05.12.2019

Dear Sir / Madam,

**Reg : Link-K Monthly Bulletin – November 2019**

Despite the economic slowdown, the insurance sector of the country has recorded a substantial growth rate in premiums, as per the data. In general insurance, the spurt is primarily because of two reasons, the increase in motor third party insurance rate and the hefty spot penalties by traffic polices as per the new Motor Vehicles Act for failure to possess vehicle insurance.

The rise of 35% at Rs. 125,758 crore was recorded in the life insurance premium of all 24 players in the April – September quarter of the FY 20, according to the Life Insurance Council. In the first six months of the ongoing fiscal the new premium collected by LIC Zoomed 42% to Rs. 89,980 crore. For the rest of the private sector players, the cumulative premium till September 2019 rose 21 per cent to Rs. 35,778 crore, the data showed.

Reliance General Insurance has decided to withdraw its proposed initial share sale offer. The initial public offering (IPO) was slated for the fresh issue of shares worth Rs. 200 crores, besides as offer of sale of 79,489,821 shares by Reliance Capital. Markets regulator SEBI had received draft red herring prospectus for the proposed IPO on February 8 through lead manager (LM) of the issue Motilal Oswal Investment Advisors.

The merger of 3 insurance companies (United India Insurance Co. Ltd, National Insurance Co. Ltd and Oriental Insurance Co. Ltd) is expected to be completed before 31.03.2020 and new entity will start operations from 01.04.2020.

Happy reading

Thanking you for the opportunity given to serve you,

Yours faithfully

For L**ink-K Insurance Broker Co. (Pvt.) Ltd**

**V.P. Mohankumar**

**Principal Officer and Managing Director**

**LINK-K BULLETIN – NOVEMBER 2019**

**INDEX**

**LIFE**

* LIC’s market share increased by 17% in August
* No plans to go public, says LIC

**NON-LIFE INSURANCE**

* Here’s why your general insurance premium may rise by 10-15% after January 1
* Why your smartphone, too, needs an insurance policy
* When health insurance delays your hospital discharge

**KNOW AN INSURANCE PRODUCT**

* Political Risk insurance in India – Dire need in the Global Context

**GENERAL**

* Cholamandalam fined Rs. 1 crore for violations
* Insurance Australia Group sells stake in SBI general Insurance
* SBI General Insurance announces 51% GWP growth in H1FY20
* IRDAI & NHA proposes hospital registry, empanelment process, grading
* IRDAI levied Rs. 15 lakh penalty on Shriram Transport Finance

**LEGAL**

* Chandigarh consumer forum asks LIC to pay Rs. 1.80 L to widowed woman
* Over 15 years after mishap, HC asks insurance co to give compensation to victims
* Car stolen in Valet parking? Will Hotel pay you the Money? SC Decides

**LIGHTER MOMENTS**

* SHOCKING & SAD.
* \*Why MEN are important
* Note the words below.
* Do we know actual full form of some words???
* \*This is ribs cracking\*

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**LIFE**

**LIC’s market share increased by 17% in August:**

The market share of LIC has been increased by 17% in first premium income in August 2019, according to the Managing Director TC Susheel Kumar. Kumar revealed this information during a meeting of the Corporation’s branch heads in Coimbatore. He stated that in the month of August alone, LIC’s market share had increased to 67% from 50%.

**No plan to go public, says LIC:**

It is too early for the largest domestic life insurance company to go public, says Mr. Kumar, LIC Chairman. Kumar further said that while the economy is seeing a slowdown, life insurance as sector is doing well.

The potential is high, and consolidation is still far away, has said, LIC possessed total asset under management in excess of Rs. 31 lakh crore as of July end. Kumar stated LIC has invested Rs. 33,000 crore in equities this year. The insurer has madeRs. 13,000 crore profit on this. Last year, it made Rs. 23,0000 crore profit from equity he said.

**SBI Life Insurance increased to Rs. 872 crores after Q2 results:**

SBI Life Insurance company grew 3.91% to Rs. 872.50 after the insurer declared its Q2 figures, New Business premiums (NBP)\_ jumped 40% to Rs. 7,820 crore in the first half of the year ending March 2020 over Rs. 5,570 in H1 FY 2019.

