


BAJAJ ALLIANZ

Newstrack

Corporate Newsletter
Issue I/2012



Insurance

 **BAJAJ** | Allianz 

Jiyo Bepikar

Contents



Cover Photo : Uncertainties always have a domino effect throwing all well set plans out of gear. Insurance is certainly the only financial instrument to minimise the burden of losses caused by such uncertainties.

Issue date : 2012 Issue I

Published by : Bajaj Allianz

Editorial Team : Santosh Balan, Chandni Arora

Design : Turnhere Design House

Bajaj Allianz Newstrack, is a quarterly news magazine which provides current information on the life insurance and general insurance activities of Bajaj Allianz and also the industry.

For further information on the articles appearing in this magazine, please contact santosh.balan@bajajallianz.co.in or chandni.arora@bajajallianz.co.in

For an e-version of the newsletter, visit our website: www.bajajallianz.com

Views/ Information expressed herein are illustrative and informative in nature and not binding on the company. Insurance is the subject matter of solicitation.

Editorial Address:

Bajaj Allianz, G.E. Plaza, Airport Road, Yerawada, Pune - 411006.

Foreword

03 A premium on service

Hemant Kaul, MD & CEO,
Bajaj Allianz General Insurance

04 Insuring a unique business segment

V. Philip, MD & CEO,
Bajaj Allianz Life Insurance

Special Feature

Corporate Business

Corporate business, the special feature for this issue has emerged as an essential line of business for insurance companies. This issue traces the significant changes in the corporate insurance arena over the past few years. It carries insights from key personnel of Bajaj Allianz and leading insurance broking firms.

Articles

05 Under pricing of risk – A threat

Anamika Roy Rashtrawar

07 Solvency Margins - an insurer's financial strength

Anurag Rastogi

10 Group health insurance needs painful treatment for good health

Manish Lalwani
Marsh India Insurance Brokers Pvt. Ltd

15 Liability insurance - solution to a litigious society

T A Ramalingam

18 Group insurance – taking insurance beyond individual

Nimish Airon

Interviews

08 “To a discerning customer, balance sheet is very important”

Ajay Shukla,
Aon Global Insurance Brokers Pvt. Ltd.

12 Insuring Infrastructure Projects

A V Singh, Almondz Re

14 “We have collectively worked towards a win- win situation”

S Radhakrishnan, CIPLA

16 “Real innovation is required for Liability Insurance in India”

Dinyar Manekshaw Jivaasha,
Essar Group

20 “Performance & fund managers expertise are dominant parameters”

S K Mitra, NABARD

21 “Service orientation of the insurer cannot be overlooked “

Ravi Sabharwal, Whirlpool Corporation

22 “Competitive pricing with exceptional services makes Bajaj Allianz our preferred partner”

R Sridhar, Indian Metals & Ferro Alloys Ltd.

24 “Bajaj Allianz has maintained impeccable service levels over the years”

Debapriya Ray, Reliance Industries Limited.

Claimstrack

27 A quarterly review of claims handled by Bajaj Allianz General Insurance and Bajaj Allianz Life Insurance. The review shows the claims paid in the quarter as well as the turn around time of ending claims.

FUNDamental Outlook

28 Market Outlook and Fund Performance

Events & News

30 Snap shot of the events and updates that happened at Bajaj Allianz.

A premium on service

Dear Friends,

Insurance has helped in ensuring many of the dream projects become a reality by taking on the associated risks which is important besides the financial support. Thus, insurance is the invisible helping hand in nurturing several grand projects and a catalyst to the economic growth. Before the year 2000, corporate lines comprising fire and property insurance of a corporate entity's various assets were the only visible form of insurance and mostly were insisted by the banks and FIs that financed such projects. Product innovation wasn't visible as it was a tariff based regime. The retail lines were virtually non-existent beyond the mandatory motor insurance.

With the entry of private insurers in 2001, corporate lines got a special thrust. The private insurers in their initial years aggressively chased marquee clients and proudly displayed their "trophy clients". Most of the time, the business was procured based on relationships or flaunting of promoter brands. For corporate clients also this was a moment to test the services of the private insurers. Though there was no perceptible shift, the private insurers did get a share of the pie either as a co-insurer or sole insurer.

However, the bonhomie was shortlived as the situation dramatically changed, after free pricing of fire and property lines in 2007. The regulator's calibrated approach prevented the immediate plummeting of prices. However, the share of corporate lines did shrink for all insurers from a high of 50%-60% to 15%-20%. Group health insurance which was as an adjunct of corporate lines came under closer scrutiny as it was saddled with the high claim ratios. It is a matter of concern that it constitutes 45% of health insurance with a claim ratio of over 120 %. It marked the beginning of the end of intra-portfolio cross subsidization to a more pragmatic line wise profitability. The flip side of free pricing was that insurers took recourse to retail lines like motor and health insurance to boost their premium income.

We continue to feel that the free pricing regime is misunderstood by everyone as merely "discount over tariff rates", which must have led to indiscriminate pricing. The entry of newer players only added to this pursuit of "buying market share". The ripple effect in the industry led to a peculiar situation of falling prices and worsening combined ratio. This is neither good for the customers nor for the insurers, as claims is a



reality and a situation where the insurer is found abdicating its primary responsibility of paying claims is best avoided. The true spirit of free pricing is the freedom to price a risk as per the risk profile or put simply, a shift from "rule-based" pricing to "risk-based" pricing.

In this special feature on corporate lines, you will find in greater detail, how, industry experts and clients look at how risks are transferred to an insurer in greater detail. Most of our clients have stressed on service rather on price alone. We are closely working with our clients who have reposed their trust in us to explore ways and means of optimizing the insurance cover. After interacting with domain experts at the local and global level, I feel when a client decides to transfer their risk, they should keep in mind certain criteria such as—

- Know your insurer i.e. you should have a fair knowledge to whom you are transferring your risks
- Profitability and if they have a sustainability model
- Reinsurance programme of the insurer

Bajaj Allianz has always pursued a model of a sustainable relationship with the clients. There have been instances where claims to the tune of over a few crores have been paid in a short time. We are indeed happy that our strong balance sheet has been vindicated by the highest rating of "iAAA" for the last four consecutive years.

On the industry front, in a welcome move, the regulator dismantled the commercial vehicles motor pool from 1st April 2012 and introduced a declined pool. As a result the regulator has considerably reduced major systemic risk faced by the industry. While the risk has been mitigated it is still significant as much work needs to be done on ensuring that the Commercial Vehicle TP premiums correctly reflect the claim costs.

We are at the fag end of the financial year and also a big time for chasing renewals in the corporate business for risks ending on 31st March. We hope our clients repose their faith in us again.

Hemant Kaul
MD & CEO
hemant.kaul@bajajallianz.co.in

Insuring a unique **business segment**



Dear Friends,

Life insurance has moved beyond covering individuals only to cover big or small like-minded groups. The only condition is that such a group should be a homogenous one and should not have been formed for the sole purpose of benefitting from an insurance scheme. It can be offered to all irrespective of their age or gender and group typically comprises of employer-employee groups, association of members, account holders of a bank, etc.

Since this is a unique customer segment and most often has to deal with an institution, it needs special attention and a different approach right from product designing, underwriting to servicing is distinct in its own way. There is a lot of administrative convenience by way of single policy, premium collection, claim handling and other transactional issues. Despite these inherent advantages, servicing such large groups can be a challenge if there is no appropriate servicing structure in place to handle these relationships.

Insurers can get associated with cohesive groups by designing products like group term covers or gratuity and superannuation schemes for them. Innovation in this segment has led to devising a product to cover outstanding loans for institutions that have a substantial loan book. The other emerging area of associating with groups is when life insurers lend their actuarial skills and investment expertise to groups, especially

to those such as employer-employee groups. Such a service is the fund management services whereby the employers outsource the management of their benefit schemes like gratuity, pension or leave encashment liabilities. Life insurers with their expertise of managing huge funds can lend a helping hand to various institutions for managing their liabilities in a better way so that they are not saddled with idle funds or liquidity problems.

Bajaj Allianz has set up a vertical to handle this unique business segment with a pan India dedicated team to service the various institutions. We have also set up customized service teams to handle their policy issuance as well as claims. On a product level we have several group products for various clients and even some of the banks ranging from private sector to PSU banks. We have also used our expertise in customizing our micro-insurance products for some of the banks in order to assist their financial inclusion agenda. In the following pages you will find in detail how we have managed to meet some of these specific challenges.

In terms of fund management, the Bajaj Allianz investment team works on a simple mandate of ensuring safety, liquidity and optimizing returns, besides shares regular feedback for such institutional customers. The performance of the group funds has been satisfying as it outperformed the various benchmark indices like CNX NSE Nifty index or the CRISIL Composite Bond index. This is visible in their stock selection approach and manages funds like Group Equity fund, Group Bluechip fund, etc. in addition to the funds like short or long term debt plans.

This segment is all set for greater innovation in terms of product design and services as the industry evolves. The contribution to overall GWP is also set to grow in the times to come. In short we can say that we are ready to ride on this growth path with our strength and expertise.

On the industry front, demat of insurance policies is the hot topic of discussion and also the next big idea in insurance after the privatization of the industry. We eagerly look forward to the whole dematerialization process with a bit of caution as to how it will finally evolve. The industry also awaits the implementation of DTC & budget proposals which may have major implications. The growth prospect in the industry is still a matter of concern and we hope that it will soon get back on the growth track at the earliest.

We are at the last quarter of the financial year and we hope that we will be adding more customers to our fold.

V Philip
MD & CEO
v.philip@bajajallianz.co.in

It is natural that corporate insurance deserves its rightful place in insurance and with the economy back on rails; this line of business is all set to grow. In a way, insurance has played a major role in economic growth by insuring several greenfield and infrastructure projects. Corporate lines of business formed the bulk of insurance business for decades till the year 2000. In this issue the Special Feature in NEWSTRACK traces the growth in corporate business over the years and the changes in the insurance industry since privatization and detarrifying. We have our clients and intermediaries sharing their perspective on this major line of business, the importance of fund management and their affiliation with Bajaj Allianz over the years.

Under pricing of risk – a threat ?



ANAMIKA ROY RASHTRAWAR, PRESIDENT & HEAD CORPORATE AND DIRECT MARKETING, BAJAJ ALLIANZ GENERAL INSURANCE

Corporate line of business forms an important part of the general insurance industry, as insurance increases the risk taking ability of a growing economy. Almost all big and ambitious infrastructure projects like towers, bridges, tunnels, roads, airports, power plants could take off as underlying risks in most of them have been adequately and effectively insured. In this sense the corporate line of general insurance business is the harbinger of the way the country's economy grows and sustains over a period of time.

