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J. B. BODA GROUP

MEDIAN

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NEWS AT JBB



We celebrated the birthday for our founder Chairman on 9th June

Shri. Jagmohandas Bhagwandas Boda



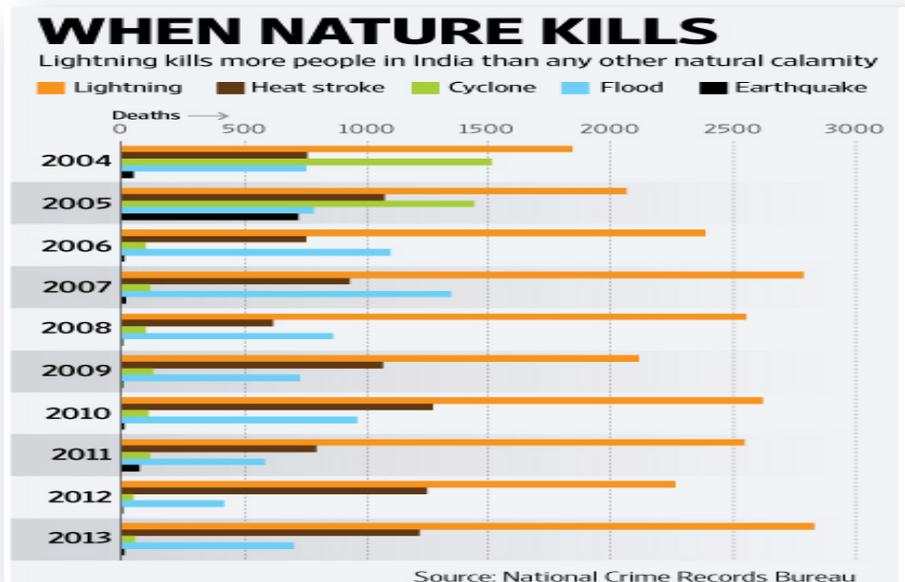
PRIME STORY

Lightning's a bigger killer than you think

Lightning kills more people in India than any other natural calamity. In a country where thousands of people die each year because of floods, cyclones and other such events, the death toll from lightning strikes paints a grim picture.

Lightning is responsible for at least 10% of the total deaths caused by nature in most years in India and, according to the National Crime Records Bureau data, at least 2,000 deaths were associated with lightning every year since 2005. Still, lightning is not categorized as a natural calamity, meaning affected people or their families are not eligible for compensation from the government unlike in the case of floods or earthquakes.

The situation is particularly bad in the eastern states of Assam, West Bengal and Odisha, where the highest fatalities are reported. Three people were killed and at least 50 injured when lightning struck Assam's Cachar district. Most of the victims are farm labourers who take shelter under isolated trees during a thunderstorm. North-Eastern states, Maharashtra, Kerala, Jharkhand and Bihar also suffer heavy casualties.



The problem with lightning, like earthquakes, is that it cannot be predicted, which makes it all the more challenging to issue timely warnings. Everything happens in a second, from trigger to strike. It is hard to say where it will be triggered since the cloud could be huge and which part of the cloud the trigger for lightning may occur is unpredictable, says a senior scientist at the Pune-based Indian Institute of Tropical Meteorology.

The institute has set up India's only lightning location network in Maharashtra. The India Meteorological Department is, however, planning to extend the network across India.

In some regions of Maharashtra such as Vidarbha and Marathwada, there are heavy casualties. Every year, around 300 people die. Once cloud-to-ground or intra-cloud discharges take place, scientists can find out at what speed and in which direction the cloud is moving and hence predict its next strike. Those regions could thus take necessary precautions.

This network will also help scientists find out why some areas are more prone to lightning strikes than others. The climatological data that scientists get from satellites is not enough. Lightning detection is also important for real-time storm tracking, warning, and short-term forecasting of weather conditions as well as rainfall.

Steps to prevent deaths caused by lightning still remain a low-priority area for governments, as the extent of the fatalities are usually under-reported, unlike headline-grabbing death tolls in the case of earthquakes, floods or even the recent heat wave that claimed at least 2,000 lives across India.

In Kerala, a State Disaster Management Authority official said lightning location networks may not be the best way to prevent deaths. Lightning detection networks are not scientifically sensible as they cannot give a reliable warning. And what can people really do if they have a warning? Money is better spent on providing relief to affected people said head scientist at the State Emergency Operations Centre, government of Kerala.

It has been repeatedly asked for inclusion of lightning in natural calamities (making affected people eligible for relief from the government), but it has not happened yet. All states are given some leverage to declare certain calamities as natural calamities within their limited scope.

Even though the incidences and deaths are distributed, total impact of lightning is more than any natural disaster. Attention needs to be paid to this issue.

