

CHAPTER 25 INSURANCE

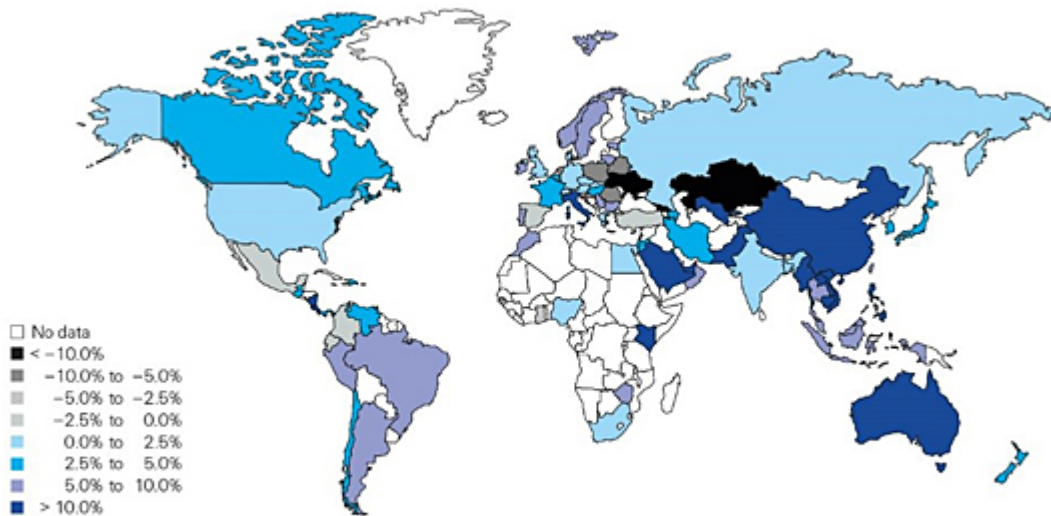
25.1 Global Insurance Industry : Swiss Re, Sigma study on world insurance says that global life premiums returned to positive real growth of 4.3% in 2014, above the pre-financial crisis average. Profitability in life improved slightly last year, but underwriting results in non-life, though positive, were slightly weaker. Life premiums will grow further in both the advanced and emerging markets in 2015; non-life premium growth will be strong in the emerging, but sluggish in the advanced markets.

The global insurance industry gained momentum in 2014, even though the economic environment improved only marginally, says Swiss Re's latest *sigma* study. Total direct premiums written were up 3.7% to USD 4 778 billion after having stagnated the previous year. The life sector returned to positive growth, with premiums up 4.3% after a 1.8% decline in 2013, and non-life premium growth accelerated to 2.9% from 2.7%. A notable feature of the renewed momentum across the insurance industry was a significantly stronger performance in the advanced markets. Overall profitability in the life insurance sector improved slightly in 2014, driven by stronger stock markets, higher premium growth and cost containment efforts. Underwriting results in non-life were positive but slightly weaker than in 2013, because claims experience deteriorated slightly and contributions from prior-year reserve releases lessened. Both the life and non-life sectors continued to suffer from low interest rates and overall industry profitability remains below pre-crisis levels.

Real Premium Growth in 2013 and 2014

	Life		Non-Life		Total	
Advanced markets	-0.2%	3.8%	1.1%	1.8%	0.3%	2.9%
Emerging markets	6.4%	6.9%	8.3%	8.0%	7.4%	7.4%
World	0.7%	4.3%	2.3%	2.9%	1.4%	3.7%

Figure 2: Global real premium growth in 2014

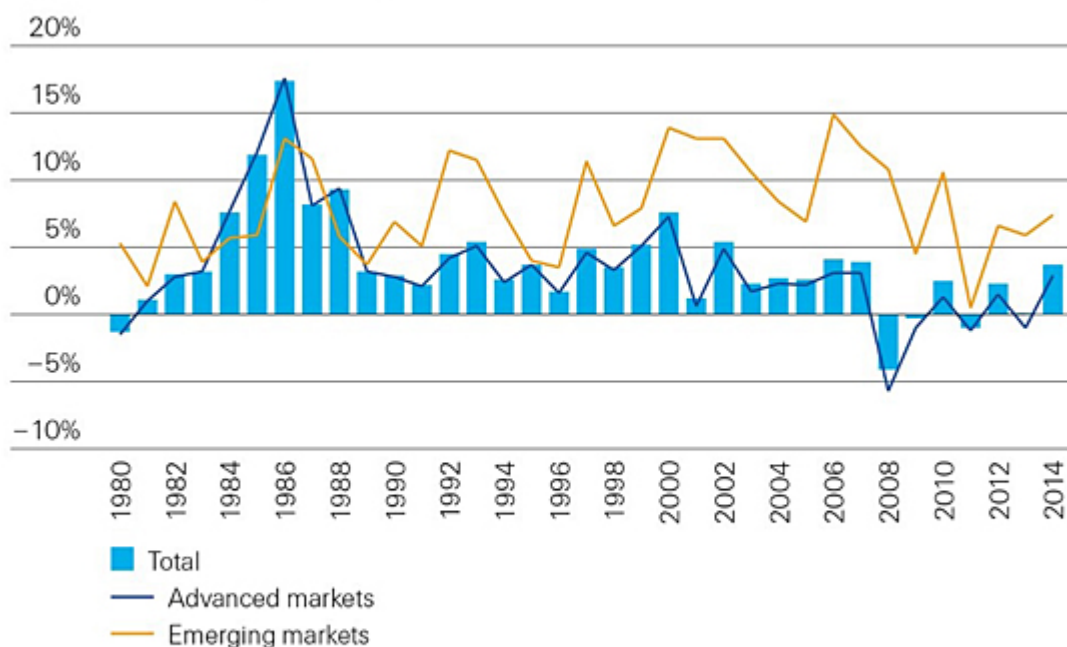


Remark: Click on the map to access an interactive online map of premium growth in www.sigma-explorer.com

Source: Swiss Re Economic Research & Consulting

Real Premium Growth Since 1980

Figure 1: Total real premium growth since 1980



Remark: Click on the map to access an interactive online map of premium growth in www.sigma-explorer.com

Source: Swiss Re Economic Research & Consulting

25.2 In the life sector, there were considerable variations in the premium growth outcomes across different regions. For instance, very strong growth in Oceania, and solid results in Western Europe and Japan more than offset yet another year of contraction in North America. In the emerging markets, life premiums grew by 6.9% compared to 3.6% in 2013. The rise was driven mainly by China, where new distribution channels such as online sales and a recovery in bancassurance boosted premium income. In other emerging regions, however, premium growth generally slowed or even declined.

