

ANNUAL REPORT 2006-07



INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

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बीमा विनियामक और विकास प्राधिकरण
**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**

Letter of Transmittal

December, 2007

To
The Secretary
Department of Economic Affairs
Ministry of Finance
North Block
New Delhi – 110 001

Sir,

In accordance with the provisions of Section 20 of the Insurance Regulatory and Development Authority Act, 1999, we are sending herewith a copy of the Annual Report of the Authority for the financial year ended 31st March, 2007 in the format prescribed in the IRDA (Annual Report – Furnishing of returns, statements and other particulars) Rules, 2000, notified on 14th June, 2000 in Part II of Section 3, Sub Section (ii) of the Gazette of India, Extraordinary.

Yours faithfully,

(C.S. Rao)

CONTENTS

| | | |
|--|------|---|
| MISSION STATEMENT | .... |  |
| TEAM AT IRDA | .... |  |
| OVERVIEW | .... | 1 |
| Performance in the first half of 2007-08 | .... | 3 |

PART I POLICIES & PROGRAMMES

| | | |
|--|------|----|
| A) General economic environment | .... | 5 |
| B) Appraisal of the insurance market | .... | 9 |
| i) World insurance scenario | .... | 12 |
| ii) Indian insurance industry | .... | 12 |
| – Life insurance | .... | 13 |
| – Non-life insurance | .... | 19 |
| C) Research and development activities undertaken | .... | 27 |
| D) Review | .... | 27 |
| (i) Protection of interests of policyholders | .... | 27 |
| (ii) Maintenance of solvency margins of insurers | .... | 27 |
| (iii) Monitoring of re-insurance | .... | 31 |
| (iv) Monitoring of investments of the insurers | .... | 34 |
| (v) Health insurance | .... | 37 |
| (vi) Business in the rural and social sector | .... | 38 |
| (vii) Accounting and actuarial standards | .... | 39 |
| I) Accounting Standards | .... | 39 |
| II) (a) Appointed Actuary System | .... | 40 |
| (b) Actuarial Standards | .... | 41 |
| (viii) Crop Insurance | .... | 41 |
| (ix) Micro-Insurance | .... | 43 |
| (x) Directions, Orders and Regulations issued by the Authority | .... | 46 |
| (xi) Right to Information Act | .... | 46 |

PART II REVIEW OF WORKING AND OPERATIONS

| | | |
|--|------|----|
| (i) Regulation of insurance and re-insurance companies | .... | 47 |
| (ii) Intermediaries associated with the insurance business | .... | 47 |
| - Insurance agents | .... | 47 |
| - Corporate agents | .... | 47 |
| - Insurance brokers | .... | 47 |
| - Channel-wise New Business Performance | .... | 47 |
| - Surveyors and loss assessors | .... | 49 |
| (iii) Litigations, appeals and court pronouncements | .... | 49 |
| (iv) International cooperation in insurance | .... | 51 |

| | | |
|--|------|----|
| (v) Public Grievances | .... | 54 |
| (vi) Insurance Associations and Insurance Councils | .... | 57 |
| (vii) Functioning of Ombudsman | .... | 58 |
| (viii) Committees | .... | 59 |
| (ix) Review of the advisory functions performed by the Authority | .... | 60 |

PART III

STATUTORY FUNCTIONS OF THE AUTHORITY

| | | |
|---|------|----|
| a. Issue to the applicant a certificate of registration, renew, modify, withdraw, suspend or cancel such registration. | .... | 61 |
| b. Protection of the interests of policyholders in matters concerning assigning of policy, nomination by policyholders, insurable interest, settlement of insurance claim, surrender value of policy and other terms and conditions of contracts of insurance. | .... | 62 |
| c. Specifying requisite qualifications, code of conduct and practical training for intermediary or insurance intermediaries and agents. | .... | 62 |
| d. Specifying the code of conduct for surveyors and loss assessors | .... | 63 |
| e. Promoting efficiency in the conduct of insurance business | .... | 63 |
| f. Promoting and regulating professional organizations connected with the insurance and reinsurance business | .... | 64 |
| g. Levying fees and other charges for carrying out the purposes of the Act 66 | .... | 64 |
| h. Calling for information from, undertaking inspection of, conducting enquiries and investigation including audit of the insurers, intermediaries, insurance intermediaries and other organizations connected with the insurance business | .... | 64 |
| i. Control and regulation of rates, advantages, terms and conditions that may be offered by insurers in respect of general insurance business not so controlled and regulated by the Tariff Advisory Committee under section 64U of the Insurance Act, 1938 (4 of 1938) | .... | 65 |
| j. Specifying the form and manner in which books of account shall be maintained and statement of accounts shall be rendered by insurers and other insurance intermediaries | .... | 65 |
| k. Regulating investment of funds by insurance companies | .... | 66 |
| l. Regulating maintenance of margin of solvency | .... | 66 |
| m. Adjudication of disputes between insurers and intermediaries or insurance intermediaries | .... | 66 |
| n. Supervising the functioning of the Tariff Advisory Committee | .... | 66 |
| o. Specifying the percentage of premium income of the insurer to finance schemes for promoting and regulating professional organizations referred to in clause 'f' | .... | 66 |
| p. Specifying the percentage of life insurance business and general insurance business to be undertaken by the insurer in the rural or social sectors | .... | 70 |
| q. Exercising such other powers as may be prescribed | .... | 70 |