**NON-LIFE INSURANCE**

**Here’s why your general insurance premium may rise by 10-15% after January 1:**

Both group and individual policies may see a 10 -15 percent hike in premiums in 2020.

The New year is likely to make your wallets lighter since there is likely to be a higher outgo on your general insurance premium. Sources told Money control that the insurance premiums are set to rise by 10 – 15 percent in 2020.

This is on account of a rise in reinsurance rates, which insurance companies have to pay to secure a cover. When insurance companies pay a higher amount to get the same risk covered, this excess if passed on to customer in the form of a premium increase. Renewals of reinsurance contracts begin from January 1.

Considering the risks involved in the business, almost all general policies are reinsured by insurance companies. In other words, they buy a cover for themselves in case the insurers themselves are hit with a large claim.

There has been a consistent rise in incidences of claims. This had led to both Indian and global reinsurers taking a cautious stance as far as providing covers are concerned. They have already indicated that reinsurance rates will go up, said the underwriting head at a large general insurance company.

Sources said premiums in segments like liability insurance, fire insurance, motor insurance as well as group health covers will take a 10 – 15 percent hit in the form of an increase.

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A group of fire insurance policies for certain types of buildings / occupancies are being offered at a discount despite having a history and clear data of higher claims previously This is affecting balance sheets since clients tend to choose those insurers whose premiums are lower, said the chief operating officer at a midsize private insurer.

Sometimes a higher claim in one segment may end up increasing the overall claims losses for an insurance company. In FY 20, crop insurance losses have been higher due to the incidents of floods affecting production. This is also a factor leading to a price increase.

Among retail segments, it is likely that the impact in the motor insurance segment could be higher. This is because the mandatory third-party insurance premium (fixed by IRDA) may see another partial increase from April 2020 onwards. Due to this, rates of comprehensive motor policies may go up.

A few year ago, in a bid to retain corporate clients, several insurers would indulge in discounting practices to retain corporate clients. While this practice still exists, discounts have reduced since the listing of insurance has ushered transparency in the sector.

Underwriting profit and combined ratio are now two closely watched metrics by shareholders of insurance companies. Discounting loss – making businesses impacts the bottom line and hence this is being passed in the form of higher premium.

**Why your smartphone, too, needs an insurance policy:**

Not only in India one of the biggest smartphone markets, but Indians are also richly invested towards accessorizing their phones with unique phone cases, headphones, power banks etc. As per recent report, the market for mobile phone accessories is projected to gamer $ 3.54 billion by the end of 2024, growing at a CAGR of 10.5% over the period.

The biggest factor contributing towards this is the rising young population who use accessories such as phone cases as a style statement to differentiate their phones from their peers. The protective screen guard is also a top choice since we all are aware of the costs associated with a damaged screen. While at this, the e-commerce sector has also introduced mobile insurance policies, which at nominal prices, compensate for the loss incurred due to any accidental means such as theft, screen damages, water damage etc.

There are, however, other policies that are of utmost importance for your cellphones.

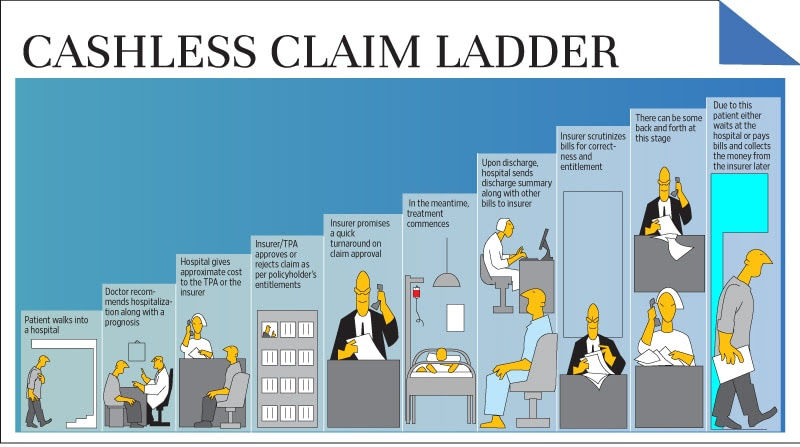
**When health insurance delays your hospital discharge:**

Been at the hospital for a couple of days and now that you are fit, you crave home food and comfort. The doctor comes on a round and declares you fit for discharge and so you pack your bags thinking you will be able to walk out of the hospital the very next minutes. But then the hospital staff tells you to have patience and that’s what you lose every single minute as you see your family running around to get the bills cleared. It’s now evening and you are still stuck because your health insurance claims has not been cleared and the hospital won’t discharge you unless the insurer signed off on the bills. This is not an aberration, but a common experience among the insured patients who make cashless claims.

