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Dear Sir / Madam,

Reg : Link-K Monthly Bulletin – January 2019

Chairman, LIC of India, presented a cheque of Rs. 2,430.19 crore to Union Finance Minister, Arun Jaitley, as the Government of India's share of the surplus arising out of the LIC's actuarial valuation as on March 31, 2018.

IDBI Bank said in a communication that it has allotted shares worth Rs. 14,500 crore to Life Insurance Corporation. The move was part of the ongoing acquisition of a controlling stake in the bank by the insurance company. About 238.8 crore shares at a price of Rs. 60.73 apiece were allotted to LIC through a preferential issue on Friday, according to a regulatory filing by IDBI Bank.

Indians see life insurance as the most handy instrument for planning their major life goals while nearly a third do not have any idea about how much insurance they need, a survey has found. Life Insurance is the top instrument for life goals such as building a house (43 per cent), children's education (38 per cent), retirement (49 per cent) and legacy creation (50 per cent), the survey by Exide Life Insurance said. When it comes to planning for child's marriage, they look at fixed deposits in addition to life insurance, the survey revealed.

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

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LIFE

Max India set to exit health insurance business :

True North Managers Lip, a Private equity firm is close to buying out Analjit Singh Promoted Max India Ltd's entire 51% stake in standalone health insurer **Max Bupa Health Insurance Co. Ltd.** according to sources, Max India will exit the health insurance business a decade after it entered as a promoter. This will mark the first exit by an Indian promoter in the domestic health insurance industry.

The new joint venture will have the True North as the majority partner, while British partner Bupa will continue to hold 49% in Max. Bupa. True North will buy Max India's 51% stake in Max Bupa at around Rs.1,000 crore, said the first person cited above, requesting anonymity. The deal would value Max Bupa at around Rs. 2,000 crores, this person said.

LIC first year premiums shrink by 7.9 per cent :

First year premiums collected by Life Insurance Companies for April – November 2018 saw a tepid growth of 0.33 per cent over the same period last year, mainly because of Life Insurance Corporation's shrink in growth. First year premiums earned by life insurers amounted to Rs. 1.23 trillion in April–November 2018 as against Rs. 1.22 trillion in the same period in 2017.

LIC sees a sharp fall in NPAs :

LIC has seen a sharp fall in its net non- performing assets from Rs. 70.40 billion in March 2018 to Rs. 15.8 billion as of October 31,2018, according to the figures provided by the finance ministry in reply to a question asked by members of parliament in the Lok Sabha.

"With regard to whether there is risk in LIC's NPAs and clearing of the NPAs, it may be noted that as per LIC's inputs, the rising trend in LIC's gross NPAs over the last three financial years has been reversed in the current financial year", said Minister of state in the Ministry of Finance.

Birla Sun Life Insurance performs better :

While the life insurance sector grew 6% in individual annualized premium equivalent (APE) basis, Aditya Birla Sun Life Insurance individual APE of ABSL between April and November 2018 was up 62 per cent to Rs. 93.81 billion, whereas the average growth among private players stood at 11 per cent for the same period.

Pankaj Razdan, Managing Director and Chief Executive office, ABSI, said "When I took over in 2014, we decided to transform the company and build a business that could absorb all shocks that may come at any point in time. One of the fundamental shifts at ABSL was building instruments to measure "trust surplus" which means focusing on "qualitative and sustainable" aspects rather than just the numbers.

NON-LIFE INSURANCE

Govt. may infuse Rs. 2,000 crore in loss- making non-life PSUs :

The Central government is likely to come out with a proposal for recapitalization of loss-making public sector non-life insurance companies. The department of financial services has been asked to prepare a plan, which sources said would require about Rs. 2,000 crore infusions in the near future.

There is a fear that if corrective steps – including pumping in of fresh capital – are not taken, these companies may have to reduce the scale of their business, said a source.

SBI Okays 4% stake–sale in general insurance subsidiary for Rs. 482 crores :

State Bank of India recently approved the sale of 4 per cent stake in SBI General Insurance for Rs. 482 crores to two alternative investment funds (AIFs)

The Executive Committee of SBI approved the sale of 86.2 lakh shares of Rs.10 each, equaling to 4% stake in its subsidiary SBI General Insurance Company Ltd.(SBI GI) for Rs.482 crores (around USD 66 million), SBI said.

New Opportunities AIF–I and PI opportunities Fund–I, an AIF of Premji Invest, will purchase 1.65 per cent and 2.35 per cent stake, respectively, from SBI. The proposed transaction values SBI GI at over Rs. 12,000 crore

After completion of the transaction, SBI will hold 70 per cent stake in SBI GI, while its joint venture partner IAG International PTY Ltd. will continue to hold 26 per cent.

IRDAI allows consumers to buy single personal cover for multiple vehicles :

From January1, policyholders will not have to purchase separate compulsory personal accident (CPA) cover for each new vehicle they buy, as per a notification issued by IRDAI.

Currently, a vehicle buyer has to buy a CPA for every vehicle purchase. In September this year, the IRDAI had raised the minimum insurance cover for owner driver to Rs. 15 lakh for an annual premium of Rs. 750.

Since a general personal accident cover also includes cover against motor accidents, if an owner driver already has a 24 hour personal accident cover against Death and Permanent Disability (Total and Partial) for CSI of at least Rs. 15 lakh, there is no need for a separate CPA cover to be taken, said the notification of IRDAI.

Many US Citizens spent last year without buying insurance :

2018 saw many Americans going without the insurance cover as they could not afford the cost of the cover. The insurance cover was too expensive for them to buy. For most of Americans, Health Insurance remained top on their agenda.

