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J. B. BODA

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NEWS AT JBB

Visitors for the month of April 2015.

COMPANY	EXECUTIVES
Uganda Re Kampala	Mr. Haroon Motara
Pioneer Insurance Bangladesh	Mr. Tarik Ur Rahman Dy. Managing Director Mr. Md. Nazrul Islam Talukder Asst. Managing Director
J. B. Boda London	Mr. Aashit Dhanki
J. B. Boda London	Mr. Shyam Dahal
DIFC	Mr. Chirag Shah
SMUA London	Mr. Michael Hird Ms. Beth Larkman
Shriram General	Mr. M. Ramadoss Mr. Abhinav Verma
GIC Re Mumbai	Mr. A. K. Roy
PTA RE / Zep Re Kenya	Mrs. & Mr. Rajni Varia
SOP London	Ms. SiewFun Cassell Mr. Alex McCooke
J. B. Boda Singapore	Mr. T. Prakash Rao



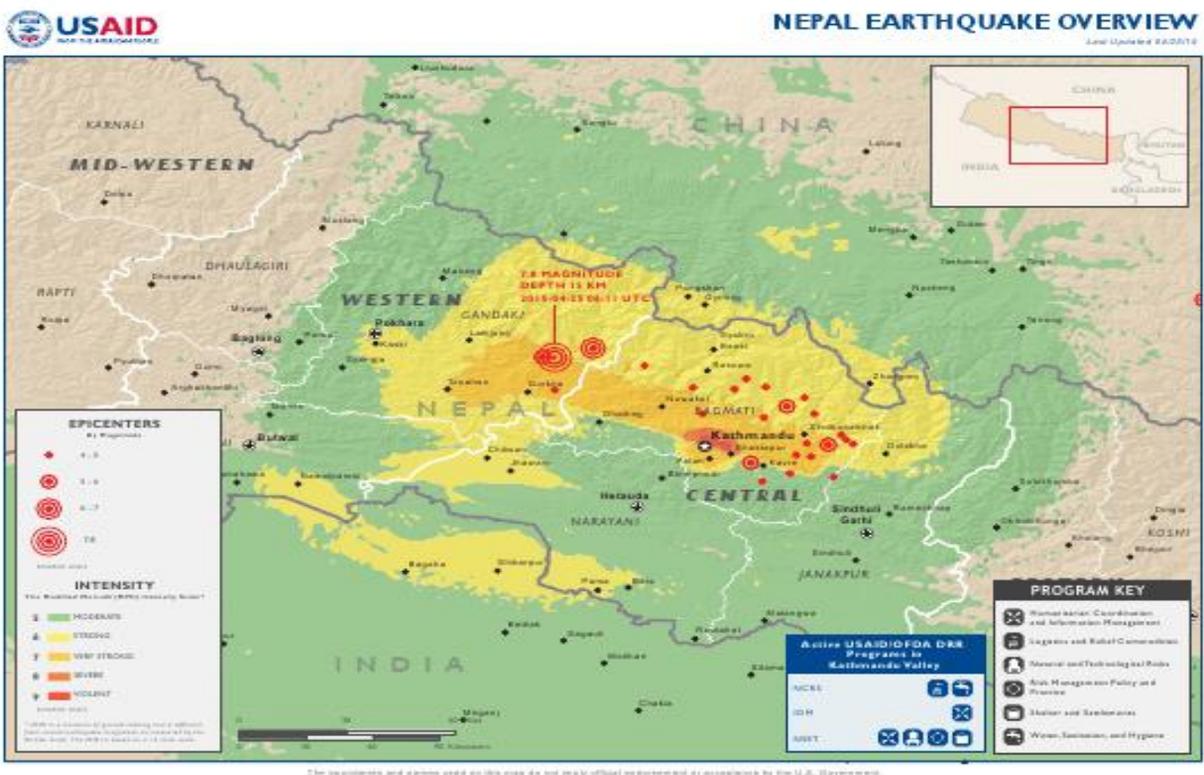


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ON “WRITE” SIDE

NEPAL HIT BY BIG QUAKE, AFTERSHOCKS CONTINUE, RESCUE OPERATIONS ON

Nepal, a mountainous country was hit by a magnitude 7.8 earthquake on Saturday April 25, 2015. The epicentre of this earthquake was of approximately 80 km to the northwest of the Nepalese capital of Kathmandu with focal depth of 15 km. (Source: USGS)



Source: USAID

The first tremor struck at 11:56 a.m. local time followed by a major aftershock of magnitude 6.6 after half an hour and magnitude 6.7 on Sunday April 26, 2015 around 12:45 p.m. local time. There have been more than 100 aftershocks have occurred since the main event.