Insurance claims ins India re generally delayed as there is no single point where claims can be verified. Also, hospitals and medical day – care centers are not listed on one platform due to which processing of insurance claims gets delayed. In an age where everything has become digital, electronic exchange of medical records between hospitals and insurance companies has to become seamless, said a spoke person from GS1 India, an industry standards body.

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The insurer in a cashless claim is usually the faceless entity as you are dealing primarily with the health insurance desk of the hospital and so you may think that the insurance company is taking their sweet time to settle bills, realizing that your hospital too could be guilty of delaying the whole process. It’s therefore important to understand the process.



**KNOW AN INSURANCE PRODUCT**

**POLITICAL RISK INSURANCE IN INDIA – Dire need in the Global Context:**

**Prologue:**

The Indian financial market witnessed exciting twists and turns throughout 2019 due to political, economic, social and corporate events, both global and domestic. There is a definite growing global presence of India in the International market – that brings the danger of a greater exposure to political risk by the Indian Companies working abroad.

**What is Political Risk:**

The political risks are intangible risks being faced by the firms who are doing business internationally arising from the action of the insured’s Government / Foreign government because of wars, riots, coups and embargoes, etc. The dangers of politics now hang over companies as diverse as fruit growers in Latin America, film producers in Fjii and bankers in Dubai, London or New York.

**What is political Risk Insurance:**

Political Risk Insurance (PRI) is to mitigate and manage risks arising from adverse government actions, confiscation of assets, breach of contract or war and civil strife. PRI allows investors to concentrate on this

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commercial aspects of investments, with the comfort that someone else – PRI providers will help them avoid potential losses, or reimburse them in case of a covered loss.

**Political risk insurance is available covering several types of political risk, including:**

* Political violence, such as revolution, insurrection, civil unrest, terrorism or war
* Government confiscation of assets
* Governmental frustration or repudiation of contracts
* Wrongful calling of letter of credit or similar or demand guarantees and
* Inconvertibility of foreign currency or the inability to repatriate funds.

India’s PRI market is still miniscule by global standards. Export Credit Guaranty Corporation (ECGC) in India has virtual monopoly to issue political risk insurance cover for credit risks.

**Political Risk insurance policy:**

An insurance policy is bought by companies to cover losses arising out of adverse political developments in foreign countries where they have their projects or businesses.

The forced exit of GMR infrastructure from Maldives earlier has caused a huge loss to the Indian company which could have easily cut its losses had it purchased a political risk cover. Banks drive the purchase of political risk covers and do not lend to projects without this insurance. Political Risk Insurance protects an insured in case a foreign entity confiscates its goods or equipment and protects an insured in case a foreign government refuses to pay a contract or interferes with the fulfillment of a contract.

**PRI protects foreign investments against:**

1. Forced Abandonment
2. Confiscation, Expropriation, Nationalisation, Deprivation
3. Import or export restriction as & when being imposed on trade.
4. Breach of Government Undertaking
5. Political Violence
6. Currency inconvertibility or non – transfer
7. Business interruption.

**Political Risk insurance protects the contracts against the risk of:**

Non – payment by buyers. The precise scope of coverage is governed by the terms of the insurance policy, depending on the host countries” political situation (i.e., destination of the investment and sector or type of the investment)

**Conclusion:**

PRI in India is now being considered as a tool to protect assets in foreign countries due to political instability world over.

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**GENERAL**

**Cholamandalam fined Rs. 1 crore for violations**

Cholamandalam MS General Insurance Co. (GIC) has recently been fined Rs. 1 crore for several violations related to payment of commissions to brokers on sale of health insurance. \. The insurance regulator IRDA has said that the violations had occurred in 2015-16 in contraventions to health insurance regulations, which state that commissions are not payable to intermediaries for policies that get ported.,

**Insurance Australia Group sells stake in SBI general insurance**

Insurance Australia Group, the joint venture partner in SBI General Insurance, has recently said that they have entered into definitive agreements with an aim of selling its entire stake of 28% in the general insurance company with a couple of private equity investors.