Many people weighed the health benefits against the financial burden of purchasing insurance. Most decided to risk it, betting that going without made more sense than paying for coverage. Insurance has been high on agenda of all political parties in USA due to rising healthcare costs,



KNOW AN INSURANCE PRODUCT

Comprehensive General Liability [CGL] Insurance

This insurance will pay damages that the **insured** becomes legally obligated to pay by reason of liability imposed by law for **bodily injury** or **property damage** caused by an **occurrence** to which this coverage applies.

CGL Policy would cover a wide range of liability loss exposures of commercial organizations. The **loss exposures come under following broad categories:**

1. Premises and Operation Liability Risks [corresponds to 'Public Liability' Insurance policy]

Public Liability Insurance (Industrial Risk) insurance will cover the Insured's legal liability, caused by negligence of the Insured or his Employees, for paying Compensation to a Third Party due to Accidental Death, Bodily Injury or Damage to Property.

2. Products and completed operations Liability Risks [corresponds to 'Product Liability' Insurance policy]

The Products Liability Insurance applies to claims for injury or damage arising out of accidents attributable to defects in the product. It confines itself to compensation becoming due on account of death, bodily injury, disease or property damage arising out of the use of a defective insured product.

3. Personal and Advertising injury liability

Examples of Personal injury:

- I False arrest, detention or imprisonment;
- I Malicious prosecution;
- I The wrongful eviction or wrongful entry
- I Defamation libel or Slander/ Product Disparagement
- I Oral/ written publication damaging person's privacy

Examples of Advertising injury:

- I Use of another's advertising idea in advertisement
- I Infringing on other's copyright, trade mark or slogan
- I Oral/ written publication of material that violates a person's right of privacy

4. Medical payments

I Medical expenses payable for bodily injury caused by an accident:

- On premises owned or rented;
- On ways next to premises owned or rented;
- Because of operations;

Provided that –

- (a) The accident in the coverage territory and during the policy period.
- (b) The expenses incurred and reported within 30 days of the date of accident.
- (c) Submission for examination by physician as often as reasonably required.

This Medical Payments coverage is not liability insurance in true sense, because the insured pay regardless of whether the insured is legally liable for that. This coverage is included in CGL Policy to give relief to the insured by providing a small amount of compensation for settling minor injury cases without having regard to his actual liability of the insured. This is viewed as a means of making prompt settlement to the potential liability claimant in order to avoid possibly larger liability in future.

The origins of liability in CGL Policy are i) Common Law, ii) Contract and iii) Statute.

Common forms of Torts that are covered in CGL Policy are as usual Negligence, Nuisance, Trespass, Strict Liability, Libel and Slander, Liability for occupier's premises

Common Exclusions to CGL Cover

Following Exclusions define the scope of CGL Policy for bodily injury or property damages.

- a. Expected or Intended Injury
- b. Contractual Liability
- c. Liquor Liability
- d. Workmen Compensation and similar laws
- e. Employers' Liability
- f. Pollution Liability
- g. Aircraft, Auto or Watercraft
- h. Mobile Equipment

- i. War Warlike action or Insurrection, Rebellion
- j. Damage to owned/ rented/ occupied property
- k. Damaged own product
- l. Damage to own work
- m. Damage to Impaired Property or Property not physically Injured
- n. Recall of Products, Work or Impaired Property
- o. Electronic Data

On payment of extra premium, some of the above-mentioned Exclusions to CGL cover can be got deleted.

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GENERAL

3 Lakh people benefitted from Ayushman Bharat Scheme: Finance Minister

As many as 3 lakh poor people have benefitted from Ayushman Bharat health scheme in the last one-and-a half months, and these are people belonging to the 10 crore poorest families in India, as per the Finance Minister

Price Cap helped patients save around Rs. 15,000 cr.

As a result of capping the prices of medicines as well as medical devices such as stents and knee implants, patients have been able to save Rs. 15,000 crore across the country.

According to the estimates of the National Pharmaceutical Pricing Authority (NPPA), patients across the country have saved around Rs. 15,000 crore under the government's initiative of ensuring affordable, quality medicines for all, Minister of state for chemicals and Fertilisers said in a statement. The fixation of ceiling prices and MRPs of essential and lifesaving drugs, by implementing the Drug Prices Control Order 2013, has resulted in patients saving over Rs. 5,000 crore since then, he added.

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LEGAL

WBCERC tells hospital to pay Rs. 10 lakhs as Compensation :

The West Bengal Clinical Establishment Regulatory Commission (WBCERC) has directed CMRI to pay Rs. 10 lakh as compensation to the father of a newborn who had died after a series of surgeries at the hospital. During investigation, the health panel found that the qualification of the paediatric surgeon who was treating the newborn was not recognized by the Medical council of India.

According to a complaint lodged by Arshe Azam to WBCERC, his wife Firdaus Jahan had given birth to a male child at the hospital on April 1, 2017. The child was referred to Dr. Biswajit Bhaduri, a paediatric surgeon attached to the hospital, when the baby failed to pass stool. A surgery was conducted and the baby was discharged in a few days.

The parents were asked to come back in July for a second surgery. It was after this surgery that the baby's condition kept deteriorating and the boy died in July despite a third surgery. Bhaduri has submitted before the commission that he had obtained a Master in Paediatric Surgery from Germany. During investigation, the panel found that this qualification is not recognized by the MCI and Bhaduri is registered only as an MBBS doctor with the West Bengal Medical Council.

CMRI should pay an amount of Rs. 10 lakh to the complainant within 15 days, said the judgements signed by the Justice Ashim Kumar Roy, WBCERC Chairperson, and five other members.

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