवेदन भी तैयार करने को कहता है। इसी प्रतिवेदन के आधार पर प्रशिक्षार्थिगण बीमा संबंधी योजनाओं का ज्ञान प्राप्त करते हैं। योजना विधि के प्रमुख गुण नीचे दिये जा रहे हैं।

उसे प्रशिक्षार्थियों की कठिनाइयों का निवारण प्रत्येक स्तर पर करना है अन्यथा वे क्रियायें करते समय हताश हो जानेंगे और उनका ज्ञान अधूरा ही रह जावेगा।

- योजना विधि ''अनुभव द्वारा सीखना तथा करके सीखना'' के सिद्धांत पर आधारित है।
- योजना विधि के माध्यम से प्रशिक्षार्थी मानसिक रुप से तत्पर रहते हैं और विभिन्न क्रियाओं को करके उसका अभ्यास भी करते हैं। इस विधि से प्रशिक्षार्थी गहन परिश्रम करके स्वतःज्ञान प्राप्त करते हैं।
- प्रशिक्षार्थियों में इस विधि से रचनात्मकता, क्रियाशीलता, संलग्नता, व्यावहारिकता, प्रयोगात्मकता आदि के गुण स्वतः ही उत्पन्न हो जाते हैं।
- योजना विधि शारीरिक श्रम की महत्ता को भी प्रगट करती है। योजना विधि से सीखने पर प्रशिक्षार्थियों को साहित्य का सर्वे करने के लिये काफी भागदौड़ करनी होती है। अतः यह विधि शारीरिक और मानसिक दोनों प्रकार के श्रम की महत्ता दर्शाती है।
- योजना विधि द्वारा ''वैयक्तिक विभेद के सिद्धांत'' के आधार पर ज्ञान प्रदान किया जा सकता है। बीमा शिक्षक को योजना विधि का प्रयोग कुछ ही विषयवस्तु का ज्ञान देने के लिये करना चाहिये। यदि बीमा की किन्हीं दो योजनाओं का तुलनात्मक अध्ययन करना है तो उसे प्रोजेक्ट का रुप देकर प्रशिक्षार्थियों से उसका अध्यापन करवाना चाहिये। योजना बनाते समय शिक्षक को ध्यान रखना है कि उसमें प्रशिक्षार्थियों को कोई कठिनाई न होने दें। उसे प्रशिक्षार्थियों की कठिनाइयों का निवारण प्रत्येक स्तर पर करना है अन्यथा वे क्रियायें करते समय हताश हो जानेंगे और उनका ज्ञान अधूरा ही रह जावेगा। शिक्षक को कोई ऐसी योजना नहीं बनवानी है जो दीर्घकाल तक चले। ऐसा करने से प्रशिक्षार्थियों में न केवल नीरसता आ जावेगी वरन उनकी सीखने की गति में शिथिलता भी आ सकती है। इस विधि का मुख्य उद्देश्य है कि प्रशिक्षार्थियों में श्रम की भावना जागृत कर सके। उनमें स्वाध्याय की आदत विकसित करना। शिक्षकों को बीमा उत्पादों को ध्यान में रखकर ही योजना विधि का प्रयोग करना चाहिये।

समस्या विधि (प्राब्लम मैथड)

समस्या प्रशिक्षार्थियों के मस्तिष्क में एक उथल-पुथल पैदा कर देती है, जिससे सम्पूर्ण मस्तिष्क क्रियाशील हो जाता है। मस्तिष्क में क्रियाशीलता रहने से प्रशिक्षार्थियों में जिज्ञासा तीव्र गति से कार्य करती है, जिसे उसकी रूचि एवं ध्यान समस्या पर केन्द्रित हो जाता है और वे सदैव नवीन ज्ञान प्राप्त करने हेतु तत्पर रहते हैं। बीमा