In India, if one traces the growth of this crucial line of business, then one has to take into consideration the various phases of the Indian

economy over the years. We can see the correlation in the growth of insurance industry with India moving from a controlled to a liberalized economy that fueled economic growth and the need for insurance also soared. The corporate line of business in India was a major contributor to the tune of 60%-70% to the premium income of the industry prior to 2001 before the industry opened up. Personal lines dominated by motor and health insurance were on the fringes of the industry and a marginal contributor to the premium income. After the free pricing regime commenced in 2007, corporate lines were the most affected, as premium for this line fell sharply by almost 80%-85%.

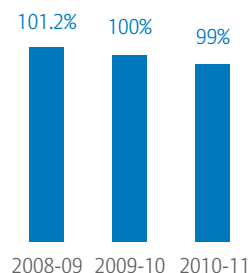
However, the ongoing growth story of India with emphasis on infrastructure development and Indian companies expanding their operations globally, corporate lines of business are back in focus. We also see that there is a rising demand for global programs covering Indian operations abroad and vice versa i.e. global companies seeking global insurance programme for their entities in India. There is also an increasing demand for tailor made covers for projects, liability and group health. Although there is a surge in the demand for corporate covers, we are still caught in the web of under-pricing and total disregard of service deliveries amidst a high growth in India. How long can any company deliver services priced at Rs x for Rs x-y?

Risk experts and prudent underwriters globally do warn about the gross under-pricing in this line of business, as it generally leads to under-provisioning. A few large claims or one catastrophic event can lead to insurers becoming insolvent. Under-pricing cannot continue for long and if not rectified early may lead to very steep rise in premium in the future so as to enable timely and appropriate payments of claims. When companies become technically insolvent, customers are the worst affected since prices will rise to compensate for the losses. The current practice of buying of market share with under-pricing of risks may not continue for too long! This year we are witnessing, hardening prices in treaties and introduction of claims participation clause in the Indian market. If under pricing continues coupled with adverse claim ratios, there is bound to be an increase in price of risks.

When a customer buys insurance effectively, the customer transfers the insurable risks of their balance sheet to the insurer's balance sheet. How is it wise to transfer the risk of one's balance sheet to a balance sheet which is weaker? At Bajaj Allianz, we strongly follow prudent underwriting norms and have robust reinsurance programs to support the risks that are underwritten. We maintain a strong manageable combined ratio so that clients who have transferred their balance sheet risks to us are well protected and claims are paid on time. We have also maintained our solvency at 1.7 as against the mandated 1.5 or 1.3 after the recent motor pool provisioning for 2010-11. Solvency is important not only for the insurers but also for the clients as it is an important

parameter that determines the claim paying ability of an insurer. Similarly, robust reinsurance programs show the ability of insurers to ensure that they too have adequate protection in the event of a big loss and their solvency is not wiped out.

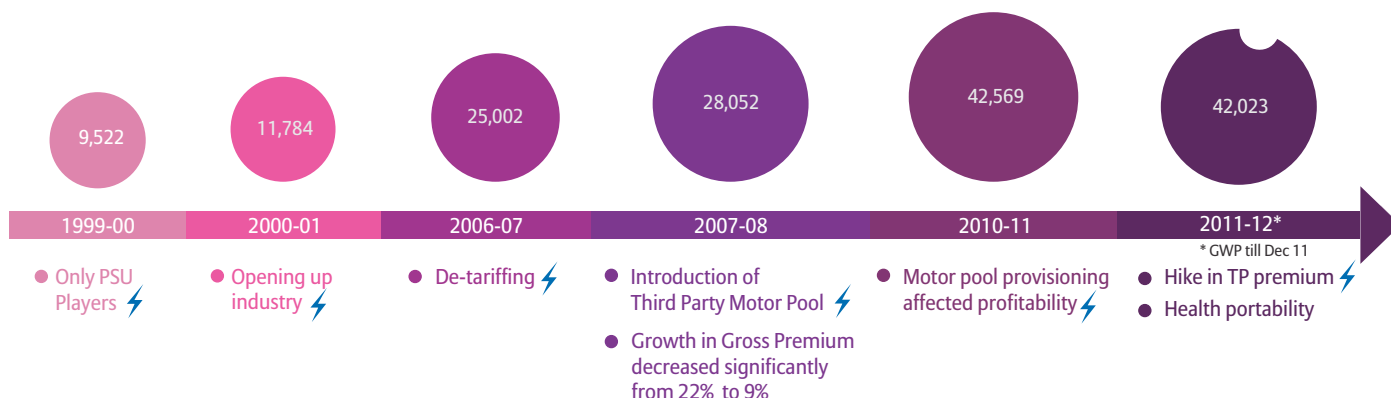
Bajaj Allianz combined ratio (excluding motor pool)



Besides, the fire and engineering lines which are strongly linked to the economic growth, the other equally important line of business is the group health insurance. Every employer today would like to take care of their employee's health, and at Bajaj Allianz, we work closely with clients to identify what should be insured, fix appropriate sum insured limits and how claims can be controlled without compromising on the quality of health cover. This not only helps corporates curb their expenses but also enables them to provide the right cover to their employees and dependants. We firmly believe that health insurance is not an annual exercise with clients or distributors but an ongoing management of the portfolio through help of analytics and preventive health care campaigns. Till the free pricing regime, group health was cross-subsidised with the fire and engineering portfolio. It seems the tables have turned and soon health insurance will be the largest portfolio in the corporate lines of business.

Corporate lines of business, if prudently underwritten can get insurers the bottom line that they truly desire and help customers transfer their insurable risk to a stronger balance sheet, giving them peace of mind.

Growth in Gross Written Premium (in ₹ crs)



Solvency Margins- an insurer's financial strength



**ANURAG RASTOGI, HEAD ACTUARIAL,
BAJAJ ALLIANZ GENERAL INSURANCE**

Insurance is a risk transfer mechanism, where policyholders shift their risk to an insurer. This risk transfer is effective only if it is transferred to a strong balance sheet. But what indicates an insurer's balance sheet strength? Is it the premium written by it, the claims settled by it or the capital infused by its promoters?

An insurer's financial strength is measured by Solvency ratio. In layman terms, solvency means the excess of assets over liabilities. Solvency ratio, as defined by insurance regulator, is the ratio of Available Solvency Margin (calculated from actual assets and liabilities) to Required Solvency Margin (calculated from implied risks posed by the business written and the quality of business, over several years). The higher this ratio, the financially stronger the company is, indicating its higher ability to honor the claims on the policies written by it. A weak solvency ratio can be improved in two ways-

- infusion of more capital by promoters, or
- profits earned from business put back into capital

Capital is always scarce and cannot be sought frequently to boost the solvency of loss making business. Hence, the companies that make small but consistent profits, on the strength of their better risk management practices, stay solvent for longer periods without the crutches of additional capital from time to time.

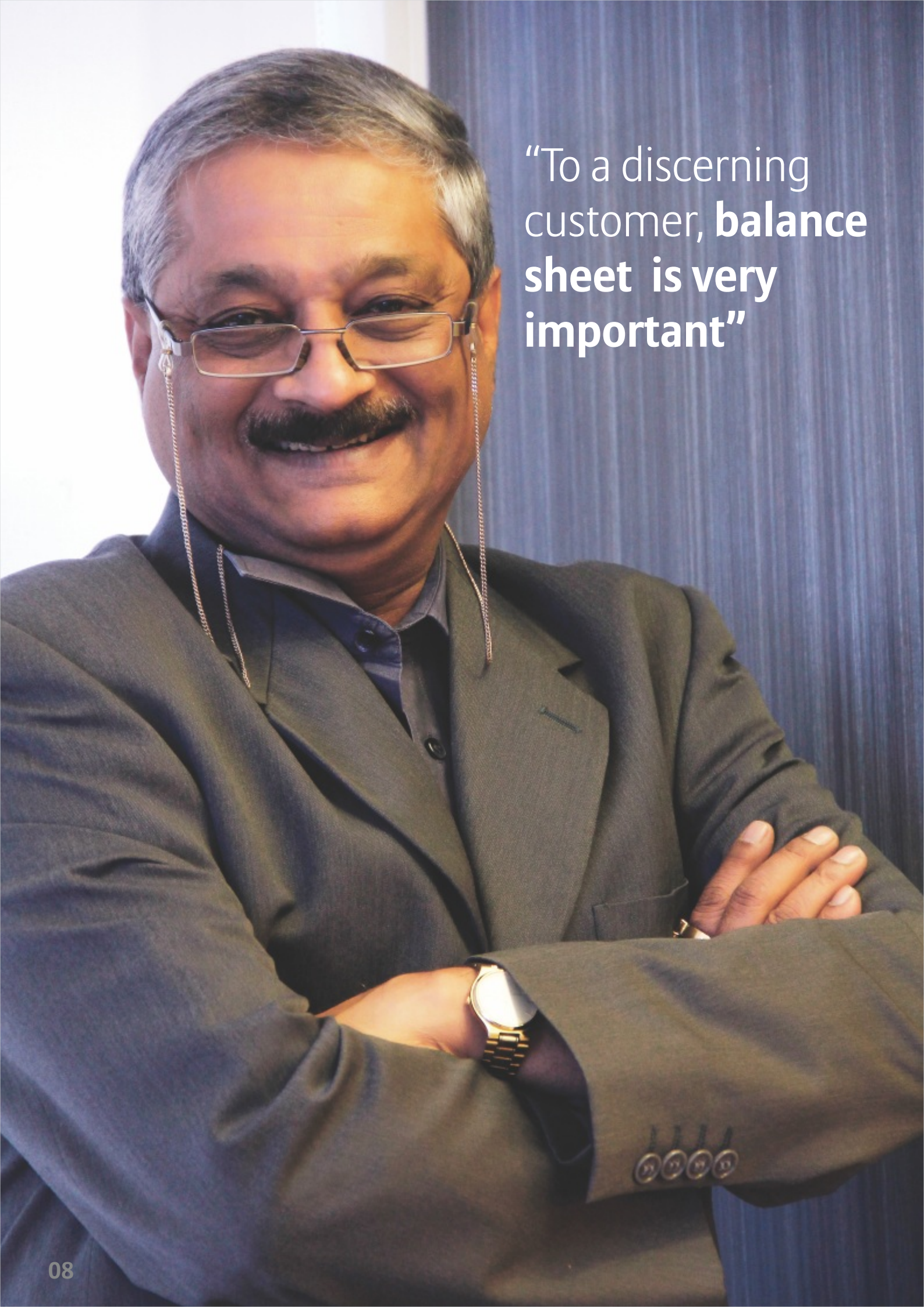
Premiums that policyholders pay is just a fraction of the risks they

transfer to insurers. From a risk management perspective is it a good idea to transfer the risks to an insurer with a low solvency ratio for the sake of some saving in premium?