Insurance Australia Group will sell 16.01% of its 26% stake to Napean Opportunities LLP, an affiliate of Premji invest, a private equity firm. The rest of 9.99% will be acquired by WP Honey Wheat Investment Ltd of the Warburg Pincus Group.

**SBI General Insurance announces 51% GWP growth in H1FY20:**

SBI General Insurance has recorded a profit before tax of 278 crore for the first half of financial year 2019 – 20 (H1FY20) as compared to 256 crore a year ago. The gross written premium (GWP) has experienced a significant growth of 51% from Rs. 2,087 crores in H1FY19 to Rs. 3,118 crores in H1FY20.

The solvency ratio for FY 20 is 2.12 in the financial year 2019 – 20, the company’s investment book improved to Rs. 6,605 crore in the financial year 2019-20, compared with Rs. 5,790 crore in corresponding period the previous financial year the company said in a statement. The SBI General reported an underwriting profit of Rs. 37 crore in H1 19-20.

**IRDAI & NHA proposes hospital registry, empanelment process, grading**

IRDA’s joint working group and the National Health Authority (NHA) has recently made proposal of a unique common hospital registry, empanelment process, grading of hospitals an package cost harmonization with an aim of promoting the standardization and effective utilization of health care infrastructure under the insurance programme.

Health care schemes and private insurance at present have individual hospital empanelment process which replicates various activities and contributes to inefficiency and duplication of processes.

**IRDAI levied Rs. 15 lakh penalty on Shriram Transport Finance:**

IRDAI has levied a fine of Rs. 15 lakh on Shriram Transport Finance Company for selling insurance policies in violation of norms. The IRDAI stated Shriram Transport Finance as a corporate agent (CA)engaged persons other than specified persons (SPs) to procure business

**LEGAL**

**Chandigarh consumer forum asks LIC to pay Rs. 1.80 L to widowed woman:**

Upon the observation that a “person is alcoholic does not mean he will suffer a fall on the ground though hits gait may be abnormal or his speech could be slurred one” the Consumer Forum of Chandigarh asked

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LIC to pay Rs. 1.80 lakh to a widow from Chandigarh, whose husband’s accidental death claim was rejected on the ground that the dies of slipping on the floor after consuming alcohol.

The widow stated that her husband Harish Kumar was insured from LIC from September 5, 2013. On the evening of October 1, 2017 her husband fall on the floor after slipping in bathroom and sustained severe head injury, and dies at PGIMER on October 26, 2017 during the course of treatment.

She stated that even though the LIC was supposed to pay double the amount of the sum assured which is Rs. 1.50 Lakh with premium, the insurance company had disbursed only Rs. 1,74,948, which is ordinary claim of the sum assured with other benefits.

The medical record of her husband showed cause of death as “Cerebral damage consequent to blunt trauma to head and Chronic Alcoholism and alcoholism was not the cause of death as such the claim for double accident benefit of Rs. 1.5 lakh was to be paid t which was rejected.

**Over 15 years after mishap, HC asks insurance co to give compensation to victims:**

Over 15 years after they met with s freak accident followed by a bitter legal battle, the Nagpur bench of Bombay High Court has directed United India Insurance Co. Ltd (UIICL) to pay compensation to a family residing in Hanuman Nagar.

While quashing city based motor vehicle claim Tribunal’s (MACT) verdict, the HC asked the insurance firm to deposit the entire amount with its registry which would be then handed over to the injured victims comprising a couple and their son.

On May17, 2004, Dr. Ajay Hardas, wife Neeta and son Ayur were travelling in a bus owned by North West Karnataka Road Transport Corporation (NWKRTC) from Belgaum to Saundatti. The vehicle collided with another bus resulting in death of four passengers and grievous injuries to the rest, including the Hardas family.