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In past, two major earthquakes occurred in Nepal:

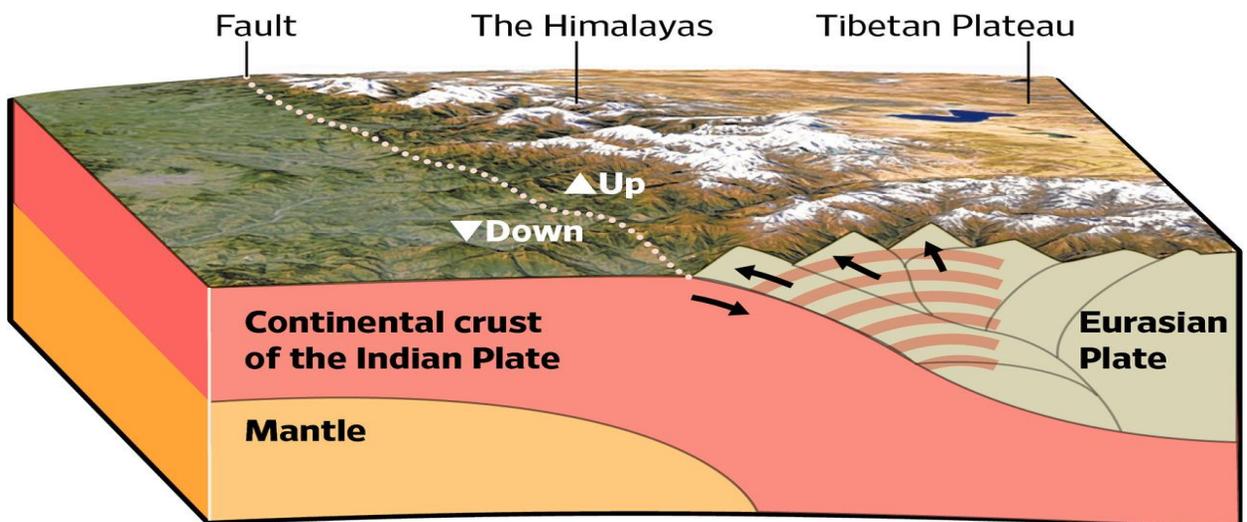
M 6.9 earthquake in August 1988

M 8.0 earthquake in 1934; also known as Nepal- Bihar earthquake

The earthquake was triggered by collision of Indian plate with Eurasian Plate. These two great slabs of the Earth's crust are converging at a relative rate of about 4-5cm (two inches) a year. This is a major geological phenomenon responsible for earthquakes in this region and increase in the height of the Himalayas.

Continental Collision

As the Indian subcontinent pushes against Eurasia, pressure is released in the form of earthquakes. The constant crashing of the two plates forms the Himalayan mountain range.



Source: USGS; Google Earth

THE WALL STREET JOURNAL.

Source: Wall Street Journal

Besides Nepal, the strong earthquake was felt in many states of India such as Assam, Bihar, Delhi, Gujarat, Madhya Pradesh, Sikkim, Uttar Pradesh, Uttarakhand, and West Bengal and also in Bangladesh, Myanmar (formerly Burma), Pakistan, and Tibet.

The earthquake caused widespread damage in Nepal including damage of Dharahara Tower and Darbar Square, a UNESCO heritage site in capital Kathmandu. Kathmandu and the surrounding valley sit on an ancient dried-up lake bed, which contributed to the devastation. Old construction mainly unreinforced masonry damaged both in Nepal and India. (Source: NYT)





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Dharahara Tower before earthquake



Dharahara Tower after earthquake of April 25, 2015

More than 3000 people have died in Nepal and many are injured. In India and China, 62 and 20 people lost their life. (Source: CNN). Rescue teams sent by various countries are working tirelessly to hunt people trapped beneath the buildings, clean debris, and help the injured.

Based on preliminary estimates from CATDAT, the direct losses in the earthquake are around the USD 3-3.5 billion and around USD 5-5.5 billion replacement/reconstruction costs.

Source: Earthquake-Report.com





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NATIONAL

Insurance firms gear up for quake claims fallout

The strong earthquakes emanating from Nepal on Saturday and Sunday are expected to lead to major insurance claims for property damage. Insurer companies have put surveyors on the job of assessing claims and ensuring these are settling efficiently and quickly.

Private sector insurers do not have direct exposure to Nepal; some claims from Bihar and Uttar Pradesh are expected on the life side. Motor insurance claims will also come in, due to the extensive damage to vehicles.

Life insurance and general insurance companies with some exposure to claims in Nepal and some parts of India are looking for ways to make the payment process simpler.