Bajaj Allianz solvency ratio



Unfortunately, most of the competition in general insurance industry revolves around price. Perhaps it is high time when competition moves to issues like company's financial strength, risk management practices, service quality through the lifecycle of policy including at the time of claim, product bouquet offered and the like. This will be good for both the balanced growth of the non-life industry and the consumers long time confidence in the industry to stand by it when the moment of truth arrives.



“To a discerning customer, **balance sheet** is very important”

Aon Global Insurance Brokers is one of the leading insurance intermediaries in the Indian market offering both corporate insurance broking and reinsurance solutions. Combining its international expertise and local knowledge they provide value added specialized risk management and insurance solutions to their clients. NEWSTRACK spoke to Ajay Shukla, Executive Director, Aon Global Insurance Brokers Pvt. Ltd. for his views on how de-tariffing has impacted the insurance industry and the current status of industry.

INTERVIEW: AJAY SHUKLA

How has the de-tariff regime impacted the insurance industry, your perspective on the same?

What happened post opening up of the sector in 2000 and then post de-tariffing in 2007 is no different from any other market in the world. Most of the new entrants went for market share to reach critical mass, resulting in a fierce price war with each wanting a share of the existing pie. Post de-tariffing, it is evident that the property class took the biggest hit and, as a percentage of the total GWP, shrunk from 18.5% in 2005-06 to 10.14% in 2010-11. In 2007-08 itself, the year when tariffs were removed, it dropped to 12.43%, a steep drop of 6% in one year. The industry was further hit by the prevailing practice of subsidizing the other lines of business, especially Group Health. We are now seeing a correction in this area with insurers wanting to get adequate premiums where cross-subsidy is no longer viable and are also pushing for risk to commensurate premiums in other lines. In hind sight, it is my personal opinion that removing the tariffs in stages also did not help. While the macro economic factors assisted in the growth of the industry which has grown at a rate of 22% - 23% CAGR, the co-relation between risk and premium needs to be re-established. This is amply evident from the negative underwriting results of the industry as a whole, for the last three years.

On the brighter side, new products have been introduced and the policy holder has benefitted in terms of insurance awareness and education. Insurers are now realizing that throwing away capital is in no one's interest and they would rather concentrate on stability of their book of business and are therefore moving away from opportunistic deals which are only price driven. The prudent consumer is also realizing that continuity in relationships is very important and are moving towards buying decisions based on company strengths, products, expertise and claims paying ability. After 12 years of opening up of the sector and 6 years of de-tariffing, I think the insurance industry and the policy holder are at an inflection point which augurs well for all stakeholders.

What is the significance of service amidst the price sensitive industry, what does the customer value price or service, while deciding on an insurer?

While price continues to play a dominant role, what we are seeing is that clients are also considering the service aspects. From a broker's perspective this is very good news as the value-add is now beginning to be appreciated and the sales process is moving beyond a financial transaction.

How significant is the role of a strong Balance sheet, while deciding upon an insurer?

To a discerning customer, balance sheet is very important. Also it is an important factor when you are transferring your risk to somebody who has a strong balance sheet to be able to stand by for the risks insured.

What is the scope of customized product offering in today's scenario?

Within the ambit of the regulations, customized products are gaining popularity. It also gives the customer the comfort that the nature of his business is being understood and catered to by insurers.

What gives Bajaj Allianz an edge over the competitors?

A strong balance sheet, local expertise, domain knowledge and the strengths of the JV partner who is one of the largest global players.

What is your view on the initiatives taken by Bajaj Allianz for Brokers?

Bajaj Allianz has greatly improved visibility amongst the broking community and is making efforts to build long-term relationships with brokers who add value, have the expertise and are aligned towards customer needs as well are conscious about balancing expectations of the insurer and the client. Allianz globally and Bajaj Allianz in India are a very valued partner for Aon and Aon Global Insurance Brokers.

Group health insurance needs **painful treatment** for good health



One of the leading insurance brokers Marsh India Insurance Brokers Pvt. Ltd provides its clients with an array of risk and insurance products and solutions. Manish Lalwani, Senior Vice President – Employee Health and Benefits gives his perspective on the fast and changing health insurance sector and also talks about the strategic approach to contain the spiralling Group Health Insurance premiums. He also shares some insights from the Annual Employee Benefits Survey conducted by Marsh India.

MANISH LALWANI

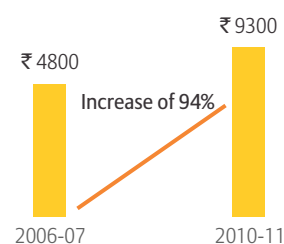
Group Health Insurance is one of the most important benefits offered by employers to their employees. It has become a market norm today required to attract, retain and keep employees well motivated. It provides aid to employees from unforeseen financial instability that may arise due to hospitalization. Employers today are well informed about the benefits, services and the prices offered by the health insurers, hence the framework of the benefits is fixed by them. As a result, product differentiation has a limited scope. The real difference lies in executing the benefits and having an administration process which is seamless and hassle free. Pricing, however, has always been a major criterion for choosing a health service provider. Over the years we have seen significant development in the prices and services offered by the health insurers, these developments are a result of various factors.

Pricing

In terms of pricing, group health insurance premiums in recent years have been influenced by factors like rising health care costs,

improvement in medical technology, advances in diagnostics & treatment procedures and organised health care networks apart from the traditional factors like health status, morbidity tables, demographics and age profile of the group in consideration. In the last 5 years, we have seen a sharp movement up in the pricing of group health plans.

Rise in Group Health Premium



The chart illustrates the rise in the group health insurance premium from the recently released report of the 6th Annual Employee Benefits Survey conducted by Marsh India.

Cost

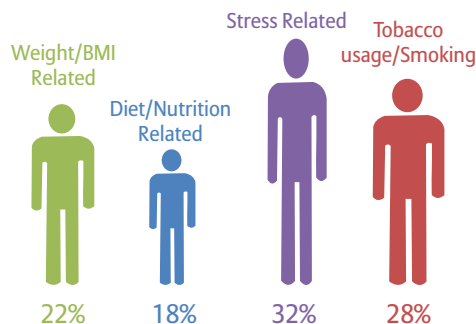
Given the current economic environment and the focus on cost rationalisation across industries, rising health insurance premiums have naturally come under the spotlight. Most organisations have now implemented or are in advanced stages of evaluating implementation of plan design changes including restricted sum assured, room rent restrictions, co-pay on claims and individual ailment caps to contain costs. Sponsoring parents' coverage is being critically evaluated and is often being converted into voluntary options for employees to pay for on need basis.

According to the Annual Employee Benefit Study conducted by Marsh India (in 2010) to counter the escalating cost over the last year, many employers are revisiting their overall approach to benefits. Some are turning to immediate cost saving through benefit cuts, while few are focused on long term strategy of improving workforce.

Traditional cost containment strategies like restricting benefits or increasing the premium are not sufficient to contain health insurance costs. Many employers are now counting on their employees' participation to achieve sustainability in their benefits strategy. Well informed employees tend to be more responsible and accountable towards managing their health. Thus, most employers are beginning to put greater emphasis on internal communication of the benefits to align their employees towards greater self accountability and consumerism in choosing their health treatments options.

One of the startling revelations of Marsh's survey has been the high prevalence of lifestyle based diseases among employees.

The major causes for diseases in employees



•The prevalence of such lifestyle diseases could compound into high cost treatment conditions like chronic heart disease, stroke, respiratory disease, diabetes and cancer, if not monitored and treated well in time. Companies in IT, ITES, BPO/KPO and Banking /Financial Services have raised more concerns about high prevalence of the above health risks among their employees.

Cost Control

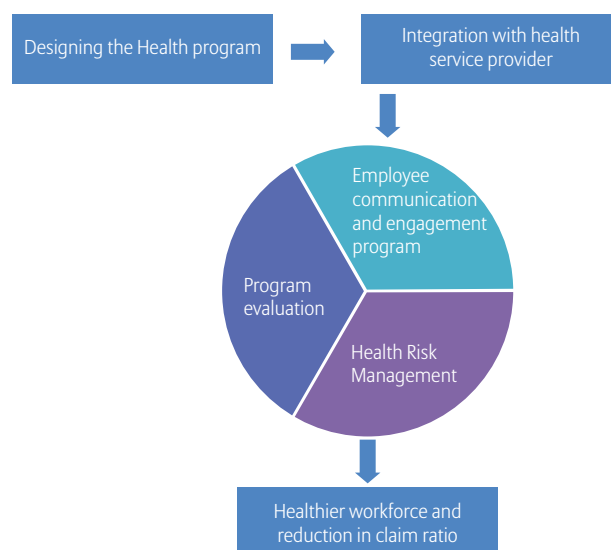
We see an increased effort by organisations along with their insurers to make their employees aware of various health issues and help employees stay healthy. Addressing this underlying risk is a preventive measure which will have an impact on premium in the long run. Various health and wellness initiatives are being undertaken by employers towards ensuring a healthier workforce in this direction

this includes:

- Health talks and seminars, Health checkups,
- Employee Assistance Programs (EAP),
- Health risk assessments (HRA) and Disease management programs,
- Second medical opinion services.

These are offered by insurers and wellness providers on standalone basis or bundled as value additions with their core product offerings in the group health insurance program. Majority of organisations want it as part of the entire offering and are not willing to pay additional premium.

Strategic Planning Model (Improves health, reduces cost)



Innovations

Over the years we have seen a lot of improvisation and innovation coming into this industry. Insurers have been consistently upgrading their product offerings with changing needs of customers and developments in the medical field. Inclusion of day care procedures is one such example of keeping in pace with enhancements in medical science and treatment procedures. On the retail side, innovative product features like auto sum assured restoration, complementary health checks ups, dental and vision benefits, hospital cash and auto enhancement of sum assured for critical illnesses have been introduced and would benefit individual customers immensely.

Despite these innovations and new propositions by the insurers, cost still remains the key factor for selecting an insurer, as organisations are looking forward to provide maximum benefits at a realistic or a competitive cost. Apart from cost the organisations also look at the risk appetite of the insurer and service orientation of both the insurer as well as the TPA. Talking of Bajaj Allianz, the clients who have been associated with them are extremely satisfied and are willing to pay a higher price for their services. The premium charged by Bajaj Allianz for its group health program is usually higher when compared to its peers, but once they have a client on board who experiences their services, he is happy to sacrifice price at the time of renewal.

Insuring Infrastructure Projects

The development in the Infrastructure Projects has also fueled the growth of the Insurance Industry in India. The challenge lies in how to channelize this growth and provide proper insurance covers and solutions to these projects. NEWSTRACK asked A V Singh, CEO Almondz Re, How has this development impacted the insurance industry and the value adds that the brokers and insurance companies can put in these projects.



