14.08.2019

Dear Sir / Madam,

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

According to TRA’s Brand Trust Report 2019, LIC has emerged as one of the most trusted brand in the country to feature in the top seven brands.

Insurance companies are facing the acute problem of rate cutting and discounting. To solve this problem they must first decide among themselves that they will not allow discounting beyond a level. Though we are lucky that there has not been any major catastrophic loss in major cities in India. If a catastrophe strikes then the rates that are being charged currently will be grossly inadequate to meet the losses.

Rain hit matches to cost insurers millions: Lost revenues from rain –hit cricket world cup games in England and Wales may cause in insurance claims of a few million pounds for each abandoned fixture, says sources.

Insurance fraud is one of the most serious problems threatening viability of insurance companies. Insurance frauds are driving up the overall costs of insurers and premiums for policyholders.

IRDAI has informally indicated no objection with Apollo Munich Health Insurance and HDFC ERGO General Insurance’s merger as per the information from source.

The climate change will be the next biggest issue to ponder for the insurance worldwide. The main issue with climate change is predictability. The way the climate change is occurring it is becoming increasingly difficult for insurers to predict future events and probable losses. The catastrophic losses can create havoc on the balance sheet of insurers and harden the insurance rates. This will ultimately affect the common insured.

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 – JULY 2019**

**INDEX**

**LIFE**

* Consumer forums – Grievances Galore
* CBI nabs LIC officials for insurance fraud

**NON-LIFE INSURANCE**

* Health Insurance to emerge as the largest segment over motor soon
* IRDAI proposes new rate of third-party motor insurance premiums:

**KNOW AN INSURANCE PRODUCT**

* LONG TERM HOME INSURANCE -From SBI General Insurance

**GENERAL**

* Bangladesh Govt plans to bring all citizens under National Health Insurance:
* Willful non-disclosure of medical history is fraud:

**LEGAL**

* “Dead Man” bought life insurance policy:

**LIGHTER MOMENTS**

* Absentmindedness
* Dedicated to all English Teachers :
* Can you fill in the O’s?
* How interesting .... I never thought Money has different names!!!\*
* A million Dollar message....... for all of us:
* Beautiful story for internal drive and fire

**CLAIM – SERVICED BY LINK-K**

* Large container ship fires

**LINK - K INSURANCE BROKER CO. (PVT). LTD**

**LIFE**

**Consumer forums – Grievances Galore:**

Visakhapatnam: Two in every five lodged in consumer forums in north Andhra are related to the insurance sector. According to senior advocate K Muralidhar, over 60% of the 300 cases pending at the consumer forums deal with insurance firms.

Consumers who buy insurance policies, without understanding the terms and conditions properly find themselves in a tricky situation at the time of receiving compensation, he added.

According to the legal fraternity, consumers in the region have been filing cases not only against private insurance companies, but also state-run like the Life Insurance Corporation (LIC) and the New India Assurance Company.

Speaking to TOI, senior advocate Y Srinivas said that many insurance policy holders do not understand Section 45 of the Insurance Act. Consumers come to know about the terms and conditions only when they are applying for compensation. According to Section 45 of the Insurance Act, the life insurance contract between the insurance firm and the policy holder is an important landmark.

Moreover, an insurance firm can reject the claims of relatives of policy holders who are deceased, on grounds of misrepresentation such as age suppression or suppression of a material fact in the event of death of a policy holder, Y Srinivas added.

Moreover, in cases related to insurance firms, forums have been finding fault with the firms for not providing material evidence to prove alleged suppression. As a result, the firms are being asked to pay out the insurance claim along with compensation, lawyers added.

**CBI nabs LIC officials for insurance fraud:**

CBI has recently booked two officials of LIC of India for allegedly swindling more than Rs 3 crore by making death claims on the basis of forged documents in 190 insurance policies in which they inserted bank accounts of their acquaintances in place of nominees, officials said.

For nearly 10 years between 2008 and 2018, the scan went undetected in Kodad branch of Suryapet district, Telangana. However, an internal audit by the LIC caught the ongoing fraud, the officials added. Based on a complaint from the LIC, the Central Bureau of Investigation (CBI) registered an FIR against Banoth Beeku Naik, Assistant Administrative Officer and Gugulothu Harya, nine agents and some unidentified persons.

Most of the claims were processed by the above said public servants. However, in most of the cases, the policy holders are alive and death claims have not been received by their respective nominees. The claim amounts were also credited to the bank accounts of public servants, agents and their close relatives, the FIR alleged.

**NON-LIFE INSURANCE**

**Health Insurance to emerge as the largest segment over motor soon**

Health Insurance Sector is likely to emerge as the largest segment in the insurance segment, overtaking motor insurance, which is presently the largest portfolio for non-life insurers.