शिक्षक को चाहिये कि वे प्रशिक्षार्थियों के सम्मुख किसी जटिल बीमा योजना से संबंधित समस्या प्रशिक्षार्थियों के सम्मुख रखें। यह ध्यान रहे कि चुनी गई समस्या प्रशिक्षार्थियों के मानसिक स्तर, रुचि तथा उनकी क्षमता के अनुकी क्षमता के अनुसार हो। समस्या विधि द्वारा चुनी गई समस्या का अध्ययन करके महत्वपूर्ण निष्कर्ष तैयार किये जाते हैं। प्रशिक्षर्थी समस्याओं का समाधान कर स्वयं के अनुभव के आधार पर ज्ञानार्जन करते हैं। प्रशिक्षार्थियों को चाहिये कि वे समस्या का चयन चाहें तो व्यक्तिगत रुप से अथवा सामूहिक रुप से शिक्षक के मार्गदर्शन में ही करें। प्रशिक्षार्थियों को समस्या से संबंधित प्रदत्तों का संकलन करने के लिये प्रश्नावली अथवा मतावली अथवा कोई अन्य शोध यंत्र तैयार करना होगा। इन्हीं शोध यंत्रों द्वारा प्रशिक्षार्थी समस्या से संबंधित प्रदत्तों को संकलित करके उन्हें व्यवस्थिति एवं क्रमबद्ध रुप से जमाते हैं तथा विभिन्न सारणीयां तैयार करते हैं। वे अपने शिक्षिक के मार्गदर्शन में प्रदत्तों का विश्लेषण करके महत्वपूर्ण निष्कर्ष निकालते हैं। यदि प्रशिक्षार्थियों को समाज के चुने गये व्यक्तियों का किसी बीमा योजना के प्रति उनकी अभिवृत्ति का अध्ययन करना है तो वे उपरोक्त बतलाये गये स्तरों में समस्या का अध्ययन करके महत्वपूर्ण निष्कर्ष निकाल सकते हैं। समस्या विधि के कुछ प्रमुख गुण नीचे बतलाये गये हैं।

- प्रशिक्षार्थिगण स्वयं ही प्रयास करके स्वयं के अध्ययन द्वारा ज्ञान प्राप्त कर सकते हैं।
- प्रशिक्षर्थी समस्याओं का समाधान करने की विधि से अवगत हो जाते हैं।
- इस विधि द्वारा प्रशिक्षार्थियों में आलोचनात्मक चिंतन, तर्क, विश्लेषण तुलना करने तथा आदि लेने की क्षमता विकसित हो सकती है।
- यह विधि प्रशिक्षार्थियों में वैज्ञानिक दृष्टिकोण तथा पुरोगामिता (इनीशियेटिव) को जन्म देती है।
- इस विधि द्वारा व्यक्तिगत एवं सामूहिक दोनों प्रकार के शिक्षण सम्भव है।

बीमा शिक्षा से मध्यम वर्ग के लोगों को बीमा योजनाओं के प्रति आकर्षित करना एक समस्या है। इस समस्या का अध्ययन उपरोक्त विधि से ही किया जा सकता है। शिक्षक को ध्यान में रखना है कि इस विधि द्वारा की जाने वाली क्रियायें लंबे समय तक न चलें अन्यथा इसकी बातें सीखने में बाधा उत्पन्न हो सकती हैं। जो भी समस्यायें ली जावें सभी बीमा जगत से संबंधित ही हो। इस विधि का प्रयोग करने के लिये शिक्षकों को पुस्तकालय में संबंधित साहित्य को उपलब्ध कराना आवश्यक है। यह भी ध्यान रहे कि इस विधि से किसी प्रकार की नीरसता न पनपने दी जावे। इस विधि में फील्ड पर जाकर प्रदत्तों का संकलन करना है।

विश्लेषण एवं संश्लेषण विधि (एनालैटिक एण्ड सेनथेटिक मैथड)