INTERVIEW: A V SINGH

We are witnessing a growth in large scale infrastructure projects in India. Also, the Government of India is laying greater emphasis on development of the infrastructure sector in India. What kind of covers do you think are expected from Insurers for covering risks of super critical power plants besides the standard covers?

Infrastructure has been the buzzword in India for quite some time.

Currently there are planned investments of \$ 1 trillion in the next 5 years. Indian coal is not of the best quality and some power plants are using imported and blended coal for efficient production. The boilers need to be designed to cater to this requirement. Advanced steel and other design changes are needed for super critical power plants as against the traditional sub critical plants operational in India. We would consider the following critical covers for super critical power plants.

- Cover requirements for defective design, material & workmanship (LEG1, LEG2 and LEG3)
- Defects Liability extensions

What value add can brokers put in to such kind of projects?

Currently the incremental addition to electrical generation is coming from the private producers. Thus the need for satisfying lender's expectations coupled with the promoters' make the job more challenging. While there are manifold value adds, brokers would bring:

- Ability to negotiate at the highest level from a position of strength to achieve the most competitive premium and the broadest coverage.
- Provide contract review services, including study of PPA, Soil investigation report, DPR and EPC.



- Dedicated service and immediate claims settlement
- Onsite seminars for claim reduction measures, claim procedures and manual.

What are the major loss prone areas in the project phase of power plants?

The major loss prone areas in a project phase are-

- Marine transit losses
- Flooding due to close proximity to water source
- Potential for Catastrophic damage to highly stressed turbines during project phase
- Faulty design material or workmanship
- Collapse of civil structures

As an affiliate of a leading international insurance broker and professional risk consultant to the global construction industry, what has been your approach towards the construction projects in India in terms of innovating covers and risk management?

With the support of our Regional and Global Construction Practice, complicated placements are finalized in International and Indian markets of sound financial standing. Some other benefits are

- Experienced risk management team
- Dedicated claims servicing team to ensure reinsurance claims recovery
- Designing an innovating cover combining Thermal, CCPP, and Hydro covers into a package for an EPC contractor and Supplier.
- Designing a cover for rehabilitation and modernization of power plants.

Share with us your views on what are the areas of concern in renewable energy project.

Wind power has emerged as the fastest growing form of renewable energy. The major areas of concern for underwriters are as follows:

- Supplier delays - Lead times for the supply of new or replacement turbines. This is a problem not only for new start-up facilities,

but also for owners suffering breakdown of or damage to existing turbines.

- Access to site – Wind farms in remote or mountainous areas require careful preparation of roadways to comply with the delivery specification, specific foundations for the location of the lift cranes, cable laying to the connecting substation etc.

- Lightning damage - This is the most frequent loss exposure for operating turbines and availability of various protection systems for blades and towers is critical.

- Transmission and distribution - The method and preparation for laying cable around turbines and to sub-stations will affect cost and the level of cover. Underwriters generally prefer underground cables in well-prepared trenches or on cable trays as against overhead cable.

- Technology defects - Technology advances resulting in prototype equipments may be a cause of concern.

- Lack of knowledge on handling Geo thermal projects which will come in vogue shortly.

In case of Hydro Projects, what kind of claims are usually reported and how they can be prevented?

Hydro projects make it challenging for underwriters, as reaction of underground environment and the geographic terrain, even though predictable to some extent, has a rather high degree of uncertainty. The major types of losses reported are

- Landslide on lateral slope of road -The collapse of slopes is a frequent event, mostly triggered by water penetrating into the ground following heavy rainfall. However, the fundamental reason is the natural instability of any slope unless internal friction and/or cohesion forces are sufficient.

- Tunnel collapse - Error in judgment of rock strata, unexpected stresses in the rock strata, Water penetration due to rainfall etc can cause a tunnel collapse.

- Other AOG perils – In addition to the damage caused, it can also result in considerable debris removal and dewatering expenses.

- Develop and design the project specific insurance, including policy contract wordings analysis and development of endorsement wording.

- Liaise as necessary with other specialist consultants or advisors including our legal counsel, the technical consultants and the Lenders' independent insurance advisors and legal counsel.

- Provide Risk management services.

What value addition can the insurers provide while insuring large power projects?

Insurer can surely provide value added services such as-

- Project specific policy capturing the clients' requirements in line with the clients' risk retention philosophy. An example would be to design the ALOP cover as a DIC with project LD clause.

“We have collectively worked towards a win-win situation”

Incorporated in 1935, Cipla is one of the leading pharmaceutical company's in India. Cipla exports its products to over 180 countries worldwide. It offers a wide range of products across all the major therapeutic categories. The company owns and operates many manufacturing facilities across India. Bajaj Allianz is the sole insurer and manages their entire insurance portfolio. NEWSTRACK spoke to S Radhakrishnan, Executive Director, CIPLA to trace the company's journey with Bajaj Allianz General Insurance and why it is their preferred insurer.



INTERVIEW: S RADHAKRISHNAN

Please trace the journey of CIPLA's association with Bajaj Allianz.

Our association with Bajaj Allianz has been productive and profitable for over a decade now. In our first meeting itself, we realized that their approach is different from other insurers and very soon Cipla's senior management approved 100% consolidation of our risks and policies through Bajaj Allianz. This relationship has matured to our benefit.

What are your considerations for choosing an insurer?

We have always believed that appropriate coverage coupled with risk control & risk reduction mechanisms/practices can create a balanced insurance portfolio for insured and insurers. Bajaj Allianz's philosophy of involving technical experts to understand, discuss, design, innovate appropriate covers and having an appetite to simplify complex risks has given a lot of comfort to us and they have not disappointed us.

How important is that an insurer stands by the client when they need them the most?

Insurance covers are taken to get adequate compensation on time after the loss. It requires reinstatement of trust on a continuous basis. We have got good support from Bajaj Allianz which was evident at the time of a

loss and thereafter till successful reinstatement, be it Mumbai or Ambala floods or compensation to the young victims of Sikkim Earthquake to list a few. We have seen the Bajaj Allianz team standing besides us and working with us for speedy settlement most of the times.

We have had our share of differences as well, when the understanding and solution to risk/cover are difficult and complex. There, too we found expert support from Bajaj Allianz to move further in settling the issue amicably.

In your view, how has Bajaj Allianz added value to the relationship?

We have always collectively worked towards a win – win situation by explaining the risks and cost of risks to each other. We have listed below some value adds:

- Claims and service level agreements with the help of Standard Operating Practices and MOU
- Reliability, financial status, solvency, rating & reinsurance support etc of the insurer
- Innovation and flexibility while underwriting the risks (wider coverage, deletion of exclusion, add-on's as per insured's requirement
- Synchronization of cost, cover and deductible
- Time taken to quote for a proposal
- Insurer's exposure to other portfolios and statutory liabilities
- Insurer's partners willingness to do the business in Pharma space
- Lower number of complaint ratios & pending claims
- Comfort level of insurer with the Broker of our choice

We hope that Bajaj Allianz Team would continue to underwrite & support complex Pharma Space risks with the best of Reinsurance placements. We congratulate and thank the entire team of Bajaj Allianz for their efforts and pray that this relationship will grow & become stronger for both the partners in the years to come.

Liability Insurance-**solution to a litigious society**



Although it is a common trend in western countries, in India, liability insurance has been in its infancy stages until now. However, this line of insurance is one that is now gradually picking up. T A Ramalingam, Head Underwriting, Bajaj Allianz General Insurance takes you through trends of Liability Insurance in the Indian Market and our expertise in this field.

T.A.RAMALINGAM

Society, today, is increasingly litigious, and even small negligence can result in damaging lawsuits, thus making liability insurance critical for most of them. This type of insurance protects a company's assets if it is sued and held legally liable for causing property damage, personal injury or malpractices. Liability insurance policies cover both legal costs and any legal payouts for which the insured would be responsible if found legally liable. This kind of insurance is most essential for professionals, service providers, as well as business owners.

Trends of Liability Insurance in India

We have seen a surge in premium from liability insurance over the past few years, since India is an emerging market for liability insurance today. This is due to the increasing exposure of the Indian companies abroad as well as many MNC's making its way into the Indian market due to globalization. The increasing thrust on greater transparency and better corporate governance has given the much-needed impetus to Directors & Officers (D&O) liability insurance in the Indian market. In today's increasingly volatile marketplace, a growing number of corporates are opting for D&O covers to safeguard the interests of their company and that of their directors and officers. Similarly, the upsurge in the Indian outsourcing industry has resulted in the emergence of Errors & Omissions (E&O) liability insurance as an increasingly reliable avenue of risk transfer for Indian IT services & BPO companies. Product Liability insurance has also been growing due to the increasing consumer awareness and the rising risk of legal action against manufacturers particularly in the pharmaceutical, auto & auto components and food and beverage industries.

As per IRDA figures for 2011-12 (till Sep 2011), private insurers contributed 57% of the Liability Premium as compared to the PSU insurers contribution of 43%. This is a line of insurance where the contribution from the private companies is higher than that of public

sector companies. The obvious reasons are:

- Liability insurance is primarily a reinsurance driven product and the leading private insurers are backed by Global Insurance Leaders
- Liability insurance is a knowledge driven product, the insurers need to study the business of the prospective client, and design the policy accordingly.

Private players have an edge over the public insurers due to the expertise that they derive from their foreign partners on this crucial line of business.

Allianz Expertise

Backed by a strong partner like Allianz, Bajaj Allianz is now slowly making headway in the liability insurance area. Liability Insurance at Bajaj Allianz has grown at an average of 30% since last 5 years. In the years to come, we expect that this line will grow at a similar pace due to the growing awareness among customers. Unlike other general insurance products, liability insurance is not widely bought by retail customers. The Corporate and SME businesses are the target segment.

This branch of insurance being relatively new and with insuree's having limited knowledge about these products; technical expertise is what differentiates us from the others. All the liability underwriters at Bajaj Allianz have been trained at Allianz Corporate and Global Speciality, Singapore and well-equipped to handle the proposals and explain the relevance of coverage and clauses of the policy to the Intermediaries and clients.

We have launched SME D&O policy last year which is a pre-underwritten policy, and one of a kind in the industry. We also have Bajaj Allianz Platinum D&O policy and Public Offering of Securities Insurance which would be introduced this year, customised for the Indian market.



“Real Innovation is required for **Liability Insurance in India**”

Essar Group is a well diversified company having its presence in steel, power, telecom, BPO and construction industries. NEWSTRACK spoke to Dinyar Manekshaw Jivaasha, Group Global Head & Senior Vice President, Essar Group, Corporate Risk and Insurance Management, who provided us with some interesting insights into the limitations that Liability Insurance has in Indian markets and how the covers offered in India differ from that of International markets. He also talks about how detariffing has affected the major corporate lines of business in terms of pricing.