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Against backdrop of rising life expectancy and high out-of-pocket expenses, it is clear that the potential for growth in health insurance is immense.

**IRDAI proposes new rate of third-party motor insurance premiums:**

In a recent announcement, IRDAI has notified the premium rates for private two wheeler and car third – party liability insurance cover for the financial year 2019-20. The new rates suggest an increase for two-wheeler and car third-party liability covers with effect from June 16,2019. The highest percentage increase of cover 21% will be for two wheelers with engine capacities between 150 cc and 350 cc.

From Rs. 985 to Rs. 1,193 the rates are being hiked. Vehicle owners will now have to pay an extra Rs. 208 this year. However, there has been no change for two-wheelers with engine capacity of over 350 cc.

As per the IRDAI notification issued on June 4, insurers have to ensure that the third party insurance is made available at their underwriting offices.

**KNOW AN INSURANCE PRODUCT**

**LONG TERM HOME INSURANCE -From SBI General Insurance**

**Key feature:**

* You can buy the policy up to a period of 30 years.
* In-built coverage for earthquake

**Coverage:**

SBI General’s Long Term Home Insurance policy is designed for covering loss or damage caused to the building used as residential homes due to fire and special perils. Covers destruction of loss / damage to the insured property by any of the following perils:

* Fire
* Lightning
* Explosion / implosion (excluding boilers, economizers, pressure vessels)
* Aircraft Damage
* Riot, Strike and Malicious Damage
* Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood and Inundation
* Impact Damage
* Subsidence and Landslide including Rockslide
* Bursting and / or overflowing of water tanks, apparatus and pipes
* Missile testing operations
* Leakage from Automatic sprinkler installations
* Bush Fire
* Earthquake (Fire and Shock)
* Further, on payment of additional premium, terrorism can be opted.
* Disclaimer: The above information is only indicative in nature. For details of the complete coverage please contact our nearest office and refer to the policy document.
* Duration: The recommended plan option is a minimum of 3 years as it will optimally protect your dream home against any eventualities. The maximum duration one can take is 30 years.
* The rate of premium shall depend upon the location and period of insurance policy.

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**Exclusion:**

* We would like you to be familiar with some of the major exclusions under the policy. This will ensure you are not put into any kind of inconvenience while making your claim. At SBI General, we endeavor to make our policy as transparent as possible
* Major exclusions under the policy are in respect of loss or damage due to :
* Willful acts or gross negligence.
* Destruction / Damage by own fermentation, natural heating or spontaneous combustion
* Explosion / implosion damage to boilers, damage caused by centrifugal forces.
* Forest Fire
* War and nuclear group of perils
* Unspecified precious stones, cheques, currency, documents, etc unless specifically declared.
* Consequential losses.
* Theft during / after operation of peril.
* Pollution and contamination
* Volcanic eruption or other convulsions of nature
* Burning of property by Public Authority.
* Electrical and Mechanical Breakdown.

**GENERAL**

**Bangladesh Govt plans to bring all citizens under National Health Insurance:**

Bangladesh govt is planning to bring all citizens under national health insurance coverage to ensure healthcare services.

In this regard, the government is implementing a pilot project in Madhupur, Chatail and Kalihati upazilas of Tangail by bring poor people under health insurance coverage.

**Willful non-disclosure of medical history is fraud:**

In a recent judgment, the Supreme Court said that failure on the part of a person to reveal his past history of disease is valid ground for repudiation of his insurance policy benefits, it further said that that a contract of insurance involves to disclose his past history of cardiovascular disease is valid ground for repudiation.

**LEGAL**

**“Dead Man” bought life insurance policy:**

Did a dead man walk into an insurance office to obtain a life insurance policy? Or did his widow project the dead man as alive to get the policy? The issue arose before a consumer court, which has rejected the insurance claim of the widow, but asked her to approach a civil court.

According to case details, Munna Gopichand Gaekwad obtained a Rs. 15 lakh insurance policy from Aviva Life Insurance Co. India Ltd on September 5, 2011. Two years later, his widow, Anita Gaekwad claimed the insurance amount intimating the company that her husband had dies on July 2, 2013.

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The insurance company denied the claim saying that its investigation revealed that Gaekwad had died much before the policy was issued. He had died on April 14, 2011, at a private hospital and the policy was issued in September 2011. The widow approached the consumer Dispute Redressal Forum, Ahmedabad (City) and asked if her husband has been dead before the policy was issued, who signed the policy proposal form.