PART IV

ORGANIZATIONAL MATTERS

| | | |
|---|------|----|
| i. Organization | .... | 71 |
| ii. Meetings of the Authority | .... | 71 |
| iii. Human Resources | .... | 71 |
| iv. Promotion of Official Language | .... | 71 |
| v. Status of Information Technology in IRDA | .... | 72 |
| vi. Accounts | .... | 72 |
| vii. ISO 2000 Registration | .... | 72 |

| | | |
|---------------------|------|----|
| viii. IRDA Journal | .... | 73 |
| ix. Acknowledgments | .... | 73 |

BOX ITEMS

| | | |
|---|------|----|
| 1. Solvency | .... | 28 |
| 2. Operational risks in the Insurance industry | .... | 44 |
| 3. Financial Sector Assessment Program | .... | 52 |
| 4. Effect of Detariffing on Non-Life Insurance Sector | .... | 67 |

TEXT TABLES

| | | |
|---|------|----|
| 1. Key Market Indicators | .... | 10 |
| 2. Number of Registered Insurers in India | .... | 10 |
| 3. Distribution of Offices of Life Insurers as on 31st March, 2007* | .... | 10 |
| 4. Paid up Capital: Life Insurers | .... | 13 |
| 5. No. of New Policies issued: Life Insurers | .... | 14 |
| 6. Premium Underwritten by Life Insurers | .... | 14 |
| 7. Market Share of Life Insurers | .... | 16 |
| 8. Commission Expenses of Life Insurers | .... | 17 |
| 9. Operating Expenses of Life Insurers | .... | 17 |
| 10. Dividends Paid: Life Insurers | .... | 19 |
| 11. Paid up Capital: Non-Life Insurers and Re-Insurer | .... | 20 |
| 12. No. of New Policies issued: Non-Life Insurers | .... | 20 |
| 13. Premium Underwritten by Non-life Insurer (within India) | .... | 20 |
| 14. Gross Direct Premium income in India | .... | 21 |
| 15. Premium (Within India) Underwritten by Non-life Insurers - Segment wise | .... | 22 |
| 16. Ratio of outside India Premium to total Premium | .... | 22 |
| 17. Gross Direct Premium from Business outside India: Non-life insurers | .... | 23 |
| 18. Underwriting Losses: Non-Life Insurers | .... | 23 |
| 19. Operating Expenses: Non-Life Insurers | .... | 24 |
| 20. Commission Expenses | .... | 24 |
| 21. Investment Income | .... | 24 |
| 22. Incurred Claims Ratio | .... | 25 |
| 23. Dividends Paid: Non-Life Insurers | .... | 26 |
| 24. Net Retained Premium on Indian Business as Percentage of Gross Direct Premium (Excl. GIC) | .... | 32 |
| 25. Re-Insurance placed within India and outside India as percentage of Gross Direct Premium in India (excl. GIC) | .... | 32 |
| 26. Re-Insurance ceded outside India on Indian Business (excl GIC) | .... | 33 |
| 27. Share of Member Companies in the Indian Market Terrorism pool | .... | 33 |
| 28. Rating of Terrorism pool | .... | 33 |
| 29. Investments of Insurers | .... | 34 |
| 29(I). Total Investments-Instrument-Wise | .... | 34 |
| 29(II). Total Investments-Fund-Wise | .... | 35 |
| 29(III). Investments of Life Insurer: Fund wise | .... | 35 |
| 30. Total Investments: Fund wise | .... | 36 |
| 31. Investments of Non-Life Insurer: Fund wise | .... | 36 |
| 32. TPA (Infrastructure) | .... | 37 |
| 33. Third Party Administrators - Claims Data | .... | 38 |