INTERVIEW : DINYAR MANEKSHAW JIVAASHA

As the global head of risks in a large conglomerate, you are a witness to last 5 years of free pricing regime in the fire and engineering lines that forms the chunk of corporate business. How has been the journey? Do you think this underpricing can

continue and what will be the effect?

The journey has been eventful. In my tenure, I have seen the industry being nationalized and tariffed, and, again liberalized and detariffed. I do not think that there is underpricing in all cases. During the tariffed

regime the rates in India were much higher than those globally and thereafter, on liberalization we have seen a downward spiral.

As regards underpricing, wherever present, this will continue until there are major CAT Claims which will financially affect the industry, and thereafter, will lead to an automatic correction in the rates.

What is the difference you have experienced while purchasing insurance globally and in India?

The major difference in purchasing insurance globally and in India is in the depth, the expertise and the variety of insurance covers and clauses available abroad.

While globally, we have negotiated niche covers, encompassing the breadth of the requirements for our operations and projects located in the USA, Canada & Europe, we have not had the same experience for our large operations and projects in India.

According to you, when would clients and insurers lay stress on service and move away from L1 price syndrome?

There are clients, like us, who have already laid stress on quality and service in sync with the pricing. However, I do not see in the near future, most of the clients moving from the L1 price syndrome. At present, managements are focused more on cost savings via premium than quality and service, whereby insurance executives are forced to give pricing priority over service.

Where do you think innovation should come in designing covers for corporate? Should regulators free wordings?

"Real Innovation" is called for in Liability Insurance. Not only is the market very limited for niche liability insurances, but the current Indian insurance market is not geared to handle "Complex" liability insurance covers and claims, in line with their international peers, especially given the Indian regulatory & judicial framework which is not as litigious as that of the developed countries around the globe.

Further, the coverage under Liability Insurances provided in India, is curtailed and is certainly not in line with the covers offered in the international markets. The scope of these covers need to be brought in line, given the fact that more Indian conglomerates have started to operate globally and will be in immediate need of this critical cover.

The regulator should allow innovation in the product offering and structure. However wisdom needs to be maintained as regards the freedom in wordings. Given that the Indian regulatory and judicial framework is not geared up to handle US or even European style Class Action Lawsuits, wordings will have to be offered in line with the ability to understand, manage, and settle complex claims of this nature.

Talking further on Liability which is a line of business that hasn't seen the desired interest level of penetration among corporates in India other than the global conglomerates- any reasons for the same?

The critical reasons for lower level of penetration of Liability Insurances

among corporates in India, are as under:

- The judicial system in India is essentially not geared up to handle Class Action Litigation in the country, neither does the current regulatory structure allow for the same, which leads to the perception of lower exposure for legal and financial liabilities among the Indian Corporates and hence the thought that this is not necessary under the current scenario.
- Currently, Indian Insurers do not offer comprehensive Liability Insurance Wordings when compared to their North American and European peers. The cover offered in India, at best provides restrictive coverage to the Indian Corporates requiring liability insurances, which as such does not fully cover the exposure faced by large Indian Corporates and especially for those corporates which operating globally.

Kindly advice on how a conglomerate like Essar should structure their liability program?

Indian Conglomerates of our size and nature can structure their Liability Insurance Programs as under:

- Liability Insurance Programs need to be structured at the ultimate parent company level, covering all its subsidiaries down the line.
- Comprehensive terms of cover need to be sought by the corporates post a detailed and thorough analysis of the liability exposures by subject matter experts and the availability of coverage for exposures. Given the level of complexity of Liability Insurances, risk managers need to be aware of all types of coverage offered by the market and also the ability to develop products working closely with insurers, which will specifically address their unique exposures, as we do working closely with our insurers in India and abroad.

How important is the reinsurance program of the insurer and what is its relevance for a client?

The Reinsurance Program of the Insurer is most critical to the client for the following two reasons:

- Rating of the Reinsurers and their past track record in claims payment are critical factors that determine their financial credibility and strength. Clients should be cautious and should always seek a confirmation from their Insurers about the credibility and financial strength of the Reinsurers.
- Besides, clients should also do their own homework. Clients also need to be aware, whether there are any adverse cut through clauses agreed between the insurer and the reinsurer, which may have a material impact on the cover, and in the event of a claim. This is a critical aspect for business continuity planning.

Finally, What is your secret in making such complex choices?

I believe that life is a sum of all the choices we make, big or small. Our actions forge our future and hopefully inspire others in leading their lives.

Group Insurance – taking insurance beyond individual



NIMISH AIRON
HEAD CORPORATE DIVISION AND STRATEGIC ALLIANCES
BAJAJ ALLIANZ LIFE INSURANCE

Life insurance is usually synonymous with individuals only. With the growing needs of providing protection to a larger section of the society, insurers have moved beyond individuals to include a group of individuals. The policies offered to a group is a group insurance policy which can be taken by any group of people big or small, that comes together for any reason apart from that of specifically benefitting from an insurance scheme and can also be extended to any single homogenous group even beyond employer-employee groups.

A group insurance differs from an individual insurance in certain aspects such as products, coverage terms and policy administration. The cost of insurance under group insurance is low unlike individual insurance because of simple underwriting practice and allows for easy

administration. The stark contrasts in a group policy is that a single policy is issued for group. The group of lives is insured under a single contract with the same terms. A master policy is issued defining the contract, the group of lives to be covered, benefits, contributions & terms and conditions. The premium payment can either be entirely paid by the group owner or can be contributed by each member.

There are obviously some benefits under group insurance which is a default insurance cover as group insurance provide “auto-cover” to the member simply by virtue of being part of that particular group. This ensures at least a basic cover to those who are otherwise without any insurance cover. Besides this, it is a welfare plan by the group owner for its members for which they can get tax benefit.

Group insurance products

Since the needs of group are taken into consideration, products are customized to the needs of the group. Some of the typical Group Insurance plans are Group Term Life (GTL), Group Savings Linked Insurance Scheme (GSLI), Group Gratuity, Group Superannuation and group Loan Protector Scheme.

Fund management services

Besides this form of customized insurance products for the group, life insurers also offer a service in assisting a corporate entity in managing their employee/member benefits schemes in order to safeguard their employees/members from financial uncertainties. In order to create a pool efficiently, experienced fund management from insurance companies is beneficial. Today, most of the organizations outsource their employee benefit program to insurers rather than managing the funds by themselves. Outsourcing of such benefit programs provides ease of operations and fund management at a low administration cost. Some of the key reasons why any organization should outsource its funds to insurers are –

- An experienced investment and dedicated team for administration & investment of funds that is continuously involved in market research.
- Actuarial valuation & low administration cost as it can save the cost to get the actuarial valuation done as the insurer provides with free valuation & certificate as per As -15/(R) at least once in a year. The administration cost involved is low.
- Choice of Schemes – A choice of non unit linked & unit - linked schemes with multiple fund option are available if outsourced.
- Gratuity – In case of death whilst in service, gratuity paid is calculated for the full length of service up to the date of normal retirement age.

- However in case of self managed, gratuity is paid on the basis of calculation to the extent of actual service rendered.
- Liquidity of Fund – The organization does not have to worry to address the liability immediately because of resignation, death or retirement during the year as it is transferred to the insurer.
- No Idle Fund – Funds are managed by a professional fund manager who continuously tracks the investments & markets.
- Credit Risk and Re-investment – This risk is taken care by the insurance company

Bajaj Allianz Expertise

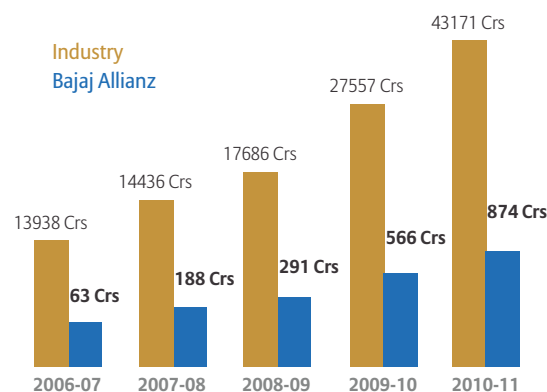
Bajaj Allianz is one of the largest asset under management companies in India and manages an AUM of ₹ 35,545 crores as on (Dec '11). Bajaj Allianz has been the most profitable life insurance company for the last 3 years and has been delivering superior policy holder returns. At Bajaj Allianz, the investment philosophy is to deliver superior risk adjusted returns by using a disciplined fund management approach. Some of the services and expertise at Bajaj Allianz are –

- Fundamental research backed investment philosophy
- Experienced investment team
- Robust risk management practices

•Service Deliverables

Bajaj Allianz has a team of dedicated relationship managers to address the client's concerns with predefined service deliverables. With this we also help in formulation of schemes, drafting of scheme rules and creation of trust for. For our clients, we also have monthly and quarterly reviews on service and investment performance.

First year premium - Industry vis-a-vis Bajaj Allianz (In ₹)



Aim for superior returns

RESHMA BANDA, FUND MANAGER, INVESTMENTS, BAJAJ ALLIANZ LIFE INSURANCE

Group funds of Bajaj Allianz continue to perform well in comparison with the benchmarks and as well as peer group. Our approach of sticking to good quality companies with strong cash flows has to the superior performance in our portfolios. Our approach to these funds continues to be delivering superior risk-adjusted returns. We believe, that the process driven approach of ours with the help of experienced investment team would enable us to sustain the superior performance in the coming years.

Stable, Secure and Accelerated funds are some of our oldest funds in the group platform which have got exposure to both debt and equity. These funds have generated good results as against Nifty benchmark and as well as peer group. Our judicious mix of asset allocation along



with stock selection has helped in generating superior returns. Our maximum exposure limit to equities in Stable fund is 35%, and for Secure fund it is 20% for accelerated fund it is 50%.

Our approach in fixed income portfolios is to focus on generating returns from the superior quality credits. Our thorough analysis of macroeconomic data and as well as strong credit evaluation matrix helped us in generating good returns with optimal risk. Our funds in the debt category have been ranking in the top quartile and are ahead of the benchmarks.