25.3 Life premiums in the advanced markets grew by 3.8% in 2014, continuing a volatile pattern of growth and contractions since 2010. "Despite the acceleration in 2014, overall advanced-market life insurance premiums are about the same level as before the steep drop in volumes in 2008," says Kurt Karl, Chief Economist at Swiss Re. "The gain in premiums in 2014 outpaced economic growth, increasing insurance penetration in the advanced markets, but premiums post-crisis have been growing at a much slower rate than before the financial crisis."

25.4 Irrespective of positive premium developments, once again overall industry profitability is expected to fall short of pre-crisis levels in 2015. Investment yields – a key component of profitability in the life sector – will remain under pressure from the low interest rate environment. Life insurers' profitability is unlikely to improve markedly any time soon, given that the burden from low yields and ongoing regulatory changes will continue. The same is true in non-life, where weaker underwriting results – due to flat or even lower rates and a smaller contribution from reserves releases – will also weigh on earnings.

Region wise Life and Non-Life Insurance Premium

(Premium in USD Billion)

Region/Country	Life	Non-Life	Total
Advanced economies	2200.25 (57.1)	1653.02 (42.9)	3853.27 (100)
Emerging markets	407.84 (51.8)	379.83 (48.2)	787.67 (100)
Asia	898.41 (70.3)	380.37 (29.7)	1278.78 (100)
India	52.17 (79.6)	13.40 (20.4)	65.58 (100)
World	2608.09 (56.2)	2032.85 (43.2)	4640.94 (100)

Source: Swiss Re, Sigma 3/2014.

Figures in brackets indicate share of the segment in per cent.

25.5 Indian Insurance in the global scenario: As clear from the table above, globally, the share of life insurance business in total premium was 56.2 per cent. However, the share of life insurance business for India was very high at 79.6 per cent while the share of non-life insurance business was small at 20.4 per cent. In life insurance business, India is ranked 11th among the 88 countries, for which data is published by Swiss Re. India's share in global life insurance market was 2.00 per cent during 2013. However, during 2013, the life insurance premium in India declined by 0.5 per cent (inflation adjusted) when global life insurance premium increased by 0.7 per cent. The Indian non-life insurance sector witnessed a growth of 4.1 per cent (inflation adjusted) during 2013. During the same period, the growth in global non-life premium was 2.3 per cent. However, the share of Indian non-life insurance premium in global non-life insurance premium was small at 0.66 per cent and India ranks 21st in global non-life insurance markets.

25.6 Insurance Density & Penetration: The measure of insurance penetration and density reflects the level of development of insurance sector in a country. While insurance penetration is measured as the percentage of insurance premium to GDP, insurance density is calculated as the ratio of premium to population (per capita premium). During the first decade of insurance sector liberalisation, the sector has reported consistent increase in insurance penetration from 2.71 per cent in 2001 to 5.20 per cent in 2009. However, since then, the level of penetration has been declining reaching 3.9 per cent in 2013. A similar trend was observed in the level of insurance density which reached the maximum of USD 64.4 in the year 2010 from the level of USD 11.5 in 2001. During the year under review 2013, the insurance density was USD 52.0. The insurance density of life insurance business had gone up from USD 9.1 in 2001 to reach the peak at USD 55.7 in 2010. During 2013, the level of life insurance density was only USD 41. Similarly, the life insurance penetration surged from 2.15 per cent in 2001 to 4.60 per cent in 2009. Since then, it has exhibited a declining trend reaching 3.1 per cent in 2013.

INSURANCE PENETRATION AND DENSITY IN INDIA

Year	Life		Non-Life		Industry	
	Density (USD)	Penetration (percentage)	Density (USD)	Penetration (percentage)	Density (USD)	Penetration (percentage)
2001	9.1	2.15	2.4	0.56	11.5	2.71
2002	11.7	2.59	3.0	0.67	14.7	3.26
2003	12.9	2.26	3.5	0.62	16.4	2.88
2004	15.7	2.53	4.0	0.64	19.7	3.17
2005	18.3	2.53	4.4	0.61	22.7	3.14
2006	33.2	4.10	5.2	0.60	38.4	4.80
2007	40.4	4.00	6.2	0.60	46.6	4.70
2008	41.2	4.00	6.2	0.60	47.4	4.60
2009	47.7	4.60	6.7	0.60	54.3	5.20
2010	55.7	4.40	8.7	0.71	64.4	5.10
2011	49.0	3.40	10.0	0.70	59.0	4.10
2012	42.7	3.17	10.5	0.78	53.2	3.96
2013	41.0	3.10	11.0	0.80	52.0	3.90