आज के वैज्ञानिक युग में विश्लेषण एवं संश्लेषण विधि का अधिक महत्व है। विश्लेषण का अर्थ है विचार करना, तर्क करना तथा उसके पश्चात ही निर्णय लेना। इसके लिये लिखी जाने वाली सामग्री को खण्डों एवं उपखण्डों में विभाजित कर लिया जाता है और फिर सक्षमता से उसका विश्लेषण किया जाता है। इसके विपरीत संश्लेषण वह मानसिक प्रक्रिया है, जिसके द्वारा विषयवस्तु के विभिन्न खण्डों और उपखण्डों के मध्य एक दूसरे से संबंध स्थापित किया जाता है और फिर सम्पूर्ण विषयवस्तु को संक्षिप्त तथा व्यवस्थिति रुप से रखा जाता है। विश्लेषण विधि से अज्ञात से ज्ञात की ओर अग्रसर होते हैं जबकि संश्लेषण विधि में हम 'ज्ञात से अज्ञात' की ओर अग्रसर होते हैं। विश्लेषण और संश्लेषण विधि एक साथ जानी जाती है, उन्हें एक दूसरे से जुदा नहीं किया जा सकता है। विश्लेषण विधि से हम बीमा योजनाओं की जटिलताओं को समझ सकते हैं और संश्लेषण विधि द्वारा हम समझी हुई बात को याद करते हैं। दोनों विधियाँ सहभागिनी हैं। इस विधिके प्रमुख गुण नीचे दिये जा रहे हैं।

विश्लेषण विधि से हम बीमा योजनाओं की जटिलताओं को समझ सकते हैं और संश्लेषण विधि द्वारा हम समझी हुई बात को याद करते हैं।

- इस विधि से प्रशिक्षार्थियों का मस्तिष्क नई बातों को सीखने के लिये सक्रिय रहता है।
- यह विधि कक्षा शिक्षण को रोचक तथा आकर्षण पूर्ण बनाती है।
- इस विधि से प्रशिक्षार्थियों में आलोचनात्मक विचार उपयोगी तर्क एवं सही निर्णय लेने की क्षमता का विकास किया जा सकता है।
- प्रशिक्षार्थियों में व्यर्थ की बातों पर विचार न करने तथा सकारात्मक सोच उत्पन्न करने की आदत पड़ जाती हैं।
- प्रशिक्षर्थी सीखे गये ज्ञान द्वारा विषय से संबंधित अपनी भ्रांतियाँ, भ्रमों तथा संदेहों को स्वतः ही दूर कर लेते हैं।

(शेष भाग अगले अंक में)

बीमा-शिक्षा की शिक्षण कला अर्चना सिन्हा व उमेशचन्द्र कुदेसिया से सम्मार

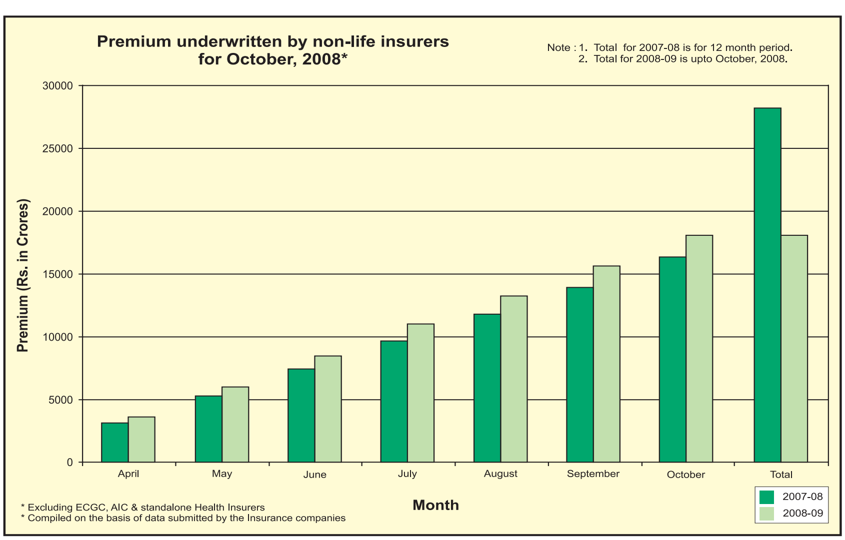
Report Card: General

GROSS PREMIUM UNDERWRITTEN FOR AND UP TO THE MONTH OF OCTOBER 2008

(Rs.in Crores)