FUND NAME	CAGR					
	6 month	1 Year	2 Year	3 Year	4 Year	5 Year
Secure Gain	2.4%	6.5%	9.0%	11.7%	9.5%	11.2%
Stable Gain	0.6%	5.0%	8.2%	13.2%	19.1%	10.6%
Accelerated Gain	0.3%	3.4%	12.8%	23.1%	13.6%	15.3%
CNX NSE Nifty Index	-5.2%	-5.6%	3.2%	21.8%	0.3%	5.0%

FUND NAME	CAGR				Date of Inception	Returns since Inception CAGR
	6 month	1 Year	2 Year	3 Year		
Group Debt Fund	4.6%	9.1%	8.5%	8.6%	26-Mar-08	9.8%
Group Liquid Fund	4.6%	9.0%	8.0%	9.4%	1-Nov-08	9.7%
Group Short Term Debt Fund	4.6%	7.6%	8.1%		11-Mar-09	7.7%
Crisil Composite Bond Index	4.5%	8.1%	6.2%	5.7%		



National Bank For Agriculture and Rural Development (NABARD) is an apex development bank with a mandate for facilitating credit flow for promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts in India. NEWSTRACK spoke to S.K. Mitra, Executive Director, NABARD for his views on outsourcing of employee benefit schemes and NABARD's relationship with Bajaj Allianz.

INTERVIEW : S.K. MITRA

Do you think an organization should outsource the funds rather than self managing and why?

I think, every organization should take a call on whether to outsource their employee benefit schemes based on their internal abilities to manage investments & the returns that other specialized institutions are able to generate.

“Performance & fund manager's expertise are dominant parameters”

What process do you follow to select the Insurance Partners?

We follow a transparent & open process of inviting the insurance partners based on their years of operations, the size of AUM and of course past performance.

Which fund have you invested in and why did you choose to do so?

After a lot of deliberation and internal advice we have invested in ULIP type of fund with a cap on equity exposure so that the objective of growth over a longer term, while preserving the capital investment, is achieved.

Do you think investing in unit linked funds could be more beneficial for an organization as compared to traditional fund?

Organisations will be better placed to make a balance of both type of products available in the market in their portfolio.

How do you measure / rate the performance of the fund by Bajaj Allianz?

We have been associated with Bajaj Allianz since March 2010. So far our experience has been pretty good based on their good performance.

What are some of the parameters that an organization should consider before selecting the insurance company for fund management?

The past performance of returns over a period and fund manager's experience & expertise can be two dominant parameters.

In what manner has Bajaj Allianz helped and added value to your organization?

Bajaj Allianz has been performing comparatively well over the last two years. Besides, they have provided advisory help in setting up the trust and other procedural issues connected therewith.

“Service orientation of the insurer cannot be overlooked”

Whirlpool Corporation is one of the leading players in the global home appliance industry. Bajaj Allianz Life Insurance provides employee benefit solutions to Whirlpool India. NEWSTRACK spoke to Ravi Sabharwal, Sr. Director Legal-Asia South & Oceania, Whirlpool about the benefits of Group Insurance Covers.

INTERVIEW: RAVI SABHARWAL

Why do you think it is relevant for an organization to take a Group Insurance Cover for its employees?

A group cover helps the organization to safeguard their employee's interests. The group plan provides financial security to its employees and their family members, comfort to the insured due to ease of operations and fund management. It also aids the organization in its corporate social security endeavor.

What additional features in your opinion will make the Group Policy more beneficial for the employees?

In my opinion, features like additional coverage for permanent and partial disablement of the insured would prove to be beneficial.

How does the organization benefit from such schemes?

Employees get a sense of security and in times of need an employee is not stressed. This helps them to focus on maintaining work efficiency in difficult times as well.

What are some of the critical parameters which you think the organizations should consider while selecting the insurance company?

While selecting an insurer, every organization should do a check on



certain criteria like company background on both financial and experience front. The cost effectiveness of insurance offered is another crucial parameter. The service orientation of the client is also an important decisive factor i.e. the ability of the insurer to settle the claims effectively and the flexibility to meet the desired insurance requirements.

How does the Group cover help the employee while many employees may be having a retail policy?

The Group Cover involves low administration cost and provides an ease of operations and fund management. It provides better coverage and terms and conditions as well as a choice of multiple fund options.

How critical do you think is the claim settlement ratio of the company?

Claim settlement ratio is a very important criterion in selecting an insurance service provider. It gives us an outline on the claim paying ability of the insurer and the orientation of the insurer towards effective claim settlement. This means that the purpose for which insurance was taken for employees has been achieved.

With so many players entering the market today, there may be fair amount of competition in pricing the product. In such a scenario should pricing be the main consideration or services offered for selecting the Insurer?

Combination of both the factors price and service needs to be considered while selecting an insurer. While price is an important criterion, service orientation of the insurer can't be overlooked, either.

“Competitive pricing with exceptional services makes **Bajaj Allianz our preferred partner**”



INTERVIEW: R. SRIDHAR

Operating since last 50 years Indian Metal and Ferro Alloys Ltd (IMFA), is the country's largest producers of Ferro Alloys and one of the biggest private organizations in Orissa. Bajaj Allianz Life Insurance has been providing them with group cover since the last 5 years. NEWSTRACK spoke to R. Sridhar, Deputy General Manager, Insurances about the benefits of group insurance cover to both an employee and the organization. He also elucidates his views on the criteria that any organization should consider while choosing an insurer.

Why do you think it is relevant for an organization to take a group insurance cover for its employees?

Employees are considered as human assets. As part of the risk and insurance management, every asset of the organization needs to be protected against all possible risks. So is the case with human asset which is far more valuable than other assets. Further providing life risk coverage to the employees and through that financial security to the family in the unfortunate event of death is the best way for the organization to show its concern for the employees and their family members. It also goes a long way in improving the relationship between the employer and employee. An organization can also use this as one of the best employee retention tools.

What additional features in your opinion will make the group policy more beneficial for the employees?

In my opinion, Term Life Insurance is a very simple policy providing pure life risk coverage. Some of the common riders like paying double the sum assured in the event of accidental death is already available. Of late, employees are interested for extension of this policy to cover their family members also. So if we can make it a floater type of policy covering the entire family or covering them under the same policy may be for different limits, will make the policy more attractive to the employee. It will be cost benefit because of substantial discount due to group size.

How does the organization benefits from such schemes?

Such employee welfare schemes work as a big motivating factor in an organization. It also plays a role in improving the morale and productivity of the employee. Experience has showed us this. It also helps an organization to attract and retain more skilled and experienced man power.

What are some of the critical parameters which you think the organization should consider while selecting the insurance company?

Generally, the company should be a well established one with a reputation in the market and should be managed well by an excellent team of experienced professionals. Technically, the company should have a sound under-writing team with adequate reinsurance support. It is also important that the company should be able to handle and pay big claims for which a well organized claims management system should be in place. These are the major factors one should consider before deciding to place the business.

What was the reason for choosing Bajaj Allianz as your preferred insurance partner to provide group term cover to the employees?

Initially, when we decided to place this business with Bajaj Allianz, the pricing was the primary and a major factor. Bajaj Allianz provided a very competitive rate for this policy. Later in the second year of the policy, we filed a claim for death of one of our executives and the claim was settled very promptly, faster than we expected. That created a good level of confidence in the set up and we are continuing the relationship ever since. Thus the company's network, competitive pricing with exceptional after-sales services makes Bajaj Allianz our preferred partner.

How does the group cover help the employee, when many employees might be having a retail policy?

Employees, as individuals, might have a policy or may not have one. On retail basis, many plans are available – from endowment to pension plans with varying sum insured. If you have a look into that, in many cases, the coverage taken by individuals will be far from adequate for the simple reason, high sum insured is cost prohibitive for them. In many cases, the policy may not be kept valid also for some or the other reason.

Group cover taken by the organization ensures a reasonable and adequate coverage to every employee as long as he/she is in the service of the company. Another important

factor is the price. Though every employee would be interested to have adequate coverage, cost becomes the factor. Whereas under the group policy, employee gets a higher cover for free or at a lower price, which is not possible under retail cover. Another important factor is in an unfortunate event of death of the employee, documentation will be very simple and settlement will be faster under group cover as compared to the individual plan.

How critical do you think is the claim settlement ratio of the company?

Definitely, it is very important. The very purpose of taking the policy is to ensure financial compensation to the family of the deceased employee. If the insurance company is not able to address the same, then the cover itself would be meaningless. Today, all kinds of statistical data is available, thanks to IRDA. One such data is the percentage of claims settled by a company and percentage of claims rejected by a company. Definitely, as a customer, we would not like to deal with a company with poor claims settlement ratio. To ensure that the company continues to be a preferred insurer, maintaining better claim settlement ratio is very important.

With so many players entering the market today, there is a fair amount of competition with respect to pricing of the product. In such scenario should pricing be the main consideration or services offered for selecting the insurer?

Yes, definitely there is competition and it gets very severe with more and more players entering the market. A healthy competition is most desired. Though the pricing will be the major factor but it can not be the only factor. A good price without proper service will be no help to the client. Also, if an insurer agrees to provide excellent service but at a very high price, that will also not be acceptable. So while keeping the price as the basic factor, all other parameters have also to be considered before selecting the insurer.



“Bajaj Allianz has maintained impeccable **service levels over the years**”

Reliance Industries, does not need any introduction, as it is one of India's largest business enterprise and also a Fortune Global 500 Company. NEWSTRACK spoke to Debapriya Ray, Vice President, Corporate Insurance Department, Reliance Industries Limited for his views on Group Life Insurance and their association with Bajaj Allianz.

INTERVIEW : DEBAPRIYA RAY

Why do you think it is relevant for an organization to take a group insurance cover for its employees?

Any organization has to look after their internal customers i.e. the employees. Towards that direction besides the obvious direct compensation of salary / CTC, the non-monetary incentives are also very important; in which comes the group insurance of various types

covering the employees under their canopy. When unforeseen eventualities strike an employee or his family member inundating him with worries especially financial, this group insurance assumes tremendous relevance. Hence, any forward looking employer would not like to miss this out.

What additional features in your opinion, will make the group policy more beneficial for the employees?

Employees in a particular organization get adapted to facilities of the group insurance e.g. group term life insurance / gratuity / personal accident / mediclaim etc., but unfortunately for them, the moment

they cease to become an employee all these insurance covers extinguish and they go unprotected. Portability of all employee group insurance schemes (may be with different conditions / premium) should be introduced injecting a dose of tranquility into the grim struggle when job is gone / changed. The product variant also is a desired feature in the industry dealing with same old stereotyped traditional products. Turning upside down and inside out a product can be positioned to cater to the ever-expanding complex employee needs.

How does the organization benefit from such schemes?

The organization should consider these schemes as purely employee welfare measures fulfilling employer's obligations to employees, rather than weighing benefits derived out of them. Having said that, we know with stabbing surety that there are a bevy of incidental gains e.g. heightened level of employee involvement and commitment. We gather that these group insurance benefits that a company sports even results in attracting talent and helps in retaining them. An organization with well-planned group insurance employee benefits in place can achieve sharp decline in catastrophic employee attrition rate in today's changing scapes.

