

01.03.2019

Dear Sir / Madam,

Reg : Link-K Monthly Bulletin – February 2019

SBI General Insurance reported a 53 percent rise in net profit at Rs. 89 crore for the quarter ending December. Its net profit was Rs. 58 crore in the corresponding quarter a year ago, SBI General said in a statement. SBI General recorded its sustainable underwriting profit of Rs. 49 crore in quarter as against an underwriting loss of Rs. 41 crore in the same quarter a year ago.

The health insurance segment has reported a growth of more than 20 per cent in premium collection for the third year in a row. In 2017 – 18, general and health insurance companies collected Rs. 37,029 crore as health insurance premium, registering a growth of 21.8 percent over 2016-17, according to the latest annual report of IRDAI.

LIC has scored better than private insurers in complaint resolutions in FY 18. According to the IRDAI Annual Report 2017-18, released earlier this month, LIC resolved 100 percent of the complaints while private insurers resolved 99.74 percent of reported complaints in FY 18.

Happy reading

Thanking you for the opportunity given to serve you,

Yours faithfully

For Link-K Insurance Broker Co. (Pvt.) Ltd

V.P. Mohankumar

Principal Officer and Managing Director

LINK-K BULLETIN – FEBRUARY 2019

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Re: Revision in Rating for Policies issued under Fire Line of Business

Effective from 01.03.2019, all the insurance companies have increased their Fire and Allied Perils Premium Rates for select industries.

This revision is explained by the adverse loss experience experienced by the Insurers/Reinsurers following “heavy rate cutting/discounts” placing most of the insurers’ balance sheets in Red. Now, the sole India Reinsurer GIC–Re catering to statutory cessions, surplus treaty and other reinsurance support, has become a limited company registered with Mumbai stock exchange; The Government has off loaded its shares, GIC-Re is no longer a government company.

In the last month meeting of various insurers with IRDA Chairman, it was decided to raise the Minimum Premium Rates, especially the premiums of those risks/occupancies which brought huge losses to the insurers.

GIC-Re has advised that unless and until the rates suggested by them are charged by insurers, GIC-Re may not be in a position to support reinsurance of the risk underwritten. So, the premium rates for the loss-prone risks so identified have been increased by the insurers so as to have reinsurance support from GIC. Pother Reinsurers have also followed suit. Thus, Fire **Reinsurance Treaties stand amended w.e.f. 01.03.2019.**

These changes have impacted all the Insurers because all the Insurance Companies [public sector or private] have to bank on reinsurance support.

Some of the Occupancies for which the Minimum Premium Rates have gone up are as below:

1. Textiles
2. Plastics
3. Rubber Goods Manufacturing
4. Chemical Manufacturing below 32 deg C flash point.
5. Storage of Category III Goods
6. Transporters Godown
7. Steel plants
8. Power Plants
9. Distilleries
10. Fertilisers Manufacturing
11. Garment makers
12. Jute Mills
13. Paint
14. Silk Mills
15. Tyres and Tubes manufacturing

Correspondingly, Premium Rates for Industrial All Risk [IAR] Policies stand revised. Fire Loss of Profit policies would bear more scrutiny, in addition to the automatic Fire LOP Rate Increase following Fire (Material Damage) Rate Increase.

A satisfactory claim experience in the Fire insurance portfolio in the coming year could hopefully result in downward revision/roll-back of the rates in future.

LIFE

LIC needs to set time-line for reducing IDBI Bank stake :

IRDAI has not set any timeline for LIC to bring down its stake In IDBI Bank from the present 51 per cent holding to the law mandated under 15 percent, according to senior official from IRDAI.

According to the official, the time-line for reducing its stake in IDBI Bank has to be decided by the LIC management itself as a regulator-mandated time line can impact stock prices. Recently LIC had announced completion of acquisition of 51 per cent controlling stake in the IDBI Bank, which makes it the majority shareholder of the bank.

The official added: "The stake-buying in the bank does not mean that LIC is the promoter of IDBI Federal."

Sales Manager held for duping SBI Life Insurance customers :

Police has arrested 3 persons in Jodhpur in connection with fraud for cheating customers. Two business development managers of SBI life insurance have allegedly cheated innocent customers in the name of life insurance policy. These managers used to take blank cheque from the customers and deposit it in their names. At present, 53 people have been cheated. SP Kiran Kung said on January 17, TR Solanki chief manager of main SBI Bank branch Jaisalmer had written a report that business development manager Sikander Khan and Durgesh Tripathi on the name of SBI life insurance policy took blank cheque from 53 customers and deposited in their private accounts and embezzled Rs. 8,97,862. FIR was lodged and Police started the investigation.