INSURER	SEPTEMBER		APRIL - SEPTEMBER		GROWTH OVER THE CORRESPONDING PERIOD OF PREVIOUS YEAR
	2008-09	2007-08	2008-09	2007-08	
Royal Sundaram	72.24	58.43	461.23	379.31	21.60
Tata-AIG	59.64	59.30	556.91	472.40	17.89
Reliance General	148.53	182.25	1134.75	1128.68	0.54
IFFCO-Tokio	105.25	77.30	821.27	610.87	34.44
ICICI-lombard	316.01	337.54	2241.12	2064.13	8.57
Bajaj Allianz	197.01	202.56	1613.16	1325.07	21.74
HDFC ERGO General	34.89	17.52	178.25	129.55	37.59
Cholamandalam	56.28	48.27	414.61	314.79	31.71
Future Generali*	15.57	0.00	87.43	0.00	
Universal Sompo #	0.45	0.00	1.59	0.00	
Shriram General @	13.32	0.00	20.39	0.00	
Bharti AXA General @	1.15	0.00	1.84	0.00	
New India	442.56	454.84	3233.42	3118.62	3.68
National	344.67	321.31	2509.33	2275.89	10.26
United India	322.85	288.96	2415.69	2142.00	12.78
Oriental	327.38	334.99	2368.90	2324.39	1.91
PRIVATE TOTAL	**1019.18**	**983.18**	**7530.71**	**6424.79**	**17.21**
PUBLIC TOTAL	**1437.46**	**1400.10**	**10527.34**	**9860.90**	**6.76**
GRAND TOTAL	**2456.64**	**2383.28**	**18058.05**	**16285.69**	**10.88**
SPECIALISED INSTITUTIONS:					
1.Credit Insurance					
ECGC	58.75	51.64	405.98	364.88	11.26
2.Health Insurance					
Star Health & Allied Insurance	72.50	49.10	311.68	95.45	226.56
Apollo DKV*	5.01	0.00	18.15	0.00	
Health Total	**77.51**	**49.10**	**329.83**	**95.45**	**245.57**
3.Agriculture Insurance					
AIC	82.79	87.61	462.65	467.56	-1.05

Note: *Compiled on the basis of data submitted by the Insurance companies*
** Commenced operations in November, 2007.* *# Commenced operations in February, 2008.*
@ Commenced operations in July, 2008.



GROSS PREMIUM UNDERWRITTEN BY NON-LIFE INSURERS WITHIN INDIA (SEGMENT WISE) :