Source : PTI *contributed to this story.*





NATIONAL

FDI plan a villain in cover story of insurance cos

New rules proposed by India's insurance regulator could thwart investment plans of some of the world's biggest insurance companies and work against the government's attempts to simplify laws on foreign ownership, industry executives say. The Insurance Regulatory and Development Authority (Irda) has stipulated that all insurance companies seeking higher foreign ownership should comply with norms that restrict such increase to only companies owned and controlled by Indians at the parent level. This, experts say, is likely to prevent higher foreign ownership in some of India's biggest private sector insurance players. The new government last year came up promising to lift growth, provide jobs and sweep away archaic rules holding back business and investment. This government also promised to make rules simpler and easier for foreign investors and the insurance Bill allowing foreign ownership of up to 49 percent in Indian insurance companies was a key item on the agenda.

Source : The Economic Times

Indian promoter must hold 26 percent stake in insurance joint ventures: IRDA

The Insurance Regulatory and Development Authority of India has mandated a minimum 26 percent equity holding by the Indian promoter in any insurance company to ensure that the local investor does not use the liberal foreign investment and listing policy to dilute accountability. The regulator insists that the mandatory 26 percent stake to be held by the local promoter will ensure that there is accountability and that the management does not rest with the foreign company alone in the event of a single block of holding falling below 25 percent — public shareholding limit — when a company goes for listing. "Indian investors jointly shall not hold more than 25 percent of paid-up equity share capital of the insurance company," said Irda. As a result of this move, the insurance regulator aims to control transfer and dilution of ownership in insurance companies similar to what the Reserve Bank of India (RBI) does with banks, to prevent financial investors from flipping investments for short-term gains that may hurt long-term prospects.

Source : The Economic Times



Include inflation benchmark in health policy: Irda panel

An Irda-constituted expert panel has recommended that health insurers can have a category of innovative closed ended products running for a period of five years and their pricing can include an inflation benchmark that allows an automatic increase in premium every year, among a draft of suggestions in its report submitted to the insurance regulator. The panel, also called for greater disclosures on the part of service providers — insurers and third party administrators (TPAs) — during the currency of the policy as well as while servicing claims. In its 74-page report, the committee suggested that insurers and TPAs should have systems in place to identify, monitor, control and deal with fraud (including hospital abuse) by various agencies.

Source : Financial Chronicle

Cidco sanctions insurance of Rs 7.65 crore for 51 fire fighters

The town planning body has finally approved of the Cidco Employees' Union demand of seeking accidental insurance policy for the 51 daily wage fire fighters. The sanction comes after the Kalbadevi building fire tragedy, which claimed the life of four fire officers.

Source : The Times of India

More than 60 percent of Chennai's two-wheelers are uninsured

In one of the accident lately, the biker who caused the accident fled and worse, had not insured his vehicle. Anyone driving without a third-party insurance should be treated as a criminal, police officials say. An individual causing an accident without insurance cannot either bear medical expenses or fight a long-drawn court battle, which ends up helping the accused rather than the victim. Insurers estimate that 60 percent of two wheelers and motor-cycles on Chennai roads currently don't have insurance, even third party insurance, which is mandated by law. The general public thus remains at risk.

Source : The Times of India

Think long-term cover for a bike

Two thirds of the 10 crore two-wheelers on Indian roads are not insured. This despite the fact that driving a vehicle without third party liability insurance is illegal. What's more, a comprehensive cover for a 150cc bike with a declared value of Rs 30,000 costs just Rs 1,000-1,200. A two-wheeler rolls out of showrooms with cover thanks to a mandatory clause and offers from auto dealers and brokers. But by the second year, most fall out of the insurance net. To combat non-renewals, the Insurance Regulatory and Development Authority of India (IRDA) had, last year, allowed long-term two-wheeler insurance policies with a tenure of up to three years. Buying a longer tenure policy is not mandatory, but an option. One benefit is that you need not worry about renewing your policy annually. A break in renewal can prolong a policy purchase process in future. Once the policy lapses, most insurers insist on inspecting the vehicle before renewing it or issuing a fresh policy.

Source : The Economic Times



Government plans insurance cover for iconic structures like Parliament

A large, untapped market to insure properties is about to open up with a proposal to cover key assets of the government, including iconic structures like the Parliament. All central ministries have been instructed to consider buying insurance policies for all "critical assets" against natural disaster. The ministries concerned include power, steel, water resources and aviation, among others. The government has traditionally refrained from insuring its own properties and assets primarily because of the huge premium expense such an exercise would entail. Some of these assets would include the Parliament, electrical installations, water pipelines, ports, airports and railways. The move is aimed at averting a strain on the national exchequer following disasters like earthquake and flood. Many of these assets are large, legacy assets, which have never been valued, and it is unclear how insurance companies would rise up to the occasion.

Source : The Economic Times

Maggi row: Food companies show interest in product recall insurance

Insurance companies are getting higher number of inquiries for product recall insurance sold to corporates following the Maggi noodles controversy. The 'product recall' cover is an add-on to product liability. Insurance companies recommend this cover to manufacturers because, besides covering the cost of recall, it is seen as a feature that limits product liability. Until now, food companies in India were not so much bothered about product liability because of the low value of items. Product recall insurance was initially popular among the automobile industry. Then there was demand from the pharmaceutical industry. We are now seeing interest from the food industry. It is rare for a food & beverages company that is catering 100 percent to the Indian market to take out a product recall cover. Those who export to the US or to Europe invariably take this cover as the regulators are very strict. Besides, the insurance company also provides crisis management advisory services, including appointment of a public relations agency.