Bharti AXA Life awareness Campaign to fight mis-selling :

Bharti AXA Life Insurance has launched a public awareness drive to alert customers about spurious calling and misspelling of insurance product in the country. The objective of the campaign is to make customers aware of fake insurance offers and unreasonably high returns by fraudsters. The company has lodged complaints with the policy in many parts of the country, after receiving information about fraudulent cases.

Mis-selling and spurious calling have become a significant problem in domestic insurance industry. As a responsible insurance company we have a zero tolerance policy towards mis-selling or any illegitimate inducements. Our sales teams help customers take an informed decision on the back of full product and services disclosures, Vikas Seth, Managing Director and Chief Executive Officer, Bharti Axa Life insurance said.

Insurance agent named "Lord Voldemort" gets jail term for threatening clients :

A disgruntled insurance agent who took on the identity of "Lord Voldemort", Harry Potter's nemesis, and threatened to harm clients unless they paid him bitcoins has been jailed in Singapore. Myanmar national Ye Lin Myint targeted several clients after they missed appointments or cancelled insurance policies, according to court documents The Singapore permanent resident also threatened people who considered buying policies but decided not to, as well as the neighbours of clients and potential clients.

The 36 year old sent emails and letters to six individuals, which threatened that they and their families would be harmed unless one bitcoin was transferred to him. At the time of the offences in August and September 2017, one unit of the cryptocurrency was worth about Sg\$ 6,600 (\$4,900). He set up an email account for the campaign on harassment, and signed the messages "Lord Veldermort", a misspelling of

the name from the Harry Potter series. He later sent letters to people living in the same buildings, threatening to target their apartments unless they pressured their neighbours into paying him. He was handed a jail term of two years and five months after pleading guilty to criminal intimidation and harassment.

NON-LIFE INSURANCE

6 people arrested for Rs. 80 lakh insurance fraud :

The Kalyan crime branch unit of Thane police arrested six people, including two Mumbai based doctors and a Thane civic-run crematorium employee, for allegedly preparing death certificates of people who were alive and claiming insurance,

The police said the mastermind, Kalyan resident Chandrakant Shinde (65), in connivance with Tejpal Mahrol, a sweeper at Thane Municipal Corporation's(TMC) Mumbra crematorium, and Dr. Abdul Siddiqui (38) and Dr. Imran Siddiqui (41) who issued at least 10 bogus death certificates claimed compensation of Rs.80 lakhs from two private insurance firms. They also managed to procure death certificates from the TMC of three people who live in Andhra Pradesh and sought Rs. 50 lakhs as payout, said the police. The others arrested were Chandrakant's son Narayan and daughter-in-law Laxmi, who were the beneficiaries.

The police said other beneficiaries were Chandrakant's relatives who were unaware about the insurance money claimed on their names as most of them are illiterate. Investigators are also probing the role of the insurance company officials and TMC employees.

The police said Chandrakant, who used to sell cutlery items in a local trains started the scam in 2015 and roped in Mehrol. Explaining the modus operandi, the police said Mehrol would fill TMC forms required to get a death certificate. He would give Dr. Abdul and Dr. Imran Rs. 2,000–Rs. 10,000 to give a fake doctor's certificate showing the cause of death as "natural". Using the fake doctor's death certificate, Mehrol would then get a death certificate from the civic health department and hand it over to Chandrakant, who would claim the money from the insurance company. Chandrakant had also claimed Rs. 12.9 lakh by submitting a "death certificate" of his daughter-in-law Laxmi. Narayan was the nominee in her policy, said the police.

The racket came to light when Thane resident Venkat Shinde, who is Chandrakant's nephew, checked his life insurance policy document and found his death certificate instead. He immediately called up the insurance firm and was shocked to learn that Rs. 4.8 lakh payout had already been given. He then approached the Kalyan crime branch unit. Senior inspector Sanju John formed a team under assistant police inspector Santhosh Shevale, who questioned Chandrakant as he had bought the policy for Venkat. John said. Chandrakant confessed to the crime and spilled the beans on Mehrol and the doctors.

Go Digit Insurance launched pet insurance scheme :

Go Digit Insurance, has launched a pet insurance product in the Indian market in partnership with Vetina, a US-based company.