What are some of the critical parameters which you think the organization should consider while selecting the insurance company?

There are several parameters but the most critical are credibility / reputation, dependability, service experience in the market, expertise, convenience and last but not the least, price competitiveness.

What was the reason for choosing Bajaj Allianz as your preferred insurance partner to provide group term cover to the employees?

We have chosen Bajaj Allianz for some of our group insurance products like Group Term Life Insurance on the basis of our evaluation

on the points mentioned in the previous point. But besides all above, the relationship that Bajaj Allianz has maintained at pre-sales and even post-sales stage is really praiseworthy. After selecting them as a partner we are satisfied as they maintain contacts and an impeccable service level.

How does the group cover help the employee while many employees might be having a retail policy?

When juxtaposed to individual insurance which can be opted by an employee, the group insurance policy does a world of good to the employee and benefits him. Some of them are-

- Better coverage at lower cost as competent experts in organization's insurance department are in a much better position to negotiate coverage as well as other terms with insurers. Even the insurers are relatively free to devise policies in group side as compared to individual policies which are seldom flexible. The premium can also be well bargained since insurer gets large topline business volumes from group insurance with low cost of procurement/servicing.
- Streamlined processes under company management leading to regular premium payment reducing chances of lapse of cover, also for handling claims etc. Even at the time of claim settlement, an individual insurance client is lost in proliferating processes and perambulating practices of insurers whereas group insurance claims are systematically taken care by the organization.
- In case of term insurance, in case of an eventuality it ensures insurance claim is realized and paid to the nominee by the organization in contradiction to individual policy where claim is to be initiated by the nominee by submitting documents e.g. policy bond (which in many cases may not be available with the nominee) etc.
- The sales driven retail insurance product variance makes individual consumer bewildered and many times result into buying something, not really by choice but by compulsion, whereas in group insurance

• arranged by organization the vital needs are taken care of.

• The wordings of a group insurance policy is judiciously drafted; whereas in case of individual insurance - whether it is offensive or innocuous - the fact is fine prints in policy wording do exist and they normally pop up to frustrate a claim at the time of an exigency. This defeats the very purpose of insurance.

How critical do you think is the claim settlement ratio of the company?

Claim settlement ratio is the single most critical factor. The essence of any insurance is vindicated at the time of an eventuality when claim is settled.

Not only settling claims but settling them on time is crucial. Particularly in case of group health insurance when an employee or his family member is in the hospital or in case of term / personal accident insurance when the employee is no more and his family needs the monetary support immediately and in those testing times the insurance amount should come handy.

With so many players entering the market today, there may be fair amount of competition in pricing the product. In such scenario should pricing be the main consideration or services offered for selecting the insurer?

Price is surely not the sole factor as explained earlier, albeit it is a decisive factor to be considered by any organization while selecting a group insurer. The outgo of the company is to be definitively looked into and if a product is available at competitive price any company will be inclined to go by the simple 'L1 bid' process. Particularly in a highly regulated insurance market with grievance cells, ombudsmen, consumer forum etc in place and the strength of a company other factors like servicing / claim delivery by insurer are taken for granted; leaving the USP of the insurer to a challenging and compelling agenda to 'cover at lower price'.



IRDA has issued some guidelines on group long term products especially on its returns and premium rates in order to streamline the products and make it simpler to understand.

A S Narayanan, Chief Distribution Officer, Bajaj Allianz Life Insurance decodes it as below –

IRDA has specified the minimum IRR in group long term products in case of ULIPs and has also capped commissions in case of traditional products/other non linked products. The inherent benefits are transparency, uniform commission rates to an intermediary irrespective of group or individual life platform. However, the customer is not at a disadvantage. A significant effect of this guideline is if premiums are deducted without customer consent it will be considered as a breach of regulations. This can be dealt with like any other mis-selling or other grievance and IRDA can act suitably against the corporate agent or insurer concerned. In any case it can be made clear that certificate of insurance are to be compulsorily issued individually to each member.

In keeping with the popularity of limited premium products, customer's cash flow may be suited to shorter paying terms with longer cover. In today's world the customer is not certain if he can pay regular premiums for 10/15/20/30 years – so if products are available which allow payment for a shorter period and offer longer term cover and also returns on the premiums paid, it is a good option for many customers. In any case the value addition does not come from the product being a group life or individual life product. It comes from the product proposition for the customer. Towards this the IRDA has already initiated discussions on need based selling.

The need based selling norms should be applicable for individual or group life products and this will assess product suitability and value addition for customer. In case of group life, once the product is purchased the member should be allowed to continue the policy for the entire term. This would be irrespective of the master policy holder discontinuing new enrollments or the member leaving the group. Thereby one can terminate a member's benefits by force and this should resolve any concern on policy holder's interest protection in this matter. Group master policy holder and insurer would be liable to service the member for the duration of the member's policy.

Customer speak

"Gail employees Coop. T & C Society Limited appreciates your efforts and the assistance Bajaj Allianz offers to our Employee Benefit Schemes. Not only our society but also the members are satisfied with your services and prompt response to our queries."

Ashish Jain
Vice-president, Gail Employees Coop. T&C Society Ltd

"It is a great pleasure to have continued relationship from last two years. We appreciate your prompt services in regard to settlement of our issues well in time. We look forward to the same in future."

Amar Ujala Publications Ltd.

"Bajaj Allianz has helped us out in need within the shortest time possible and transaction of the fund of our organization has been quicker than we thought."

Father Jacob
St. Joseph School

"I would like to convey that we have been receiving excellent, timely and useful information from relationship manager and other officials. During meetings, we observe that many information and updates on Pension and related matters are shared and we are extremely happy on the same."

K S N Bhat
Trustee Pension Funds, Senior Manager EPF, HO, Canara Bank

"I express my sincere thanks for all the support and timely response that you have provided to my organization. Thank you so much for this valuable contribution."

Richa Sharma
Human Resource Department
Mankind Pharma Ltd.

"Good communication and co ordination with our Bank's team who are handling Group Policy and response is very good with timely reply and solution to the problems."

Surya Narayan Patro
Finance Department
ING Vysya Bank Ltd.

"We have been assisted by your company in respect of staff gratuity and accidental insurance. We appreciate the services being rendered and look forward to continued association."

Lakshmi Energy & Foods Limited

A quarterly review of claims handled

Life

Claims Settlement | Oct to Dec 2011

	Claims Outstanding as on 1 Oct 2011	Claims intimated	Claims settled	Claims repudiated	Claims Outstanding as on 31 Dec 2011
Death	1,729	6,463	5,840	375	1,977
Riders	16	110	59	50	17
Health care	4	7	6	5	-
Total number	1,749	6,580	5,905	430	1,994
Total amount*	34.75	99.47	83.56	10.14	40.52
Claims Settlement ratio 92.66% *in ₹ crores					

Turn around time (TAT) | Oct to Dec 2011

	Count of days					Total no. of claims decided
	0 - 15	16 - 30	31 - 45	46 - 60	> 60	
Number of claims	2,687	1,697	1,040	345	566	6,335

Cases Referred to Ombudsman and consumer forum | Oct to Dec 2011

Opening as on 1-Oct-11	Intimation	Won	Lost	Closing
948	164	37	27	1048

Non Life

Closed Claims Ageing Analysis | Oct-Dec 2011

	Count of Claims Closed				Total no. of claims	Total amount paid in ₹ Crores
	0 - 30	31 - 90	91 - 180	> 180		
Motor (OD)	78,464	13,322	3,008	1,071	95,865	180.27
Motor (TP)	181	213	350	3,683	4,427	73.08
Health	19,419	6,519	1,629	325	27,892	76.44
Property & Engineering	571	585	371	256	1,783	32.82
Miscellaneous & Others	3,417	1,650	834	586	6,444	45.68
Total	102,939	22,289	6,192	5,921	136,411	408.31
Claims paid within 90 days (Excluding Legal & TP Claims) - 95%						

Settlement Report | Jan to Dec 2011

	Outstanding as on 31 Dec'10	Registered from Jan-11 To Dec'11	Paid from Jan'11 to Dec'11	Outstanding as on 31 Dec'11
Motor (OD)	18,195	400,091	403,129	17,285
Motor (TP)	53,322	20,389	18,848	56,631
Health	7,122	97,213	100,537	4,667
Property & Engineering	1,934	7,141	6,959	2,265
Miscellaneous and others	4,163	27,927	28,474	4,321
Total	84,736	552,761	557,947	85,169
Claim Settlement Ratio as on 31-Dec-2011 (Excluding Legal & TP Claims) - 90%				

Cases referred to Consumer Forum & Ombudsman | Oct to Dec 2011

Total no. of cases received	No. of cases settled	Bajaj Allianz won	Bajaj Allianz lost
306	284	169	115



“During 3rd quarter, our outstanding figures have gone up by 245 cases, and we have processed 6,335 cases. However, we were able to maintain healthy turnaround time with 42.42% claims settled within 15 days, 69.20% claims getting settled within 30 days and 85.62% claims getting settled within 45 days during the quarter which is an improved performance when compared to our performance in previous quarter. Rigorous follow-up activities, concerted efforts to review pending claims has delivered the above results including bringing down pendency of beyond 180 days to nil as stipulated by IRDA. Consistent performance is evident on analyzing our pendency of 1994 cases wherein 74% pertain to less than 30 days pendency and pendency beyond 90 days coming to double digits viz 63 cases which forms 3.15% of total pendency.”

P Ravi Kutumbrao, Sr. VP - Claims
Bajaj Allianz Life Insurance



“In respect of health claims, a focussed approach was adopted in November and December 2011 to bring down the outstanding claims. It is heartening to note that the HAT team has done a tremendous job in bringing down the outstanding claims from last year's level at 7122 claims to 4667 claims and we would like them to maintain it in the last quarter too. As regards other outstanding claims in Property and Misl., we intend to replicate the success we have been able to achieve in health claims and hope to bring down the outstanding claims to reasonable levels by 31st March 2012.”

T A RAMALINGAM,
HEAD UNDERWRITING
Bajaj Allianz General Insurance

Global crisis, local opportunity still exists

SAMPATH REDDY, CHIEF INVESTMENT OFFICER
BAJAJ ALLIANZ LIFE INSURANCE



With significant liquidity pumped in by the European Central Bank through LTRO (Long Term Refinancing Operations) route in December 2011 and more to come in February 2012 end, the immediate concerns of some European countries sovereignty and European Banks liquidity has eased. This was well supported by better macro economic data coming out of US, where employment and manufacturing data showed improving trend. Markets ignored rating agency, Standard and Poors' (S&P) rating downgrade of several European countries, with liquidity infusion and better macro data.