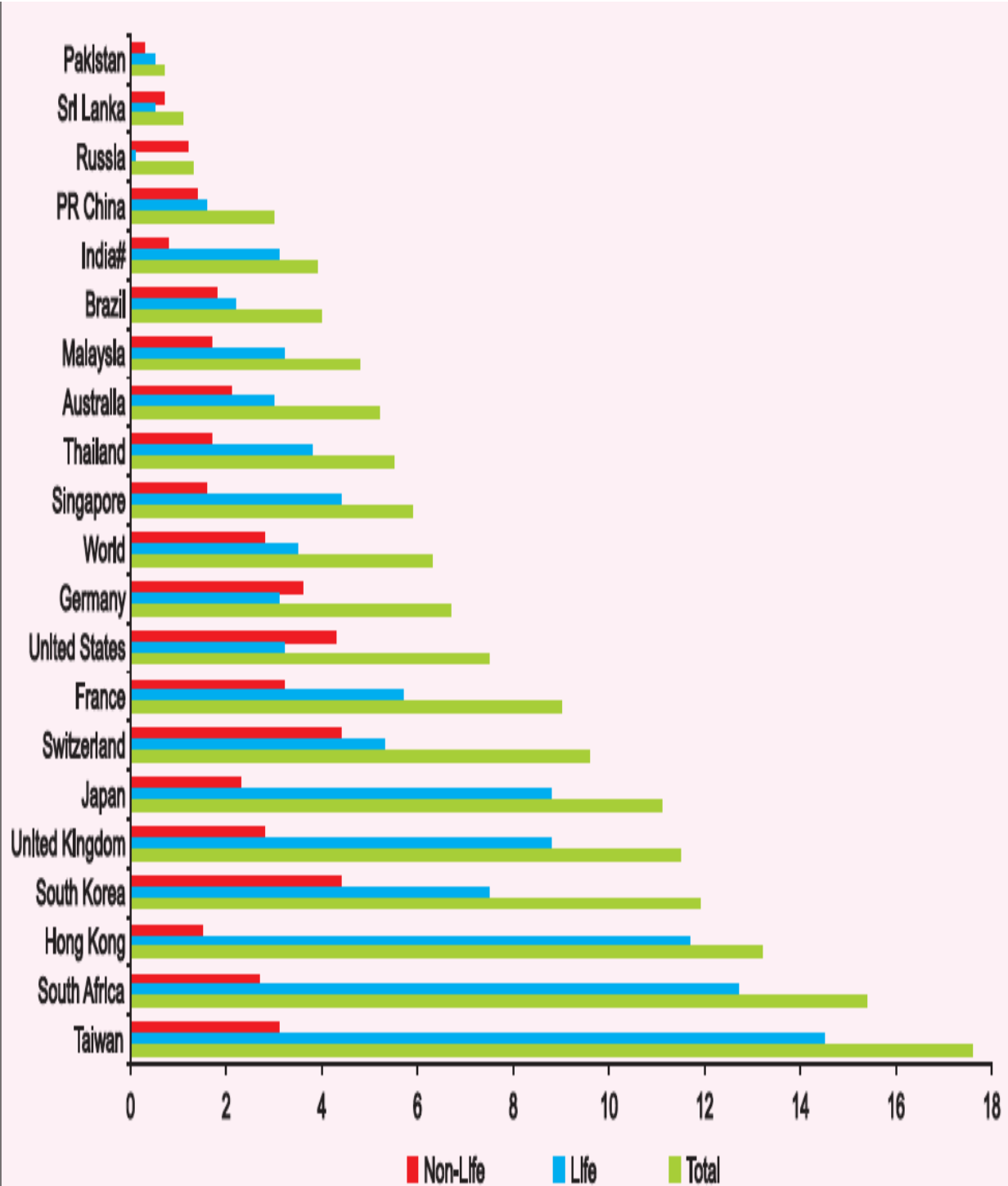
* Insurance density is measured as ratio of premium (in USD) to total population.

* Insurance penetration is measured as ratio of premium (in USD) to GDP (in USD).

* The data of Insurance penetration is available with rounding off to one digit after decimal from 2006.

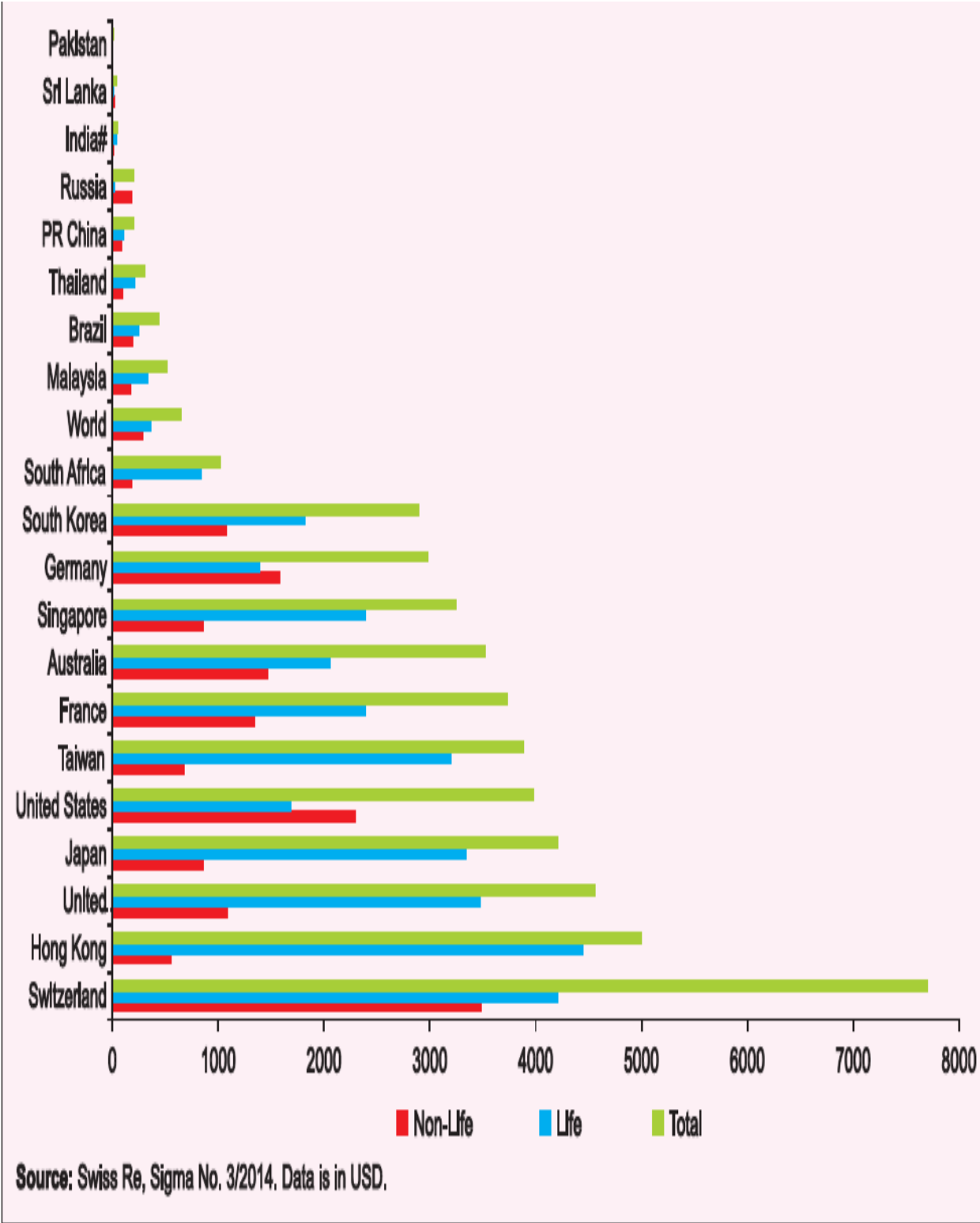
Source: Swiss Re, Sigma, Various Issues.