With this launch, Digit is among a select group of private insurers offering pet insurance in the country.

Goyal said that "Vetina's Pawtect Plan, powered by Digit Insurance is now being offered as insurance of pet dogs.

The product offers three different plans divided under categories – Silver, Gold and Platinum – that covers major illness, accidental injury cover, third party liability cover (any bodily injury or damage to third party property) depending on the plan one chooses to buy.

We have started only with dogs. Our research shows that in India cats are not that popular. Over a period of time we will start offering cover for cats also, he said.

IRDAI cancels E-Meditek’s TPA licence :

IRDAI has cancelled the certificate of registration of E-Meditek insurance TPA and further directed that the company will no longer be allowed to do business as a Third Party Administrator (TPA). This is first of its kind incident wherein a TPA has been asked to stop operations because of several violations which the regulator found detrimental to the interests of policyholders and insurers.

The regulator has asked E-Meditek to continue servicing the existing health insurance policies based on the discretion and direction of the respective insurers for a period not exceeding three month’s from the date of the order (10th Jan 2019)



KNOW AN INSURANCE PRODUCT

Contractor’s Plant and Machinery Insurance:

This policy is specially designed to protect the interest of civil contractors. The object of this policy is to protect the constructional tools and equipment against all external damage.

Construction of Road project requires various machinery and equipment like Road surface rollers, cranes, asphalt mixing plant, concrete batching plant which can be insured under this policy.

In respect of Machinery/ Equipments, whether registered with RTO or not, but engaged at the Project site, the Insured has an option either to select the Motor/Non-Motor Policy under Motor Tariff or CPM Policy in the Engineering Department.

The policy covers damage to machinery and equipment from following causes like

- Fire and Lightning
- Burglary, theft
- Riot, Strike, Malicious damage
- Accident damage while at work due to faulty handling dropping or falling, collapse.

The coverage remains during the machinery are at works or at rest, or during the time the machinery are dismantled for cleaning or overhauling or during subsequent re-erection. Certain extensions like third part liability, removal of debris, owner’s surrounding property, terrorism, earthquake, express freight etc are also available under this policy.

Full description with identification number etc. of each and every equipment with valuation should be declared. The Policy Schedule will necessarily include a list of all items of Contractor’s Plant, Machinery and Equipments, indicating separate value against each item.

Policy schedule may also include more than one location (projects sites) with separate list of Contractors Plant, Machinery & Equipment at each location (Project site). Floater Loading of 10% on the Contractor’s Plant, Machinery & Equipment rate shall be charged to cover such cases.

Any additions or deletions in these items during the Policy period of 12 months can be done on short period basis.

The sum insured chosen is the cost of replacement cost of the particular machinery which includes its transportation cost, dues, custom duties etc. The premium is based on the type of equipment, risk location and use of the equipment.



GENERAL

IRDAI asks insurers to make provisions for IL & FS exposure :

Insurance companies will have to make provisions for their exposure to the crippled infra lender IL & FS, industry regulator IRDAI said.

The IL & FS group with a debt of over Rs. 94,000 crore, has been defaulting on its financial obligations since August and has also borrowed from insurance companies, even though the exact exposure of the industry is not immediately known.

Exposure to IL & FS cannot be written off, they will have to make provisions, IRDAI Chief Subhash Chandra Khuntia told.

Bajaj Allianz launches M-care to cover vector borne diseases :

Bajaj Allianz General Insurance has launched M Care, a health insurance product that offers protection against seven common mosquito borne diseases namely dengue, malaria, chikunguniya, Kala azar, Japanese encephalitis, filariasis and zika virus.

Health claims in instalments soon : IRDA

The policyholders will soon have the option to receive health and accident insurance claims in instalments rather than a one-time lump sum payment.

According to the recommendations of a working group set up by the IRDAI, insurance companies could be asked to look into the feasibility of settling personal accident and benefit-based health insurance claims in instalments.

Allowing the payment of claim proceeds in instalments may be of great help to meet the medium to long-term medical needs of customers, the working group noted in its report, adding it would also help to provide a secure and regular income over a defined period of time, especially when the beneficiary is not well versed in financial investments.

However, the committee, led by IRDAI Executive Director (Health) Suresh Mathur, has said installment-based payouts should be allowed only for large claims, of say Rs. 5 lakh or more. The claims can be given in either monthly, quarterly, biannual or annual instalments, as opted by the policyholder. But the claim payment period can be capped at up to five years.