Thus, we had seen a rise in asset markets across the globe in January and February due to the "risk on" trade across the globe. In India, was one of the best performing markets globally during Jan-Feb 2012, due to the large inflow of foreign funds. FII's during the tow month period brought in over \$ 6 billion. However, the local investors continued to express the caution and have used the rally to book profits. Mutual funds and local insurance companies have overall have sold over \$ 2.5bn during the same period.

The central banks across the globe continued with their pro-growth, easy liquidity stance. The Bank of Japan announced recently that

they would continue asset purchase program to increase the level of liquidity. In India, Reserve Bank of India cut CRR from 6.0% to 5.5%, infusing ₹320 billion in to the system, easing the pressure on liquidity in the banking system. Also, the RBI continues with its OMO (Open market operations) and has thus injected a liquidity of ₹90,000cr through this mechanism. Given the continued tightness in the interbank liquidity and easing inflation, it is now widely expected that RBI will cut the CRR by another 50 to 100bps by the next policy meeting to be held on 15th March. With this it is clear that the we are already into the easing of interest rate cycle . Inflation too eased moderately from December 2011 levels of 7.47% to 6.55% for the month of January 2012. Yields in the Indian government bond market eased, but this is mainly attributable to the RBI's continued Open Market Operations. Yield on 10 year G-secs have come down from the peak of over 8.9% pa to closer to 8.2% due to the RBI's intervention. However, the short term yields continue to be high due to the poor liquidity. We expect the yield curve to come back into positive slope only by April-May 2012.

India's Industrial Production continues to shows a weak trend with November growth of

5.9% and December growth of just 1.8%. Fiscal deficit continues to be a worry. Government further announced to borrow additional ₹40,000 crs at the end of December, with this the total additional borrowings would be higher by ₹93,000cr during the current fiscal. Higher oil subsidies and lack of disinvestment proceeds and slower growth in tax revenues were the key reasons for the fiscal slippage. The Government strategy of divesting of its equity through FPO (Follow on Public) issue did not receive good attention. However, we believe, before the budget, the government could come out with guidelines on the auction window and could garner funds worth over ₹10,000cr through divestment. Cabinet approved the draft version of the Food Security Bill which aims to feed 75% of India's rural population and 50% of the country's urban population. The bill is expected to result in an increase in fiscal deficit by 0.4% if it gets approved by the parliament for the next fiscal. Weak Indian Macro situation and concerns on policy paralysis etc had led to sharp depreciation of India Rupee from September levels by 15%. However, the currency reversed sharply with appreciation of 9% post RBI's intervention in the FX markets and global liquidity infusion. RBI also implemented measures including hiking the interest rate for

NRI/NRE deposits offered by banks to reduce volatility in the currency. It is estimated that the RBI has injected over \$12bn to stabilize the FX market. Though markets are expecting commencement of interest rates easing cycle soon, a combination of stubborn inflation, slowing growth and currency vulnerability limits RBI's ability to commence easing cycle aggressively.

Earnings for companies for the quarter ending December 2011 have been a mixed bag. The Sensex earning target for FY12 remains in the narrow range of ₹1100 to ₹1150. The aggregate earning growth of 9% has been in line with expectations. This is the first quarter since the last four quarters where there has been no downgrade in earnings as we have anticipated. Banks, Auto and Technology were biggest contributor to earnings growth, while Oil and Gas and metals were laggards. Also the earnings growth expectations for the next year is

Fund Performance

Our fund performance continues to be good across all the segments. While the equity market was flat for the last one year, most of our funds have generated decent returns of high single digits. And also all of our large cap and mid cap funds continues to outperform the benchmark.

Large cap equity funds	CAGR		
	1 Year	2 Year	3 Year
Equity Gain	2.6%	5.2%	25.1%
Equity Plus	7.6%	7.4%	27.6%
Equity Plus Pension	12.6%	13.5%	34.4%
Premier Equity Gain	11.0%	11.8%	32.7%
Equity Growth Fund	8.1%	8.9%	27.3%
Equity Growth Fund II	10.5%	11.8%	
Premier Equity Growth Fund	10.6%	11.8%	30.5%
Equity Growth Pension Fund	11.2%	12.8%	32.6%
Blue Chip Equity Fund	5.0%		
Growth Plus Fund III	10.0%		
Pure Equity Fund	8.9%	6.9%	29.3%
Pure Stock Fund	7.6%	6.5%	27.9%
Pure Stock Pension Fund	6.9%	7.6%	35.0%
CNX NSE Nifty Index	1.0%	4.6%	24.9%

Cash funds	CAGR		
	1 Year	2 Year	3 Year
Cash Plan	7.3%	6.3%	6.6%
Cash Plus	9.1%	8.0%	8.3%
Cash Plus Pension	9.2%	8.3%	8.7%
Liquid Fund	8.7%	7.7%	8.0%
Liquid Pension Fund	8.8%	7.9%	8.2%
Crisil Composite Liquid Index	8.4%	7.1%	6.0%

now moderate and are likely to be easily achieved. Given that market has rallied over 15-20% in the last 45 days, there could be a correction in the market which should be viewed as good entry point.

The critical factor to watch out for is Uttar Pradesh election results, announcement of Union budget and RBI monetary policy meeting in March 2012. With the possibility of the election results having a potential bearing on the structure of the Central Government and therefore on the policy reforms going forward, it will be key to see how the events pan out. Markets would be keenly watching Government's stance on fiscal targets in the budget and roadmap for implementation of GST and timing of interest rate easing cycle to commence.

Our fixed income funds and asset allocation funds continue to generate steady returns. Our focus is to generate superior risk adjusted returns across all of our funds.

Mid cap equity funds	CAGR		
	1 Year	2 Year	3 Year
Mid Cap	3.5%	2.5%	29.1%
Mid Cap Plus	4.3%	5.8%	37.1%
Mid Cap Plus Pension	5.1%	6.1%	38.5%
Accelerator Mid cap Fund	3.7%	4.7%	35.8%
Accelerator Mid Cap Fund II	4.3%	5.8%	
Accelerator Mid Cap Pension	4.2%	5.3%	38.0%
NIFTY Mid cap 50 Index	1.6%	-3.4%	29.2%

Asset Allocation funds	CAGR		
	1 Year	2 Year	3 Year
Asset Allocation Fund	5.3%	6.1%	15.5%
Asset Allocation Pension Fund	5.5%	5.8%	14.5%
Crisil Balanced Fund Index	4.0%	5.7%	18.6%

Debt funds	CAGR		
	1 Year	2 Year	3 Year
Debt Plan	7.3%	6.7%	6.3%
Debt Plus	8.9%	8.3%	8.1%
Debt Plus Pension	9.8%	8.8%	8.6%
Premier Debt Fund	6.8%	6.0%	6.5%
Life Long Gain	6.1%	5.2%	5.2%
Bond Fund	8.7%	7.7%	7.8%
Premier Bond Fund	6.7%	5.7%	5.9%
Bond Pension Fund	9.0%	8.0%	7.9%
Crisil Composite Bond Index	8.3%	6.6%	5.8%



Against All Odds

The winner of Bajaj Allianz Inspirational Women Driver Hunt 2011 and the judge of this year's Inspirational Working Women Contest, she indeed is an inspiration for all of us. Eleven years ago, Deepa Malik lost all sensation in her body, from the chest down. Since then she has spent her life in a wheel chair & motorbikes and cars. She is an international sportsperson and has taken part in several auto rallies. She is India's first paraplegic female biker, and her 55 km run from Nasik to

Trimbakeshwar and back in 2009 earned her a spot on the Limca Book of World Records. Recently, she has been again awarded by the Limca Book of World Records for her journey to the world's highest motorable road at Khardung La, making it the highest raid by a paraplegic woman. Bajaj Allianz supported her by being one of the sponsors of this remarkable endeavor. She has also participated in the 2010 Commonwealth Games and is now training for the London Olympics.



Street Plays for Guaranteed Maturity Insurance Plan (GMIP)

Bajaj Allianz recently launched a new mini ULIP called Guaranteed Maturity Insurance Plan (GMIP). This product has been a one of a kind product in the market since it is available for an amount as low as ₹ 5000 and offers a guarantee of double of the amount invested. This deal therefore makes it an affordable product for a fairly large segment of people in Tier II and Tier III cities/towns.

In order to introduce and promote this product, the company opted to use street plays. These street plays were carried out in over 200 cities/towns in less than one month. Apart from the fact that it was carried out so extensively in such a large number of cities/towns, it is also the first time that a company opted for a medium like this to reach out to its widespread audience. The street play spoke about the importance of guarantee, and explained the features and benefits that this product comes with. The street plays were performed by local professionals and amateur theater groups.

CEO at the CII Round Table

CEO's round table discussion was organized by the Confederation of Indian Industry (CII) on "Addressing Distribution Challenges in Insurance". The event was held on 10 February 2012 at Hyderabad. This event was attended by Mr. Hemant Kaul, MD & CEO, Bajaj Allianz General Insurance. On this occasion Mr. J Hari Narayan, Chairman, IRDA released the CII report on Addressing Distribution Challenges in Insurance.



Hemant Kaul, MD & CEO, Bajaj Allianz General Insurance making of point at the CII Round Table Conference (Third from left)



Tapan Singhel, Chief Marketing Officer, Bajaj Allianz General Insurance (Third from left) at the 5th Loyalty Summit.

5th Loyalty Summit

5th Loyalty Summit was held in Mumbai on the 1st and 2nd of the month. This two day summit was centered on themes such as growth, leadership, transparency, and customer loyalty. It also focused on understanding why customer engagement is a key driver to business growth, developing a business model to have a positive impact on customer loyalty, building trust, integrity, and relevance into a business, along with customer strategy and the future of customer engagement for business.

This summit was attended by Tapan Singhel, Chief Marketing Officer, Bajaj Allianz General Insurance.

Blood Donation Camp

Bajaj Allianz Life Insurance organized a Blood Donation Camp in Kerala, as part of a yearlong activity called "Samarpanam" (Service to Humanity). This social activity was inaugurated by Honorable Revenue Minister of Kerala, Mr. Thiruvanchoor Radhakrishnan on January 14th 2012 at Sumangali Auditorium, Kottayam.

The Blood Donation Forum consisted of more than 7500 Bajaj Allianz employees, as well as agents and their family members. This Forum also saw over 150 people donating blood to the district hospital as well as to Kottayam Medical College, on the first day itself.

About the occasion, Thiruvanchoor Radhakrishnan, said, "It is very thoughtful of Bajaj Allianz to have taken this step in creating a Blood Donor's Forum. This will ensure the people of Kerala have the access to all groups of blood, whenever and wherever required."



Volunteers at the Blood Donation Camp.