Insurance Penetration in Select Countries 2013

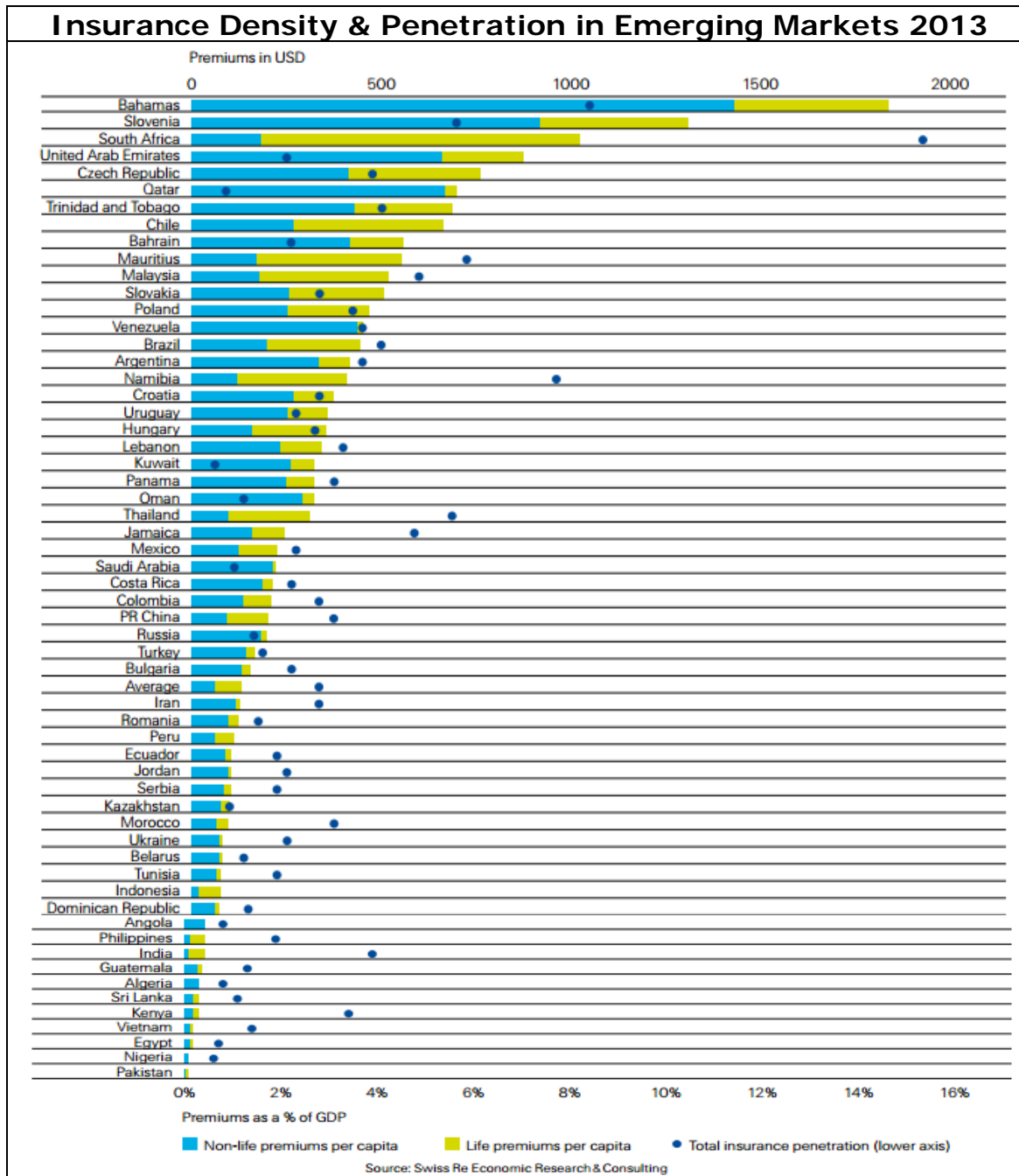


Source: Swiss Re, Sigma No. 3/2014. Data is in per cent.

Insurance Density in Advanced Markets Select Countries 2013



While insurance penetration is measured as the percentage of insurance premium to GDP, insurance density is calculated as the ratio of premium to population (per capita premium).



25.7 Origin of Insurance: Insurance, in its most basic form, is sharing of risk. It initially started as an informal exercise amongst traders in Europe. Trade in those days were being carried out by ships and the traders knew that there were definitely going to be losses due to pirates or bad weather and sometimes Ice-bergs. But what these traders were not sure of were as to which ship would face the disaster. However, the trader whose ship faced a disaster was left in penury. This led to an informal association of sorts,

where the Traders contributed some money into a fund, which was used to compensate the loss of the individual trader.

25.8 Genesis & Development of Insurance in India- Acts & Regulations : Insurance has a deep-rooted history in India too, finding mention in the writings of Manu (Manusmriti), Yagnavalkya (Dharmasastra) and Kautilya (Arthasastra). The writings talk in terms of pooling of resources that could be re-distributed in times of calamities such as fire, floods, epidemics and famine. This was probably a pre-cursor to modern day insurance. Ancient Indian history has preserved the earliest traces of insurance in the form of marine trade loans and carriers' contracts. Insurance in India has evolved over time heavily drawing from other countries, England in particular.

25.9 The year 1818 saw the advent of life insurance business in India with the establishment of the Oriental Life Insurance Company in Calcutta. This Company however failed in 1834. In 1829, the Madras Equitable had begun transacting life insurance business in the Madras Presidency. The year 1870 saw the enactment of the British Insurance Act and in the last three decades of the nineteenth century, the Bombay Mutual (1871), Oriental (1874) and Empire of India (1897) were started in the Bombay Residency. This era, however, was dominated by foreign insurance offices which did good business in India, namely Albert Life Assurance, Royal Insurance, Liverpool and London Globe Insurance and the Indian offices were up for hard competition from the foreign companies.

