


Insurers get ₹12k-cr claims from calamities in 3 years

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Mumbai, Jan 5: The insurance industry received claims in the range of ₹10,000-12,000 crore, arising from various catastrophic events in the past three years. Insurers have already received claims worth ₹3,000-3,500 crore after the recent floods in Tamil Nadu. Industry participants are hopeful that, following a string of devastating floods across the country in the last few years, the insurance regulator might finally form a Natural Catastrophic Insurance Pool (Nat Cat Pool).

Market participants say that talks with the regulator on the Nat Cap Pool should be conducted on an urgent basis as such calamities might eventually hit the balance sheets of the insurance companies. G Srinivasan, chairman and managing director of The New India Assurance, said, "In the last few years, we have seen that natural disasters such as the floods in Jammu and Kashmir, Cyclone Hudhud in Odisha and Andhra Pradesh, and the more recent calamity in Tamil Nadu. From a long term-perspective, we need to have a certain regulations and guidelines so that there is less stress on insurance company as well as the government."

Players from the insurance industry say, there was talks of forming Nat Cap Pool last year, but talks fizzled out on later stages.

Insurance claims for recent catastrophic events		Claims (₹ cr)
	Tamil Nadu floods (2015)	3,000-3,500
	Jammu and Kashmir floods (2014)	2,500-3,000
	Cyclone Hudhud (2014)	3,500-4,000
	Uttarakhand floods (2013)	3,000-3,500

Source: Industry estimates

After the Tamil Nadu rainfall, United India Insurance received claims worth over ₹1,000 crore, while SBI General Insurance have received claims amounting to around ₹120 crore. Bajaj Allianz General Insurance also said that, their company's claims stood at around ₹350-400 crore for the Tamil Nadu floods.

"I would like to say that, with such natural catastrophic event on rise, premiums of certain policies and places is likely to go up. Secondly, we need to collaborate with state agencies to increase the penetration of insurance as many people are still under-insured. Finally, we also need to work with the government and the National Disaster Management Agency (NDMA) so that quick action can be taken during such events," added Srinivasan.

Many industry participants believe that there should be greater participation of the insurance companies in the interior parts of

the country too. "Lack of insurance penetration is a major concern, as we have also seen during the Tamil Nadu floods where only people had motor insurance and no proper house insurance. There should be guidelines where risk-prone areas should have mandatory insurance cover," said a CEO of a leading insurance company.

According to the industry participants, such events are likely to emerge any time and the most important need is to get insured. Sasikumar Adidamu, chief technical officer-non-Motor at Bajaj Allianz General Insurance, said: "Its very painful to see that in any major catastrophic event only 10% of losses are covered. No one has control over such events and the best thing is to get adequately insured in case of any such event."

However, insurance players are confident that Nat Cat Pool is the need of the hour. They also expect positive development in this regard.