Estimates suggest property damage would be huge. How much would be Indian insurers' share is unclear.

Source: Business Standard

RSBY customers left in limbo; uncertainty prevails over future of scheme

With uncertainty around the future of the government-sponsored Rashtriya Swasthya Bima Yojana (RSBY), card holders have been left in uncertainty.

States are not renewing contracts or issuing tenders, while the Centre is yet to take a final decision on how RSBY will be implemented from this financial year.

Sector officials said the scheme was set to undergo an overhaul, with a proposal to have only public sector general insurers manage it, through a trust-like structure. However, the role of insurers is not clear.

Source: Business Standard





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A big step forward in reinsurance sector

After a wait of seven years, the new government has amended the insurance Act, which has given a substantial role to the regulator to form the rules to translate this policy into practice by the industry and the stakeholders. The regulator's office has done a commendable job in putting up the exposure drafts in several areas within a short period. One such reform is the introduction of global reinsurance players of a certain size and rating to the Indian market directly by their branch presence. In several ways, the draft exposure meets with the policy stance in promoting a robust reinsurance sector in India. The exposure draft has invited comments from the stakeholders before the regulator finalises the guidelines.

Source: Business Standard

Insurers propose to transfer liability burden to car owners

With limited liability of approx. \$ 23,760 in third-party motor insurance, accidents could get a lot costlier for the insured.

General insurance companies are trying to transfer a greater quantum of liability to car owners for damages caused by their vehicles to third parties in accidents. At present, according to the Motor Vehicles Act, an insurer has to initially pay third parties, and later recover the amount, if the claims are absolved.

Source: Business Standard

Insurance surveyors & loss assessors' numbers may decline

Insurance surveyors and loss assessors (SLAs) — who investigate and quantify the losses arising out of any incident — might see a decline in their numbers with the Insurance Regulatory and Development Authority of India (Irdai) increasing the size of claims for which their services will be engaged.

This is because of an expected business drop owing to smaller claims going out of their purview. SLAs are appointed to investigate, manage, quantify, validate and deal with losses (whether insured or not) arising from any contingency, and present a report on the same.

Source: Business Standard





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E-insurance may soon be a must for high-value life insurance policies

Irda has circulated a draft amongst stakeholders, which mandates issuance of policies in an electronic form above a certain threshold limit, besides enhancing the process and system interaction between an insurance company and an insurance repository.

The insurance regulator has proposed to make it mandatory for insurers to issue all new life insurance policies with annual premium of over approximately \$ 785 in electronic form. Insurers will have to seek policyholders' consent while issuing the electronic policy.

Source: Economic Times

Aviation Cos' Insurance Cost Likely to Go Up

Premium may rise for loss of licence cover, which may kick in if a pilot fails the test

The cost of insurance for aviation companies may increase if the Directorate General of Civil Aviation presses ahead with its plans to make it mandatory for pilots to undergo psychiatric test before take-off as any failure in the test could lead to flight cancellations and claims.

This may just be another blow on an industry already facing higher cost of insurance after a Malaysian Airlines flight vanished over South China Sea with 239 people aboard last year and a spate of aviation accidents. Indian airlines, mostly loss-making, may be squeezed further.

Insurance companies are yet to ascertain what could be the liabilities of such an event since there is no available model to factor in such risks into a policy.

Source: Economic Times





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INTERNATIONAL

Berkshire Hathaway launches Australian insurance business

Insurer continues to build out its global specialty insurance operations.

Berkshire Hathaway Specialty Insurance (BHSI) has continued to build out its global operations with the launch of an Australian business.

Source: Insurance Day

Reinsurers' continue pulling back from property catastrophe underwriting

The general pull-back on property catastrophe reinsurance underwriting is continuing, the financial results of some reinsurers for the first quarter of 2015 show, reported Artemis.bm.

Reinsurers have been reducing their exposures as pricing has declined across property catastrophe reinsurance zones.

Source: Business Insurance

Nonlife insurance sector's net income up 192%

Net income of the Philippine nonlife insurance sector increased 192% year on year to 2.4 billion Philippine pesos (\$54 million) in 2014.

Less destructive natural disasters in 2014 contributed to the increase in the sector's net income, said Michael Rellosa, chairman of the Philippine Insurers and Reinsurers Association. The nonlife insurance sector's gross premiums written totaled PHP 64.3 billion for the period, up 18% year on year.

Source: Business Insurance

G7 nations urged to consider climate insurance for poor nations

Germany's environment minister, has urged the G7 nations to consider insurance against climate change, especially for developing countries.

The minister is looking to use Germany's G7 presidency to include climate change insurance into mainstream environmental and development policy.

Source: Business Insurance





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