25.10 In 1914, the Government of India started publishing returns of Insurance Companies in India. **The Indian Life Assurance Companies Act, 1912** was the first statutory measure to regulate life business. In 1928, the **Indian Insurance Companies Act** was enacted to enable the Government to collect statistical information about both life and non-life business transacted in India by Indian and foreign insurers including provident insurance societies. In 1938, with a view to protecting the interest of the Insurance public, the earlier legislation was consolidated and amended by the Insurance Act, 1938 with comprehensive provisions for effective control over the activities of insurers.

25.11 The Insurance Amendment Act of 1950 abolished Principal Agencies. However, there were a large number of insurance companies and the level of competition was high. There were also allegations of unfair trade practices. The Government of India, therefore, decided to nationalize insurance business.

25.12 An Ordinance was issued on 19th January, 1956 nationalising the Life Insurance sector and Life Insurance Corporation came into existence in the same year. The LIC absorbed 154 Indian, 16 non-Indian insurers as

also 75 provident societies—245 Indian and foreign insurers in all. The LIC had monopoly till the late 90s when the Insurance sector was reopened to the private sector.

25.13 The history of general insurance dates back to the Industrial Revolution in the west and the consequent growth of sea-faring trade and commerce in the 17th century. It came to India as a legacy of British occupation. General Insurance in India has its roots in the establishment of Triton Insurance Company Ltd., in the year 1850 in Calcutta by the British. In 1907, the Indian Mercantile Insurance Ltd, was set up. This was the first company to transact all classes of general insurance business. The year 1957 saw the formation of the General Insurance Council, a wing of the Insurance Association of India. The General Insurance Council framed a code of conduct for ensuring fair conduct and sound business practices.

25.14 In 1968, the Insurance Act was amended to regulate investments and set minimum solvency margins. The Tariff Advisory Committee was also set up then. In 1972 with the passing of the **General Insurance Business (Nationalisation) Act**, general insurance business was nationalized with effect from 1st January, 1973. 107 insurers were amalgamated and grouped into four companies, namely National Insurance Company Ltd., the New India Assurance Company Ltd., the Oriental Insurance Company Ltd and the United India Insurance Company Ltd. The General Insurance Corporation of India was incorporated as a company in 1971 and it commenced business on January 1st 1973.

25.15 This millennium has seen insurance come a full circle in a journey extending to nearly 200 years. The process of re-opening of the sector had begun in the early 1990s and the last decade and more has seen it having been opened up substantially. In 1993, the Government set up a **committee under the chairmanship of R.N. Malhotra**, former Governor of RBI, to propose recommendations for reforms in the insurance sector. The objective was to complement the reforms initiated in the financial sector. The committee submitted its report in 1994 wherein, among other things, it recommended that the private sector be permitted to enter the insurance industry. They stated that foreign companies be allowed to enter by floating Indian companies, preferably a joint venture with Indian partners.

25.16 Following the recommendations of the Malhotra Committee report, in 1999, the **Insurance Regulatory and Development Authority (IRDA)** was constituted as an autonomous body to regulate and develop the insurance industry. The IRDA was incorporated as a statutory body in April, 2000. The key objectives of the IRDA include promotion of competition so as to enhance customer satisfaction through increased consumer choice and lower premiums, while ensuring the financial security of the insurance market.

25.17 The IRDA opened up the market in August 2000 with the invitation for application for registrations. Foreign companies were allowed ownership of up to 26%. The Authority has the power to frame regulations under Section 114A of the Insurance Act, 1938 and has from 2000 onwards framed various regulations ranging from registration of companies for carrying on insurance business to protection of policyholders' interests.

25.18 In December, 2000, the subsidiaries of the General Insurance Corporation of India were restructured as independent companies and at the same time GIC was converted into a national re-insurer. Parliament passed a bill de-linking the four subsidiaries from GIC in July, 2002.

25.19 Today there are 24 general insurance companies including the ECGC and Agriculture Insurance Corporation of India and 24 life insurance companies operating in the country.

25.20 The insurance sector is a colossal one and is growing at a speedy rate of 15-20%. Together with banking services, insurance services add about 7% to the country's GDP. A well-developed and evolved insurance sector is a boon for economic development as it provides long- term funds for infrastructure development at the same time strengthening the risk taking ability of the country.

Appraisal of Indian Insurance Sector :

25.21 Registered Insurers in India: At the end of March 2014, there are 53 insurance companies operating in India; of which 24 are in the life insurance business and 28 are in non-life insurance business. In addition, GIC is the sole national reinsurer. Of the 53 companies presently in operation, eight are in the public sector - two are specialized insurers, namely ECGC and AIC, one in life insurance namely LIC, four in non-life insurance and one in reinsurance. The remaining forty five companies are in the private sector.

Life Insurance – Premium :

25.22 Life insurance industry recorded a premium income of Rs. 3,14,283 crore during 2013-14 as against Rs. 2,87,202 crore in the previous financial year, registering a growth of 9.43 per cent (0.05 per cent growth in previous year). While private sector insurers posted 1.35 per cent decline (6.87 per cent decline in previous year) in their premium income, LIC recorded 13.48 per cent growth (2.92 per cent growth in previous year). While renewal premium accounted for 61.72 per cent (62.62 per cent in 2012-13) of the total premium received by the life insurers, first year premium contributed the remaining 38.28 per cent (37.38 per cent in 2012-13). During 2013-14, the growth in renewal premium was 7.85 per cent (3.88 per cent in 2012-13). First year premium registered a growth of 12.07 per cent in comparison to a decline of 5.78 per cent during 2012-13 . Further bifurcation of the first year premium indicates that single premium income received by the life insurers recorded growth of 22.50 per cent during 2013-14 (6.78 per cent growth in 2012-13). Single premium products continue to play a major role for LIC as they contributed 24.86 per cent of LIC's total premium income (22.17 per cent in 2012-13). In comparison, the contribution of single premium income in total premium income during 2013-14

was 11.29 per cent for private insurance companies (11.37 per cent in 2012-13). The regular premium registered a growth of 1.03 per cent in 2013-14, as against 16.21 per cent decline in 2012-13. The private insurers witnessed decline of 4.83 per cent (0.94 per cent decline in 2012-13), while 2012-13 to `37,547 crore in 2013-14. On the other hand, the growth in premium income of traditional products was at 16.07 per cent, with premium income increasing to `2,76,736 crore as against `2,38,427 crore in 2012-13. Accordingly, the share of unit-linked products in total premium declined considerably to 11.95 per cent in 2013-14 as against 16.98 per cent in 2012-13 LIC registered a growth of 5.25 per cent in the regular premium (24.58 per cent decline in 2012-13).