The recommendations have also stressed that the settlement of personal health insurance claims in instalments shall not be the default option. Only the policyholder and not the insurance company can exercise the option at the time of policy purchase.

Extreme storms, wildfires and droughts cause heavy nat cat losses in 2018. Munich Re :

Munich Re released a report of major losses incurred in 2018. Here is an over view of the losses incurred in 2018.

At US\$ 80 bn, insured losses were substantially above the inflation-adjusted average for the last 30 years (US\$ 41 bn), but below last year's record figures (US\$ 140 bn).

Regrettably, some 10,400 people lost their lives in 2018 as a result of natural catastrophes.

The deadliest disaster of 2018 was a seven-meter tsunami that took the Indonesian city of Palu by surprise on 28th September following an earthquake nearby. Thousands of buildings were destroyed and some 2,100 people were killed. A further tsunami hit coastal regions of Sumatra and Java – islands of Indonesia on the evening of 22 December. The metre high tidal wave is thought to have been caused by an underwater landslide triggered by an eruption of the Anak Krakatau volcano. Since existing tsunami early-warning systems only respond to earthquakes, the metre high wave caught inhabitants unawares. At least 400 people died.

The most expensive natural catastrophes occurred in the US. The costliest events were “Camp Fire”, a wildfire in northern California with overall losses of US\$ 16.5 bn and insured losses of US\$ 12.5 bn, and Hurricane Michael (overall losses of US\$ 16 bn, and insured losses of US\$ 10 bn).

LEGAL

District consumer forum asks Reliance General Insurance to pay Rs. 17.99 lakhs :

A District Consumer Forum here has directed Reliance General Insurance to pay around Rs. 18 lakh as reimbursement for a car stolen in 2015, while finding it guilty of “deficiency of service” for rejecting the claim. The District Consumer Disputes Redressal Forum asked the insurance company to pay Rs. 17,99,975 to a Delhi resident Sathishkumar Singhal within 30 days.

It is a clear cut case of deficiency in service on the part of opposite party (Reliance General Insurance) a bench comprising President A.S. Yadav and member H C Suri said. The forum further directed the insurance company to pay compensation of Rs. 10,000 and Rs. 5,000 as litigation charges. According to the complaint, the man had purchased a Pajero Sports car which he got insured at regular intervals, It was insured with Reliance General Insurance from 2015 to 2016. The car was stolen from his house in November 2015 and later the complainant lodged a FIR.

The complainant also lodged a claim with the insurance company for reimbursement of the price of the vehicle as per the policy which was Rs. 17,99,975. He alleged that when he had filed his claim, an investigator was appointed by the company who on the pretext of processing the claim made the complainant sign various blank forms, papers and even made him write something. He claimed that he received a letter from the company rejecting his claim by giving him the reason that the vehicle was stolen under the circumstances that the central locking system was not functional and he had left the key in the dashboard of the vehicle, thus leaving the vehicle unattended in drivable condition.

LIGHTER MOMENTS

SOME IRONIES THAT EXIST IN INDIA :

1. Politicians *Divide* Us, Terrorists *Unite* Us.
2. Everyone Is In Hurry , But *NO ONE* Reaches In Time
3. Priyanka Chopra Earned More Money Playing *Mary Kom*, Than The Mary Kom Earned In Her Entire Career.

4. Most People Who Fight Over *Gita And Quran*, Have Probably Never Read Any Of Them.
5. We Rather Spend More On Our Daughter's *WEDDING* Than On Her *EDUCATION*
6. The *SHOES* That We Wear Are Sold In Air Conditioned Show Rooms, The *VEGETABLES* That We Eat Are Sold On The Footpaths.
7. We Live In A Country Where Seeing A *POLICEMAN* Makes Us Nervous Rather Than Feeling Safe.
8. In IAS Exam, A Person Writes A Brilliant 1500 Words Essay About How Dowry Is A Social Evil And *CRACKS THE EXAM* By Impressing Everyone. One Year Later His Parents Demand A Dowry In Crores, Because He Is An IAS Officer.
9. Indians Are Obsessed With Screen Guards On Their Smartphones Even Though Most Come With Scratch Proof Gorilla Glass But Never Bother Wearing A *HELMET* While Riding Bikes

One Of The Best Ever Lines :

Try To Understand People Before Trusting Them

BECAUSE

We Are Living In Such A World,

Where Artificial Lemon Flavor Is Used For *"WELCOME DRINK"*

And Real Lemon Is Used In *"FINGER BOWL"*

PERCEPTION

What a wonderful post changes my perception on perception

A teacher teaching Maths to a six-year-old asked him, "If I give you one apple and one apple & one apple, how many apples will you have?"