Did the company not verify details, shed asked. The company told the consumer court that Gaekwad was known as Chandan Gopichand Gaekwad. Local policy records show that he had a criminal record. He was alcoholic and died in April 2011 due to a heart attack. Anita’s election card also reflected her husband’s name as Chandan. It was asserted Chandan and Munna were the same person.

After hearing the case, the consumer court said that to decide whether Anita had obtained the policy by using forged documents, a summary trial was needed which the consumer curt cannot undertake. The consumer court also notified that there was another policy claim for Gaekwad’s death, but a day before the judgement, Anita withdrew her complaint. This raised doubts on her claim and hence here complaint was rejected.

**LIGHTER MOMENTS**

**Absentmindedness**

1. One day, when Albert Einstein took a cab home after his day’s work at Princeton university, he forgot his home address. To add to Einstein’s discomfiture, the driver of the cab did not recognize him. So Einstein asked the driver if he knows Einstein’s home. The driver said “who does not know Einstein replied “I am Einstein. I forgot my home address, can you take me there? The driver drove Einstein to his home and did not even collect the fare from him.
2. Einstein was once travelling from Princeton on a train when the conductor came down the aisle, punching the tickers of every passenger. When he came to Einstein and asked for the ticket, Einstein reached in his vest pocket. He couldn’t find his ticket there, so he reached in his trouser pockets. It wasn’t there either and so he looked on his briefcase but couldn’t find it. Then he looked in the seat beside him. He still couldn’t find it. The conductor said, Dr. Einstein, I know who you are. We all know who you are. I’m sure you bought a ticket. Don’t worry about it. “Einstein nodded appreciatively and the conductor continued down the aisle punching tickets. As he was ready to move to the next car, he turned around and saw the great physicist down on his hands and keens looking under his seat for the ticket. The conductor rushed back and said, Dr. Einstein, Dr. Einstein, please don’t worry, I know who you are. You don’t need to show me the ticket. I’m sure you bought one. “Einstein looked at him and said, young man, I too know who I am. What I don’t know, is where I’m going.

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

**Dedicated to all English Teachers :**

When I was in class 7 , I used to ask a lot of questions. .....!\*

One day, I asked my English Teacher, "Why do we ignore some letters in pronunciation eg. the letter H .......in Hour, Honour. .....etc. ......??????\*

\*My English Teacher said, " We are not ignoring them;  they're considered silent ".......\*

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 (I was even more confused .....?????)\*

During the lunch break, my Teacher  gave me her packed lunch and asked me to heat it in the Cafeteria.\*

I ate all the food and returned her the empty container. ....!!!!!!!\*

My English Teacher : What happened?  I told you to go and HEAT my food, you are returning me an empty container.\*

I replied,  "Madam, I thought 'H' was silent. 😛\*

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

**Can you fill in the O’s?**

Each group of letters below is a perfect word – except that three or four “o’s” have been left off. Just fill them in and see how many you can complete correctly.

Example: Given the letters CTTNWD, you can fill in four “o’s” and get the word COTTONWOOD.

1. VD
2. SNRUS
3. FFSHT
4. CTRN
5. PRTCL
6. LKUT
7. MNTNUS
8. STREAM
9. RATRI
10. CRRBRATR
11. SCIGY
12. SUBLN
13. BH
14. DRUGS
15. RCC
16. FRENN
17. LNG
18. FTLSE
19. RTHDX
20. HMLGUS

(Answers will be provided in the next issue)

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

**How interesting .... I never thought Money has different names!!!\***

* In temple or church, it's called \*donation.\*
* In school, it's \*fee.\*
* In marriage, it's called \*dowry.\*
* In divorce, \*alimony.\*
* When you owe someone, it's \*debt.\*
* When you pay the government, it's \*tax.\*
* In court, it's \*fines.\*

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* Civil servant retirees, it's \*pension.\*
* Employer to workers, it's \*salary.\*
* Master to subordinates, it's \*wages.\*
* To children, it's \*allowance.\*
* When you borrow from bank, it's \*loan.\*
* When you offer after a good service. it's \*tips.\*
* To kidnappers, it's \*ransom.\*
* Illegally received in the name of service, it's \*bribe.\*

\*The question is, "when a husband gives to his wife, what do we call it???\*

\*ANSWER:\*

\*Money given to your wife\* is called DUTY, and every man has to do his duty because wives are not\* \*DUTY FREE...

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

**A million Dollar message....... for all of us:**

A Monk of the Ramakrishna Mission was being interviewed by a journalist from NY. The journalist started

interviewing the  Monk as planned earlier.

Journalist - "Sir, in your last lecture, you told us about Jogajog (Contact) and Sanjog (Connection). It's really confusing. Can you explain?"