Premium Underwritten : Life Insurers			Market Share (%) : Life Insurers		
(₹ crore)					
Insurer	2012-13	2013-14	Insurer	2012-13	2013-14
Regular premium (1)			Regular Premium (1)		
LIC	30313.52 (-24.58)	31904.49 (5.25)	LIC	58.13	60.56
Private Sector	21834.53 (-0.94)	20780.83 (-4.83)	Private Sector	41.87	39.44
Total	52148.05 (-16.21)	52685.32 (1.03)	Total	100.00	100.00
Single premium (2)			Single Premium (2)		
LIC	46297.98 (11.11)	58904.30 (27.23)	LIC	83.85	87.09
Private Sector	8915.05 (-11.20)	8730.05 (-2.08)	Private Sector	16.15	12.91
Total	55213.03 (6.78)	67634.34 (22.50)	Total	100.00	100.00
First Year Premium (3 =(1+2))			First Year Premium (3 =(1+2))		
LIC	76611.50 (-6.41)	90808.79 (18.53)	LIC	71.36	75.47
Private Sector	30749.58 (-4.15)	29510.87 (-4.03)	Private Sector	28.64	24.53
Total	107361.08 (-5.78)	120319.66 (12.07)	Total	100.00	100.00
Renewal Premium (4)			Renewal Premium (4)		
LIC	132192.08 (9.23)	146133.51 (10.55)	LIC	73.50	75.34
Private Sector	47649.33 (-8.55)	47830.02 (0.38)	Private Sector	26.50	24.66
Total	179841.41 (3.88)	193963.54 (7.85)	Total	100.00	100.00
Total Premium (5 =(3+4)=(1+2+4))			Total Premium (5 =(3+4)=(1+2+4))		
LIC	208803.58 (2.92)	236942.30 (13.48)	LIC	72.70	75.39
Private Sector	78398.91 (-6.87)	77340.90 (-1.35)	Private Sector	27.30	24.61
Total	287202.49 (0.05)	314283.20 (9.43)	Total	100.00	100.00
Note: Figures in brackets indicate the growth (in per cent) over the previous year.					

National Agricultural Insurance Scheme (NAIS):

25.23 The Scheme was introduced during Rabi 1999-2000 season replacing Comprehensive Crop Insurance Scheme (CCIS). The scheme was implemented by Agriculture Insurance Company of India limited, on behalf of Ministry of Agriculture. The main objective of the scheme was to protect the farmers against the losses suffered by them due to crop failure on account of natural calamities, such as drought, flood, hailstorm, cyclone, fire, pest/ diseases, etc., so as to indemnify the losses and restore their credit worthiness for the ensuing season. The scheme was available to all the farmers, both loanee and non-loanee, irrespective of the size of their holding. The scheme envisages coverage of all crops including cereals, millets, pulses, oilseeds and annual commercial and horticultural crops in respect of which past yield data is available. As per provisions of NAIS, the flat and capped premium rates were charged for food crops and oilseeds and actuarial rates were charged for annual commercial and horticultural crops. Premium subsidy of 10% was allowed for small and marginal farmers, shared equally by Central and State Government. However, some State and Union Territory Governments were also providing higher subsidy to small and marginal farmers and subsidy to other farmers. During Kharif 2013 season under NAIS, 0.80 crore farmers spread over 433 districts of 26 states/ UTs were covered insuring 1.02 crore hectare with sum insured of `21947.41 crore with gross premium of `752.2 crore.

Since introduction in 1999 till Kharif 2013 season, NAIS covered about 21.64 crore farmers insuring 31.50 crore hectare area for sum insured of `317031.61 crore against a premium of `9524.29 crore. Claims amounting to `29099.67 crore out of the reported claims of `30313.54 crore have so far been settled benefiting 5.68 crore farmers. Claims figure are likely to increase as claims for Kharif 2013 season have yet to be finally settled.

NATIONAL AGRICULTURAL INSURANCE SCHEME (NAIS)

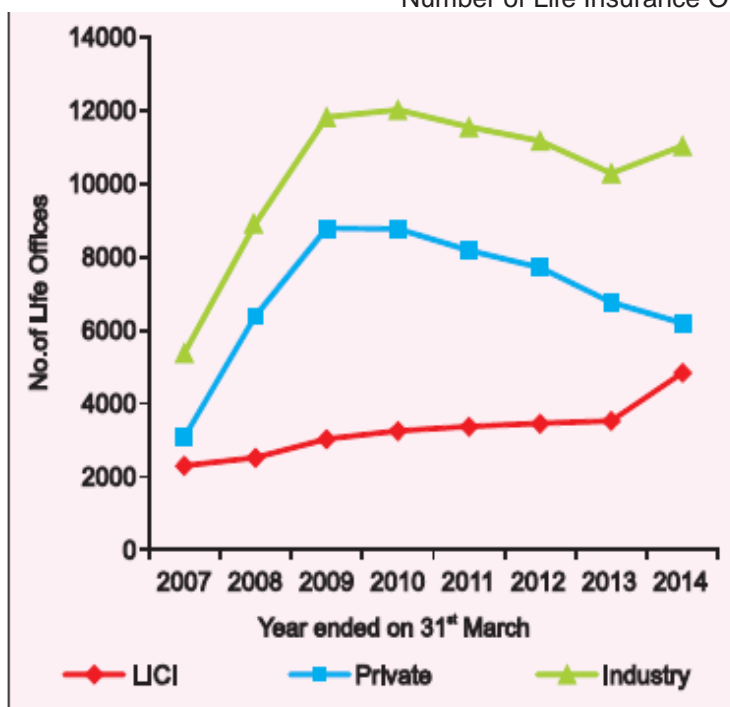
(Rs. In Lakh)

SL	Season	No of Farmers Covered	Sum Insured	Premium	Claims Reported
1.	Rabi 2010-11	4967878	1101055.62	29816.72	65792.83
2.	Kharif 2011	11554561	2348710.36	71434.90	166537.54
3.	Rabi 2011-12	5239299	1128393.63	25767.81	54548.20
4.	Kharif 2012	10645405	2718136.05	87823.90	278951.73
5.	Rabi 2012-13	6136713	1570211.63	44680.56	190410.87
6.	Kharif 2013	10322401	2979601.57	221231.56	347306.73

Expansion & Distribution of Life Insurance Offices:

Number of Life Insurance Offices

25.24 The decreasing trend of number of life offices (which had continued until 2012-13) had reverted in 2013-14. The number of life offices as at 31.3.2014 had increased to 11032 from 10285 of the previous year. The private insurers had closed 732 offices and opened 166 in 2013-14; therefore there was a net reduction of 566 offices during the financial year for private sector. On the other hand, the public sector LIC had established 1313 new offices and closed none; this resulted in a net increase of 1313 offices in the public sector.