Sl. No.	Insurer	Fire	Marine	Marine Cargo	Marine Hull	Engineering	Motor
1	**Royal Sundaram**	35.34	10.57	10.57	0.00	20.85	235.37
	Previous year	43.60	9.09	9.09	0.00	19.89	171.87
2	**TATA-AIG**	112.83	66.62	66.62	0.00	20.53	119.48
	Previous year	87.73	49.81	49.81	0.00	14.38	119.37
3	**Reliance**	69.21	24.42	19.27	5.15	53.50	538.76
	Previous year	86.51	22.18	18.37	3.81	52.01	565.08
4	**IFFCO Tokio**	121.26	60.68	40.52	20.16	40.57	333.58
	Previous year	155.74	32.26	26.33	5.94	41.98	191.75
5	**ICICI Lombard**	209.82	141.25	56.48	84.77	117.38	643.77
	Previous year	287.39	118.31	33.46	84.85	97.51	604.83
6	**Bajaj Allianz**	131.25	53.45	44.26	9.19	70.96	816.21
	Previous year	162.20	s	39.78	4.90	75.71	586.80
7	**HDFC ERGO**	22.35	2.17	2.17	0.00	4.21	67.40
	Previous year	4.40	1.52	1.52	0.00	2.86	63.73
8	**Cholamandalam**	36.93	22.16	21.05	1.10	14.24	159.21
	Previous year	47.11	17.11	17.04	0.06	16.17	96.73
9	**Future Generali $**	7.32	2.14	2.14	0.00	6.02	29.04
	Previous year	0.00	0.00	0.00	0.00	0.00	0.00
10	**Universal Sompo ***	0.46	0.18	0.18	0.00	0.00	0.01
	Previous year	0.00	0.00	0.00	0.00	0.00	0.00
11	**Shriram**	0.07	0.00	0.00	0.00	0.05	6.88
	Previous year	0.00	0.00	0.00	0.00	0.00	0.00
12	**Bharti Axa**	0.08	0.00	0.00	0.00	0.37	0.24
	Previous year	0.00	0.00	0.00	0.00	0.00	0.00
13	**New India**	453.79	184.32	97.74	86.58	122.97	963.70
	Previous year	475.93	209.67	90.94	118.73	105.33	976.58
14	**National**	219.40	104.50	71.82	32.68	79.03	1068.89
	Previous year	222.98	89.56	61.25	28.31	66.41	1010.15
15	**United India**	315.75	152.28	103.85	48.43	116.82	740.82
	Previous year	319.74	143.53	82.49	61.04	103.32	665.09
16	**Oriental**	301.98	156.21	91.98	64.22	127.93	736.61
	Previous year	328.25	162.30	87.91	74.40	105.42	795.59
	Grand Total	2037.83	980.94	628.65	352.29	795.44	6459.98
	Previous year	2221.58	900.02	517.97	382.04	700.97	5847.57
	SPECIALISED INSTITUTIONS						
17	**ECGC**						
	Previous year						
18	**Star Health & Allied Insurance**						
	Previous year						
19	**Apollo DKV $**						
	Previous year						

Note: In case of public sector insurance companies, the segment wise data submitted may vary from the flash Nos filed with the Authority. As such, the industry totals may vary from the flash figures published for the month of September-2008.
$ Commenced operations in November, 2007.
* Commenced operations in February, 2008.
Compiled on the basis of data submitted by the Insurance companies

FOR THE PERIOD APRIL - SEPTEMBER - 2008 (PROVISIONAL & UNAUDITED)

(Rs. Crores)