The judgement was reversed by the Karnataka high court in an appeal by holding that the other bus owned by Dharwad based Vijayanand Road Lines (VRL) Limited was being driven rashly which led to the collision and not the NWKRTC bus carrying the claimants. The Karnataka HC fastened the liability of compensation on VRL and ULLCL. The Hardas family had also filed individual appeals in MACT here for compensation for their injuries.

On May 5, 2012, it also ruled on the lines of its Karnataka counterpart by fixing the responsibility to pay compensation on both nus agencies in equal ratio. This verdict was challenged by the Belgaum based NWKRTC divisional controller in HC’s Nagpur bench.

It’s clear from the Karnataka verdict, material documents and evidence adduced by the claimants in all these appeals that the bus owned by VRL and insured by UIICL with driver in a rash and negligent manner and hit to petitioner’s vehicle, Justice Muralidhar Giratkar held.

**Car stolen in Valet parking? Will Hotel pay you the Money? SC Decides**

Suppose you visit a hotel and your car gets stolen after you had given the keys to the valet parking. Can the hotel deny its responsibility, or not pay penalty, by simply giving you a parking tag that says it will not be responsible for any loss due to theft, damage etc.?

A person had visited Taj Mahal Hotel in his Maruti Zen Car at around 11 pm on the fateful night of August. After reaching the hotel, he handed over the car and its key to the hotel valet parking and went inside with a parking tag that read: “IMPORTANT CONDITION, this vehicle is being parked at the request of the guest

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at his own risk and responsibility in or outside the Hotel premises. In the event of any loss, theft or damage, the management is NOT responsible”.

The person came out of the hotel at around 1 am but he was told that his car was driven away by another person. The hotel said that three boys had visited the hotel in their separate car, parked it and went inside the hotel. After some time they came out and asked the valet to bring their car to the porch. During this process, one of the boys picked up the keys of the car of the person from the desk and stole the vehicle. They sped away when the security guard tried to stop him.

After hearing the entire matter, the State Commission directed Taj Mahal Hotel to pay Rs. 2,80,000 (the value of the car) with interest at 12 per cent per annum and Rs. 50,000 as litigation costs to the insurer of the car. The State Commission further directed the hotel to pay Rs. 1,00,000 to the owner of the car for inconvenience and harassment faced by him. It further also said that the insurer of the Hotel shall not indemnify the loss caused to the Hotel as the theft of the car was not notified to it within due time,

The Hotel went to National Commission, which dismissed its appeal. The National Commission noted: “once the guest presents the car keys to the valet and possession of the car is transferred from the guest to the hotel, a relationship of bailment is established.”. It, however, modified the interest 12 per cent annum to 9 percent. Although the Hotel had already paid as per order of the commission, it appealed against the decision in Supreme Court.

First time in Supreme Court:

It was the first time the issue of fixing the liability of hotel owners for the loss of, or damage to goods of their guest came up before the Supreme Court. The apex court also dismissed the petition of the Taj Mahal Hotel.

The judgement

SC observed: the hotel owner cannot contract out of liability for its negligence or that of its servants in respect of a vehicle of its guest in any circumstance. Once possession of the vehicle is handed to the hotel staff or valet, there is an implied contractual obligation to return the vehicle in a safe condition upon the direction of the owner.

“Even where there is a general or specific exemption clause, there remains a prima facie burden of proof on the hotel to explain that any loss or damage caused to the vehicles parked was not on account of its negligence or want of care per sections 151 and 152 of the Contract Act. It is only after this burden of proof is discharged that the exemption clause can come into force. The burden of proving that such loss or damage was covered by the exemption clause will also be on the hotel.

Applying the rule of prima facie negligence, the top court concluded… the Appellant (Hotel) has not explained why its failure to return the vehicle to Respondent No. 2 (owner of stolen car) was not on account of fault or negligence on its part. Thus, liability should be affixed on the Appellant hotel due to want of the requisite care towards the car bailed to it.

**LIGHTER MOMENTS**

**SHOCKING & SAD.**

The following items were stolen from the Indian Railways coaches in this calendar year 2018 upto 30th sep 2018.

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1) Bed-sheet  81,290

2) Pillows        2.150

3) Pillow cases  12350

The poor coach attendant is made to pay for these missing items.

29500 mugs and 92390 tap fittings were stolen from the Lavatories

About 2 Lakh electrical fittings were missing.