NUMBER OF LIFE INSURANCE OFFICES

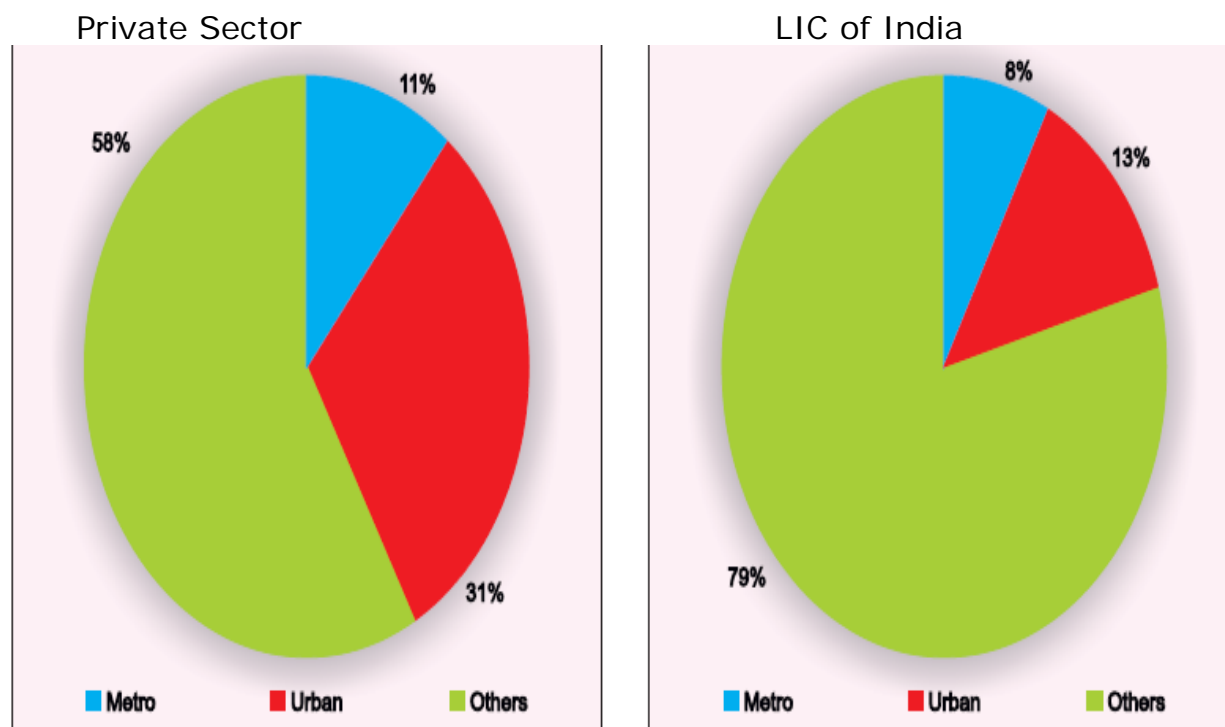
(As on 31st March)

Insurer	2007	2008	2009	2010	2011	2012	2013	2014
Private	3072	6391	8785	8768	8175	7712	6759	6193
LIC	2301	2522	3030	3250	3371	3455	3526	4839
Industry	5373	8913	11815	12018	11546	11167	10285	11032

*

- Note:** 1) Data collected from life insurers through a special return.
 2) Office as defined under Section 64VC of the Insurance Act, 1938.
 3) For similar data for 2001-2007, refer IRDA Annual report for 2007-08.

GEOGRAPHICAL DISTRIBUTION OF LIFE INSURANCE OFFICES



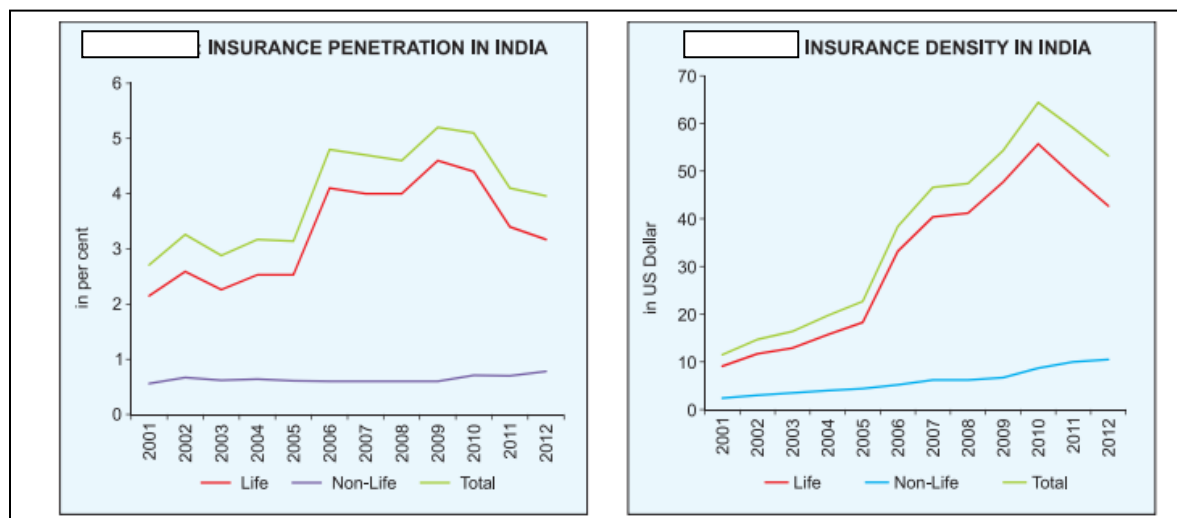
Non life Insurance Premiums:

25.25 As on 31st March, 2014, twenty eight non-life insurance companies have been granted registration for carrying on non-life insurance business in the country. Of these, six are in public sector and the rest twenty two are in private sector. Among the public sector companies, while the four public sector insurance companies carry on multi line operations, there are two specialised insurance companies: one for credit insurance (ECGC) and the other for crop insurance (AIC). One reinsurer (GIC) is operating in the public sector making the total number of non-life insurers 29 including reinsurer. Of the private sector insurers, five have been granted registration to carry on operations exclusively in the health segment India's non-life insurance industry is in a nascent stage. Insurance penetration is very low, except for compulsory third-party motor insurance. However, privately held insurers are increasingly looking to penetrate health insurance.