Motor OD	Motor TP	Health	Aviation	Liability	Personal Accident	All Others	Grand Total	Market Share
187.92 140.07	47.45 31.80	60.42 53.85	0.00 0.00	4.13 2.68	14.66 16.56	7.65 3.35	388.99 320.87	2.49 2.31
101.88 100.40	17.60 18.97	46.46 35.12	0.00 0.00	58.84 49.07	68.16 56.31	4.34 1.31	497.27 413.10	3.19 2.97
387.28 414.61	151.48 150.47	208.13 147.92	6.41 4.03	17.34 7.92	33.79 25.95	34.67 34.86	986.22 946.44	6.32 6.81
232.98 131.36	100.60 60.39	69.65 44.59	5.46 1.82	21.85 13.66	12.13 9.48	50.84 42.28	716.02 533.56	4.59 3.84
430.48 429.15	213.29 175.68	571.55 424.89	30.49 18.16	55.89 41.41	83.36 80.44	71.60 53.63	1925.11 1726.59	12.34 12.42
561.00 428.93	255.21 157.87	139.61 125.12	10.89 7.43	43.60 26.58	26.35 20.59	123.83 73.41	1416.15 1122.51	9.08 8.07
58.95 56.57	8.45 7.17	21.53 20.79	0.16 0.00	16.47 11.06	3.50 3.44	5.57 4.23	143.36 112.03	0.92 0.81
125.91 78.28	33.30 18.45	81.95 56.07	0.00 0.00	6.66 6.86	13.53 9.64	23.65 16.84	358.33 266.51	2.30 1.92
22.85 0.00	6.19 0.00	17.37 0.00	0.00 0.00	2.08 0.00	6.72 0.00	1.27 0.00	71.96 0.00	0.46 0.00
0.01 0.00	0.00 0.00	0.01 0.00	0.00 0.00	0.00 0.00	0.48 0.00	0.00 0.00	1.13 0.00	0.01 0.00
3.70 0.00	3.18 0.00	0.00 0.00	0.00 0.00	0.01 0.00	0.00 0.00	0.00 0.00	7.01 0.00	0.04 0.00
0.19 0.00	0.05 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.70 0.00	0.00 0.00
528.12 535.84	435.58 440.73	708.89 483.30	38.69 35.58	55.15 40.14	47.16 46.40	215.42 292.59	2790.09 2665.52	17.88 19.17
679.39 626.33	389.49 383.82	430.42 313.17	26.09 27.32	23.98 19.64	37.54 31.31	174.82 174.05	2164.66 1954.58	13.87 14.06
425.34 403.81	315.48 261.28	418.71 275.62	5.94 13.08	39.52 35.29	35.14 46.38	270.50 250.96	2095.48 1853.01	13.43 13.33
428.73 492.31	307.88 303.28	332.15 262.19	41.30 45.75	40.87 34.58	50.38 48.41	254.09 206.91	2041.52 1989.39	13.08 14.31
4174.75 3837.65	2285.23 2009.91	3106.84 2242.63	165.43 153.17	386.40 288.87	432.90 394.91	1238.25 1154.41	15604.01 13904.11	100.00 100.00
						347.22 313.24	347.22 313.24	
		235.32 44.58			2.02 1.09	1.85 0.67	239.19 46.34	
		12.17 0.00					12.17 0.00	

FICCI organized its 12th Conference on Insurance with the theme "Doubling the Insurance Penetration: Imperative for Uncertain Times" on 3rd December 2008, at Federation House, Tansen Marg, New Delhi.

Photograph shows Dr. Amit Mitra, Secretary General, FICCI; Mr. J. Hari Narayan, Chairman, IRDA; and Ms. Shikha Sharma, Chairperson, FICCI's Insurance & Pensions Committee and CEO & Mg. Director, ICICI - Pru Life Insurance Co. Ltd; at the inaugural session.

Mr. J. Hari Narayan seen addressing the delegates. Others seen in the picture are (L to R): Mr. Alpesh Shah, Partner and Director, The Boston Consulting Group (BCG); Dr. Amit Mitra; Ms. Shikha Sharma; and
Mr. Tarun Bajaj, Joint Secretary - Insurance, Ministry of Finance, Govt. of India.

Confederation of Indian Industry (CII), Western Region organized a Health Insurance Summit 'Health Insurance Inc.:The Road Ahead' at Mumbai on 9th December, 2008.

Photograph shows Mr. A.Vaideesh, Chairman, CII Western Region, and MD, Johnson & Johnson Medical, addressing the delegates. Also seen in the photograph are (L to R) Mr. Neville Dumasia - Head, Governance Risk & Compliance Services, KPMG; Mr. J. Hari Narayan, Chairman, IRDA; Mr. Arvind R. Doshi - Past Chairman, CII Western Region, and CMD, PAE Ltd; and Ms. Sandhya.

The Round-Table session in progress. Seated (L to R) are: Dr. Sujit Chatterjee, CEO, Dr.LH Hiranandani Hospital; Mr.S.L. Mohan, Secretary General, General Insurance Council; Dr. Nandakumar Jairam, Chairman & Group Medical Director, Columbia Asia Hospitals India; Ms. Shikha Sharma, MD & CEO, ICICI Prudential Life Insurance Co. Ltd; Mr. J. Hari Narayan, Chairman, IRDA; Mr. Govindraj Ethiraj (Moderator), Editor-in-Chief, UTV News Ltd; Mr. A. Vaideesh,Chairman, CII Western Region, and MD, Johnson & Johnson Medical; Ms. Shobhana Kamineni, ED, Apollo Hospitals Enterprise Ltd; Mr. Kamesh Goyal, Country Manager (India), Bajaj Allianz Life Insurance Co. Ltd; Dr. Alok Roy, CMD, Medica Synergie Pvt. Ltd; and Mr. Ravi Trivedy, ED, KPMG Advisory Services Pvt. Ltd.