Within days the Indian Railways introduced modern coaches , many of the TV-screens, newspaper stands were stolen and seat covers on these brand new coaches were torn and the interior panels were scratched and disfigured.

Its shameful that those who can afford to travel in 3 & 2nd AC resort to stealing bed-sheets and pillow cases and miscreants stealing/damaging other items.

And all those who damage public property fail to understand that it is their own money and property which they themselves are damaging; after all govt buys/installs these fixtures/bus/trains with your own money. Govt doesn't have money of its own, it collects money from the public.

\*\*\*\*\*\*\*\*\*

**\*Why MEN are important  ??\*👨🏻**

1. You can't spell (Madam) without the (Adam) in it

2. Neither can you spell (Woman)  without the (Man)

3. You also cannot spell (Female)  without the (Male) :

4. Nor spell (She) without the (He)

5. You most definitely cannot spell (Mrs) without the (Mr)

6. and finally, in prayers, we continue to say (Amen) and not (A-women)...

\*Dedicated to All Wonderful MEN\*😄

\*\*\*\*\*\*\*\*\*

**Note the words below.**

Initially, you will have difficulty reading them. However, gradually your brain will interpret the words correctly. Please give a chance for these words to speak to your brain.  \*Here we go!\*

7H15                    M3554G3

53RV35          7O      PR0V3

H0W         0UR      M1ND5      C4N

D0         4M4Z1NG       7H1NG5!

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1MPR3551V3            7H1NG5!

1N        7H3       B3G1NN1NG

17        WA5      H4RD      BU7

N0W,       0N    7H15       LIN3

Y0UR         M1ND      1S

R34D1NG 17         4U70M471C4LLY

W17H0U7            3V3N

7H1NK1NG      4B0U7     17,

B3      PROUD!        0NLY

C3R741N          P30PL3     C4N

R3AD           7H15!

PL3453         F0RW4RD     1F U      C4N      R34D      7H15

This is a very good example of a Brain Study: \*If you can read this, your mind is still young and has no Parkinson\* Congrats! From \*Dr Justin in Jones\* in Melbourne:

 This is a \*REAL Neurological screening Test\*

\*\*\*\*\*\*

**Do we know actual full form of some words???**

Correct meaning of \*"OK"\* is the name of a German engineer \*Otto Krovens\* who worked for Ford car company in America.

As chief inspector he wrote his initial as \*OK\* upon each car he passed. Hence it continued till date as All correct

News paper = North East West South past and present events report.

Chess = Camel, Horse, Elephant, Soldiers.

Cold = Chronic Obstructive Lung Disease.

Joke = Joy of Kids Entertainment.

Aim = Ambition in Mind

Date = Day and Time Evolution

Eat = Energy and Taste

Tea = Taste and Energy Admitted.

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Pen = Power Enriched in Nib

Smile =Sweet Memories in Lips Expression.

SIM = Subscriber Identity Module

etc. = End of Thinking Capacity

Or = Orl Korec (Greek Word)

Bye = Be with you Everytime.

\*\*\*\*\*\*\*\*

**\*This is ribs cracking\***

A woman and a man were involved in car accident.

It was a  bad one, caused by the woman's reckless driving.

Both of their cars were badly damaged but amazingly neither of them was hurt.

After they crawled out of ... cars, the woman says;

“So, you're a man. That's interesting. I'm a woman.

Wow, just look at our cars! There's nothing left, but fortunately we are unhurt.

This must be a sign from God that we should meet and be friends and live together in peace for the rest of our days."

The man replied," I agree with you completely. This must be a sign from God!

The woman continued, "And look at this, here's another miracle.

My car is completely damaged, but this bottle of wine didn't break.

Surely God wants us to drink this wine and celebrate our good fortune."

Then she handed the bottle over to the man.

The man nodded his head in agreement, opens it, drinks half the bottle and then handed it back to the woman.

The woman takes the bottle, immediately puts the cap back on, and handed it back to the man.

The man asks, "Aren't you having any?"

She replies, "Nah. I think I'll just wait for the police to come and collect their evidence."

(drunk driver hit my car it’s a offence)

Adam ate the apple again !

Men will NEVER learn ! Women will Never change!!!