25.26 The non-life insurance industry had underwritten a total premium of Rs. 70610 crore in India for the year 2013-14 as against `62973 crore in 2012-13, registering a growth of 12.13 per cent as against an increase of 19.10 per cent recorded in the previous year. The public sector insurers exhibited growth in 2013-14 at 10.21 per cent; over the previous year's growth rate of 14.60 per cent. The private general insurers registered growth of 14.52 per cent, which is lower than 25.26 per cent achieved during the previous year. The premium underwritten by 17 private sector insurers (other than the insurers carrying on exclusively health insurance business) in 2013-14 was `32010 crore as against `27951 crore in 2012-13 for 15 private Insurers.

25.27 Insurance Penetration & Density: The insurance density of life insurance business services has gone up from USD 9.1 in 2001 to reach the peak at USD55.7 in 2010. During 2012-13 the level of life insurance density

was only USD 42.7. Similarly the life insurance penetration surged from 2.15 % in 2001 to 4.6% in 2009. Since then it has exhibited a declining trend reaching 3.17 % in 2012. Over the last ten years, the penetration of non life insurance sector in the country remained steady in the range of 0.5-0.7 percent. However its density has gone up from USD 2.4 in 2001 to USD 10.5 in 2012.



25.28 Sources of Insurance Statistics in India: Insurance statistics can be grouped under the following categories:

- Life Insurance Statistics
- Non-life (General) Insurance Statistics
- Reinsurance Statistics
- Pension and Super-annulations Statistics
- Health Insurance Statistics
- Crop Insurance Statistics
- Other Insurance Statistics like ESI, Postal Insurance, Army Insurance, and the like.

The data presently collected by the Life Insurance Company (LIC) and the General Insurance Company (GIC) largely meet their own requirements to assist management decisions, design strategy, formulate business plans, examine the market sizes, and changes in market environment, etc. The annual reports of LIC and GIC provide statistical information on various aspects of insurance statistics in their organisations. The General Insurance companies also supply statistical information to the Tariff Advisory Committee (TAC) in prescribed proforma to perform its function of scientific rating and pricing for general insurance products. The insurance companies also supply statistical information on assets and liabilities, sources of funds and deployment of funds and other aspects to RBI (quarterly/annual) as a part of the survey of Financial Sector. The statistical system prevalent in these two agencies is given below:

25.29 The **Life Insurance Corporation (LIC)** collects information on various aspects of its operations, such as:

- ✚ Individual insurance business information-new business and sum assured, premium income, number of policies, rural and urban business, social sector schemes, etc.
- ✚ Group and pension fund business – number of schemes, lives covered, premium income, etc.
- ✚ Product-related information-Sales under various policies, number of lives investment, State-wise investment, etc.
- ✚ Investment information-total investment, sectoral investment, instrument-wise investment. State- wise investment, etc.
- ✚ Claims-related information-total claims settled, claims ratios, etc.
- ✚ Cost and expenses information-total cost, management expenses, etc.
- ✚ International operation-business procurement, investment, etc.

25.30 The **General Insurance Company (GIC)** collects information on the following aspects :

- ✚ Balance sheet in respect of every class of business.
- ✚ Major claims, details of investments-category-wise and assets owned, claims settlement position with settlement ratio, premium details, class: business-wise and region-wise, documents issued with documentation percentage, investments and investment income.
- ✚ Investments, short-term loan placement, call money transactions, sanctions and disbursements.
- ✚ Rural traditional covers and rural non-traditional business, cattle, poultry, Janta Personal Accident and other covers.
- ✚ Data on foreign operations, Motor Accident Claims Tribunal (MACT) settlements, grievance redressal and details of commission and management expenses.

25.31 The Insurance Regulatory Development Authority(IRDA), on the advice of the Insurance Advisory Committee, has framed fifteen regulations so far under the **IRDA Act**, which are to be followed by all insurers. It has also prescribed a number of returns to monitor various provisions of these regulations and the insurers in the life insurance business and general insurance business are required to statutorily submit these returns to the IRDA as per the periodicity and time frame specified. Most of the regulations, which require insurers to submit these returns to the IRDA, have been framed in the year 2000 only. The

IRDA received these returns from the insurance companies as per the periodicity and time frame specified by it.

IRDA brings out Annual Report which provides an appraisal of Indian insurance market covering both life and non life insurance - health insurance, crop insurance etc. It also brings out Committee Reports & Journals which discuss various features of insurance sector. Monthly information on both life and non life insurance business is also available on the website of IRDA .

25.32 Insurance Information Bureau (IIB), an advisory body formed by IRDA, collects transaction level data from insurers. IIB acts as a single point of official reference for the entire industry data and ensures data is available to various market players, researchers, policyholders and common public for real time decision making. IIB publishes periodical reports on Motor, Health and other lines of business. From the financial year 2010-11, IIB has started collecting transactional data (Motor, Health, Fire, Marine and Engineering) from all insurers in online mode. Online data is being collected on monthly basis through the website **www.iib.gov.in**. Insurers are able to view aggregate reports related to their company as well as of the industry, up to the level of data submission.

25.33 Reserve Bank of India , as a part of the survey of financial sector, maintains statistical information on assets and liabilities, sources of funds and deployment of funds etc in respect of insurance companies.

25.34 Directorate of Postal Life Insurance, Department of Posts maintains information pertaining to Postal Life Insurance & Rural Postal Life Insurance

References :

- Annual Report IRDA, 2013-14 & Website of IRDA
- World Insurance in 2014, Steering towards recovery, Sigma No. 3/2014, Swiss Re