Source : The Economic Times

Insurance ceiling hits patients in Ahmedabad

Hundreds of patients are being left high and dry, following an ongoing stalemate between insurance companies and corporate hospitals. Insurance firms have fixed extremely low rates for 104 procedures, leaving hospitals in a fix. For example, an angioplasty with angiography costs Rs 1 lakh to Rs 1.5 lakh depending on a patient's room preference. However, insurance firms have capped only 74,000 for the entire procedure. This is irrespective of the room one opts for treatment. However, doctors say it is impossible to provide the best healthcare at such low rates. For a total knee replacement, a good quality implant will cost nearly Rs 1 lakh, operation Rs 40,000, medicines Rs 10,000. A patient has to generally stay in a hospital for seven days that will cost between Rs 10,000 and Rs 25,000. A patient also has to pay for room service, 10 percent surplus on total bill and other miscellaneous expenses. This means if a person goes in for a special room, he will pay around Rs 2 lakh, while cashless TPAs (third party administrators) will approve only Rs 1.5 lakh. In the absence of clarity, a majority of corporate hospitals are turning down patients.

Source: The Times of India





India nuclear insurance pool launched

India has achieved another milestone in the nuclear energy industry by setting up Nuclear Insurance pool. GIC Re and 11 other non-life insurers have formed the pool and will have a capacity of Rs 1,500 crore.

The policies offered will be a nuclear operators liability insurance policy and a nuclear suppliers' special contingency (against right to recourse) insurance policy. Reinsurance support had come from Nuclear Risk Insurer from London and going forward, GIC Re as the pool manager intends to ensure that this pool develops into a one-stop facility for covering all nuclear risks. This pool will be the 27th such market pool globally. It is expected to address third-party liability insurance to begin with and later expand into property and other hot zone (inside reactor areas) risk. This will cover both operators and suppliers. At present, only cold zones (outside reactor areas) are covered.

The idea of forming a pool was mooted in early 2013 and got stuck due to differences among stakeholders on certain clauses. In 2010, Parliament passed the Civil Liability of Nuclear Damage (CLND) Act, which creates a liability cap for nuclear plant operators for economic damage in the event of an accident. This pool will provide the risk transfer mechanism to the operators and suppliers to meet their obligations under the CLND Act. The CLND Act also provides for state-run Nuclear Power Corporation of India, which operates all atomic power plants in India, to seek compensation from suppliers in an accident due to faulty equipment. The CLND Act provides for Rs 1,500 crore as maximum liability for nuclear damage. At a later stage, this pool also looks to provide reinsurance support to other such international pools.

Source : Business Standard

Life plus health insurance gains traction

The enhancements in Section 80 D, which deal with tax deductions for medical insurance premium, coupled with changing lifestyles and demographics have resulted in life insurers strengthening their presence in the health segment. From providing cancer care covers to mulling covers for pre-diabetic patients and people with special needs, insurers are now tapping a whole new segment. Till now, many life insurers offered critical care as a rider, which hopped on to other plans. Globally, life and health have been on one platform and India is moving in that direction. Life insurers have plans that take care of long term health needs unlike mediclaim in general insurance which covers only hospital reimbursement.

Due to economic and demographic changes in recent years, customer attitudes towards health and insurance are changing. For instance, living with long term impaired health is a reality in many homes. So there is a need for products that compensate for job loss as well.

Source : The Times of India





INTERNATIONAL

Bangladesh allows LIC to start operations in the country; offers SEZs for Indian firms

With an aim to boost bilateral trade, Bangladesh today offered to establish Special Economic Zones for Indian companies besides allowing Life Insurance Corporation to start operation in the country. Source: The Economic Times

Rapid digitization makes MENA region cyber attack target

A study by U.S.-based Strategy& has found that rapid digitization makes the Middle East and North Africa region "an attractive target for a wide array of cyber-threats," reports MENAFN citing Khaleej Times.

Catastrophic food shortages could cause global societal collapse by 2040: Study

A model supported by the United Kingdom's Foreign and Commonwealth Office has suggested that global society will collapse by 2040 because of catastrophic food shortages if policies are not changed, reports The Independent.

Quake warning issued for Iceland

Iceland's Department for Civil Protection has issued an earthquake warning for the country's Reykjanes peninsula, reported Iceland Review Online.

Nigeria opposes fixed tariffs for insurance premium

Nigeria is against setting of tariff for insurance premium and has strongly opposed it, reports Leadership Newspapers.

South Korea offers tourists free Mers insurance

To help keep attracting tourists in the middle of an outbreak of Middle East respiratory syndrome, the South Korean government is offering free insurance.





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