''ਦਾਅਵੇ ਦੇ ਕਾਗਜ਼-ਪੱਤਰ ਭੇਜੇ ਹੋਏ ਮੈਨੂੰ ਤਿੰਨ ਹਫ਼ਤੇ ਹੋ ਗਏ ਹਨ। ਆਸ ਹੈ ਉਹ ਛੇਤੀ ਹੀ ਪੈਸੇ ਭੇਜ ਦੇਣਗੇ।''

''ਜੀ ਹਾਂ, ਉਹ ਜ਼ਰੂਰ ਭੇਜਣਗੇ। ਜਦੋਂ ਸਾਰੇ ਕਾਗਜ਼-ਪੱਤਰ ਤਰਤੀਬ ਵਿਚ ਹੋਣ ਤਾਂ ਉਨ੍ਹਾਂ ਨੂੰ 30 ਦਿਨਾਂ ਦੇ ਅੰਦਰ ਅੰਦਰ ਹਿਸਾਬ ਚੁਕਦਾ ਕਰਨ ਪੈਂਦਾ ਹੈ। ਇਹ ਅਸੂਲ ਹੈ !''

ਭਾਰਤ ਵਿਚ ਬੀਮਾ ਕੰਪਨੀਆਂ ਦੀ ਨਿਗਰਾਨੀ ਕਰਨ ਵਾਲੀ ਸੰਸਥਾ ਬੀਮਾ ਵਿਨਯਮਕ ਅਤੇ ਵਿਕਾਸ ਪ੍ਰਾਧਿਕਰਣ (ਆਈਆਰਡੀਏ) ਪਾਲਸੀਧਾਰਕਾਂ ਦੇ ਹਿੱਤਾਂ ਦੀ ਰਖਵਾਲੀ ਕਰਦੀ ਹੈ। ਆਈਆਰਡੀਏ ਦੇ ਬਣਾਏ ਕੁਝ ਕਾਇਦੇ ਇਸ ਪ੍ਰਕਾਰ ਹਨ :