The Monk smiled and apparently deviating from the question asked the journalist:

"Are you from New York?"

Journalist: "Yeah..."

Monk: "Who are there at home?"

The Journalist felt that the Monk was trying to avoid answering his question since this was a very personal and unwarranted question. Yet the  journalist said: "Mother has expired. Father is there. Three brothers and one sister. All married..."

The Monk, with a smile on his face, asked again: "Do you talk to your father?"

The  journalist looked visibly annoyed...

The Monk, "When did you talk to him last?"

The journalist, supressing his annoyance said: "May be a month ago."

The Monk: "Do you brothers and sisters meet often? When did you meet last as a family gathering?"

At this point, sweat appeared on the forehead of the journalist. Now who is conducting the interview, the Monk or the Journalist.

It seemed that the Monk was interviewing the Journalist.

With a sigh, the Journalist said: "We met last at Christmas two  years ago."

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The Monk: "How many days did you all stay together?"

The Journalist (wiping the sweat on his brow) said: "Three days..."

Monk: "How much time did you spend with your Father, sitting right beside him?"

The journalist looking  perplexed and embarassed and started scribbling something on a paper...

The Monk: "Did you have breakfast, lunch or dinner together? Did you ask how he was? Did you ask how his days are passing after your mother's death?"

Drops of tears coming out started to flow from the eyes of the journalist.

The Monk held the hand of the journalist and said: "Don't be embrassed, upset or sad. I am sorry if I have hurt you unknowingly... But this is basically the answer to your question about "Contact and Connection (Jogajog and Sanjog)." You have 'Contact' with your father but you don't have 'Connection' with him. You are not connected to him. Connection is between heart and heart... Sitting together, Sharing meals and Caring for each other, Touching, Shaking hands, Having eye contact, Spending some time together...

You  brothers and sisters have 'Contact' but you have no  'Connection' with each other..."

The journalist wiped his eyes and said : "Thanks for teaching me a fine and unforgettable lesson."

This is the reality today.

Whether at home or in the society everybody has lots of contacts but there is no connection. No communication... Everybody is in his or her own world.

Let us not maintain just "Contacts" but let us remain "Connected."  Caring, Sharing and Spending time with all our dear ones.

The Monk was none other than Swami Vivekananda.

\*\*\*\*\*

**Beautiful story for internal drive and fire**

A Lady was conducting her anti drinking campaign outside a bar. A man came out of the Bar exuding alcohol fumes.

The Lady said - "Tell me!!!  If you arrive at the Gates of Heaven with your breath smelling of liquor... Do you think the Lord will let you in ???"

"My good woman" passionately holding her hand, said the man, "When I go to Heaven I expect to leave my breath behind."

Moral.....

Drinkers are practical people.

Kindly Respect them!!

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**Large container ship fires:**

Large Container Ship Fires are fast becoming a major concern for Shipping industry & marine insurance. Major fire incidents on Large Container Ships such as the M.V. APL Vancouver & M.V. KMTC Hongkong this year and Maersk Honam, last year have caused unprecedented cargo loss and fatal casualties on board as well as ashore.

Each year, millions of containers packed with dangerous goods and wrongly declared as non-dangerous are loaded onto ships. Basis provided info, shipping lines fail to take any special precautions for carrying them. As such the containers catch fire, explode or leak, causing disastrous consequences to the ship, its crew, environment and the cargo of other shippers.

Cargo fires on container ships are extremely problematic as they are very difficult to extinguish in addition, the causes of the fires tend to be found in the cargo itself. With almost certainty, the reasons behind these tragic incidents are being reported to be mis-declared or undeclared dangerous goods.

The International Maritime Dangerous Goods (IMDG) Code currently has extremely high standards to adhere to and continues to improve year on year. The problem is that in some parts of the world the IMDG Code is not taken as seriously as it is intended. The cargo capacity of container ships has been increasing dramatically and therefore so has the probability of having mis-declared dangerous cargoes on-board.

2019 has been a disastrous year for container ships, especially Large Container Ships. The first three months of the year themselves recorded for the largest number of container ships fires in the shortest amount of time. Between 1st January and 31st March fires on –board six containers ships had delayed, damaged or destroyed hundreds of cargo containers.

Few major ones are as below: 3rd Jan 2019, M V Yantian express a container caught fire when ship was off the Canada’s Eastern Seaboard. More than 260 containers were destroyed.

**One of our clients cotton grey woven fabric sent through this ship was offloaded at Savannah, US port. General Average was declared. Finally the goods were cleared after 3 months without any damage. Due to constant follow-up with the insurers the goods covered under the marine policy reached the destination intact and fortunately there is no damage to the contents whatsoever and the same has been cleared hassle free.**