With a few seconds the boy replied confidently, "Four!"

The dismayed teacher was expecting an effortless correct answer (three).

She was disappointed. "May be the child did not listen properly," she thought.

She repeated, "pls listen carefully.

It is very simple. You will be able to do it right if you listen carefully.

If I give you one apple and one apple and one apple, how many apples will you have?"

The boy had seen the disappointment on his teacher's face.

He calculated again on his fingers.

But within him he was also searching for the answer that will make his teacher happy.

This time hesitatingly he replied, "Four..."

The disappointment stayed on teacher's face.

She remembered that the boy loves strawberries.

She thought maybe he doesn't like apples and that is making him lose focus.

This time with exaggerated excitement & twinkling eyes she asked ...
"If I give you one strawberry & one strawberry & one strawberry, then how many will you have?"
Seeing the teacher happy, the young boy calculated on his fingers again.

There was no pressure on him, but a little on the teacher.
She wanted her new approach to succeed.
With a hesitating smile, the young boy replied, "Three?"
The teacher now had a victorious smile. Her approach had succeeded.
She wanted to congratulate herself.
But one last thing remained.
Once again she asked him, "Now if I give you one apple and one apple and one more apple how many will you have?"

Promptly the answer was "Four!"
The teacher was aghast.
"How.... tell me, How?" she demanded in a little stern and irritated voice.
In a voice that was low and hesitating young boy replied, "Because I already have one apple in my bag."

Lessons to Learn: When someone gives you an answer that is different from what you are expecting, it is not necessarily they are wrong.

There may be an angle that we may not have understood at all.
We need to learn to appreciate and understand different perspectives.
Quite often, we try and impose our perspectives on others and then wonder what went wrong.
The next time someone gives you a different perspective than yours, sit down and gently ask " can you please help me understand"?.

***BHAGWAD GITA* *in one sentence* *_per chapter...*_**

- *Chapter 1* Wrong thinking is the only problem in life_
- *Chapter 2* Right knowledge is the ultimate solution to all our problems_
- *Chapter 3* Selflessness is the only way to progress & prosperity_
- *Chapter 4* Every act can be an act of prayer_
- *Chapter 5* Renounce the ego of individuality & rejoice in the bliss of infinity_
- *Chapter 6* Connect to the Higher consciousness daily_
- *Chapter 7* Live what you learn_
- *Chapter 8* Never give up on yourself_
- *Chapter 9* Value your blessings_
- *Chapter 10* See divinity all around_
- *Chapter 11* Have enough surrender to see the Truth as it is_
- *Chapter 12* Absorb your mind in the Higher_
- *Chapter 13* Detach from Maya & attach to Divine_
- *Chapter 14* Live a lifestyle that matches your vision_
- *Chapter 15* Give priority to Divinity_
- *Chapter 16* Being good is a reward in itself_
- *Chapter 17* Choosing the right over the pleasant is a sign of power_
- *Chapter 18* Let Go, Lets move to union with God_

Acceptance*...

When we don't accept an undesired event,
It becomes *Anger*;*...
When we accept it,
It becomes *Tolerance.*...

When we don't accept uncertainty,
It becomes *Fear*;*...
When we accept it,
It becomes *Adventure.*...

When we don't accept other's bad behaviour towards us,
It becomes *Hatred;*...
When we accept it,
It becomes *Forgiveness.*...

When we don't accept other's Success,
It becomes *Jealousy;*...
When we accept it,
It becomes *Inspiration.*...

Acceptance is the key for handling life well...

INTERVIEW:

- How was your job interview yesterday?

- well, I entered the office, found a man sitting on a large black leather chair with feet resting on the table....

He pointed towards his laptop, asked me to take it and go outside, then come back and try to sell him the laptop.. he thought himself as actor Leonardo Di Caprio of "The wolf of wall street" movie..

So I took the laptop and left..

- left...!! Then what?

- nothing 30 minutes later he called me up... begging me to return his laptop to him coz all his work and important documents were in it..... so I asked him: *Will you buy it ??*