- ਬੀਮਾ ਕੰਪਨੀ ਨੂੰ ਸਾਰੇ ਸੰਬੰਧਿਤ ਕਾਗਜ਼-ਪੱਤਰ ਮਿਲਣ ਦੇ 30 ਦਿਨਾਂ ਦੇ ਅੰਦਰ ਅੰਦਰ ਦਾਅਵੇ ਦਾ ਭੁਗਤਾਨ ਕਰਨਾ ਪਵੇਗਾ ਜਾਂ ਕੋਈ ਢੁਕਵਾਂਕਾਰਣ ਦੇ ਕੇ ਇਸ ਨੂੰ ਵਿਵਾਦਗ੍ਰਸਤ ਕਰਨਾ ਪਵੇਗਾ।
- ਬੀਮਾ ਕੰਪਨੀ ਪ੍ਰਸਤਾਵ ਸਵੀਕਾਰ ਕਰਨ ਦੇ 30 ਦਿਨਾਂ ਦੇ ਅੰਦਰ ਅੰਦਰ ਭਾਵੀ ਪਾਲਸੀਧਾਰਕ ਨੂੰ , ਪ੍ਰਸਤਾਵ ਫ਼ਾਰਮ ਦੀ ਇਕ ਨਕਲ ਮੁਫ਼ਤ ਮੁਹਈਆ ਕਰਵਾਏਗੀ।
- ਬੀਮਾ ਕੰਪਨੀ ਦੁਆਰਾ ਪ੍ਰਸਤਾਵ ਪ੍ਰਾਪਤ ਕਰਨ ਦੇ 15 ਦਿਨਾਂ ਦੇ ਅੰਦਰ ਅੰਦਰ ਇਸ ਉੱਤੇ ਕਾਰਵਾਈ ਕਰਨੀ ਚਾਹੀਦੀ ਅਤੇ ਇਸ ਦੀ ਸੂਚਨਾ ਦੇਣੀ ਚਾਹੀਦੀ ਹੈ।
- ਸਾਰੇ ਜ਼ਰੂਰੀ ਕਾਗਜ਼-ਪੱਤਰ ਜਮ੍ਹਾਂ ਕਰਵਾਉਣ ਤੋਂ ਮਗੋਰਂ ਦਾਅਵੇ ਦੇ ਭੁਗਤਾਨ ਵਿਚ ਦੇਰੀ ਦੇ ਮਾਮਲੇ ਵਿਚ ਬੀਮਾ ਕੰਪਨੀ ਵਿਆਜ ਦੀ ਤਹਿਸ਼ੁਦਾ ਰਕਮ ਅਦਾ ਕਰਨ ਲਈ ਜ਼ਿੰਮੇਵਾਰ ਹੋਵੇਗੀ।
- ਜੀਵਨ ਬੀਮਾ ਦਾ ਪਾਲਸੀਧਾਰਕ ਪਾਲਸੀ ਰੱਦ ਕਰਨ ਲਈ 15 ਦਿਨਾਂ ਦੇ (ਪਾਲਸੀ ਮਿਲਣ ਦੀ ਤਾਰੀਖ਼ ਤੋਂ) ''ਫ਼ਰੀ ਲੁੱਕ ਪੀਰੀਅਡ'' ਦਾ ਹੱਕਦਾਰ ਹੋਵੇਗਾ।
- ਬੀਮਾ ਕੰਪਨੀ ਨੂੰ ਆਪਣੇ ਪਾਲਸੀਧਾਰਕਾਂ ਦੇ ਕਿਸੇ ਵੀ ਚਿੱਠੀ-ਪੱਤਰ ਦਾ ਜਵਾਬ 10 ਦਿਨਾਂ ਦੇ ਅੰਦਰ ਅੰਦਰ ਦੇਣਾ ਚਾਹੀਦਾ ਹੈ।

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18 Dec 2008
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Growth Dynamics for Insurance Industry: Embracing the Future
By *Asia Insurance Post, Mumbai*

22 - 24 Dec 2008
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Workshop on Multiple Distribution Channel Management
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25 - 27 Dec 2008
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Workshop on Motor TP Claims
By *National Insurance Academy, Pune*

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Programme on Prevention of Insurance Frauds
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view point

The International Association of Insurance Supervisors (IAIS) has shown its ability to react quickly to the (global financial) crisis by stepping up co-ordination efforts.

Mr Peter Braumuller
IAIS Executive Committee Chair

Insurance products — including indexed annuities — are subject to myriad state insurance laws. We believe indexed annuities are insurance products — and that they should continue to be regulated as such.

Ms Sandy Praeger
Kansas Insurance Commissioner & NAIC President

A major challenge for takaful operators in many jurisdictions is the lack of Shariah compliant assets for investment. We are encouraged that more Islamic financial products and services are now emerging in Singapore.

Ms Teo Swee Lian
Deputy Managing Director (Prudential Supervision)
Monetary Authority of Singapore

Health insurance is picking up. In fact, it is the single-largest growing segment in the (Indian) insurance market. I find a lot of sophistication coming up in health products.

Mr J Hari Narayan
Chairman, Insurance Regulatory & Development Authority, India

Prudential regulation is all about shifting the odds in favour of safety and soundness, but it is not a panacea against all ills that can befall financial institutions.

Mr David Lewis
Australian Prudential Regulation Authority

We will continue our initiatives to restore consumers' trust, as well as carrying on our endeavors to address environmental issues and further contributing to social safety and security.

Mr Makoto Hyodo
Chairman, General Insurance Association of Japan