| | | |
|---|------|----|
| 34. Brief Details of Crop Insurance Policies of AIC Ltd. | .... | 42 |
| 35. List of Products introduced by AIC Ltd. | .... | 43 |
| 36. Individual New Business Premium of Life Insurers for 2006-07 | .... | 48 |
| 37. Group New Business Premium of Life Insurers for 2006-07 Channel-wise | .... | 49 |
| 38. Status of Grievances - Non-Life Insurers | .... | 55 |
| 39. Status of Grievances - Non-Life Insurers (Half Year Ended Sept. 2007) | .... | 55 |
| 40. Status of Grievances - Life Insurers | .... | 56 |
| 41. Disposal of Complaints by Ombudsman - 2006-07 | .... | 59 |

LIST OF STATEMENTS

| | | |
|---|------|-----|
| 1. Financial Saving of the Household Sector (Gross) | .... | 77 |
| 2. International Comparison of Insurance Penetration | .... | 78 |
| 3. International Comparison of Insurance Density | .... | 80 |
| 4. Policy Holders Account: All Life Insurers | .... | 82 |
| 5. Share Holders Account: All life Insurers | .... | 84 |
| 6. Balance Sheet: All Life Insurers | .... | 86 |
| 7. Life Insurance Corporation of India: Capital Redemption and Annuity Certain Business (Non Participating) –Policy Holders Account | .... | 88 |
| 8. Life Insurance Corporation of India: Capital Redemption and Annuity Certain Business (Non Participating) - Share Holders Account | .... | 89 |
| 9. Life Insurance Corporation of India: Capital Redemption and Annuity Certain Business (Non Participating) - Balance Sheet | .... | 90 |
| 10. Policy Holders Account: Public Sector Non-life Insurers | .... | 91 |
| 11. Share Holders Account: Public Sector Non-life Insurers | .... | 93 |
| 12. Balance Sheet: Public Sector Non-life Insurers | .... | 94 |
| 13. Policy Holders Account: Private Sector Non-Life Insurers | .... | 95 |
| 14. Share Holders Account: Private Sector Non-life Insurers | .... | 99 |
| 15. Balance Sheet: Private Sector Non-life Insurers | .... | 100 |
| 16. General Insurance Corporation (GIC) - Policy Holders Account | .... | 101 |
| 17. General Insurance Corporation (GIC) - Share Holders Account | .... | 102 |
| 18. General Insurance Corporation (GIC) - Balance Sheet | .... | 103 |
| 19. Export Credit Guarantee Corporation Ltd.(ECGC) - Policy Holders Account | .... | 104 |
| 20. Export Credit Guarantee Corporation Ltd.(ECGC) - Share Holders Account | .... | 105 |
| 21. Export Credit Guarantee Corporation Ltd. (ECGC) - Balance Sheet | .... | 106 |
| 22. Agricultural Insurance Corporation (AIC) Ltd. - Policy Holders Account | .... | 107 |
| 23. Agricultural Insurance Corporation (AIC) Ltd. - Share Holders Account | .... | 108 |
| 24. Agricultural Insurance Corporation (AIC) Ltd. - Balance Sheet | .... | 109 |
| 25. Net Retentions of Non-life Insurers: 2006-07 | .... | 110 |
| 26. Gross Direct Premium Income in India | .... | 111 |
| 27. Net Premium Income (Earned) | .... | 112 |
| 28. Underwriting Experience and Profits of Public Sector Companies | .... | 113 |
| 29. Underwriting Experience and Profits of Private Sector Companies | .... | 114 |
| 30. Incurred Claims Ratio – Public Sector | .... | 115 |
| 31. Incurred Claims Ratio – Private Sector | .... | 116 |
| 32. Equity Share Capital of Insurance Companies | .... | 117 |
| 33. Fee Structure for Insurers and various intermediaries | .... | 118 |
| 34. Fund-wise pattern of Investments of Life Insurers | .... | 119 |

| | | |
|---|------|-----|
| 35. Pattern of Investments of Non-life Insurers | .... | 123 |
| 36. Status of Grievances - Life Insurers (2006-07) | .... | 124 |
| 37. Status of Grievances - Non-life Insurers (2006-07) | .... | 125 |
| 38. Status of Grievances - Non-life Insurers (Half year ended September, 2007) | .... | 126 |
| 39. Third Party Administrators - Claims Data: 2006-07 | .... | 127 |
| 40. Performance of Ombudsmen at different centres: Complaints disposal for the Year ending 31st March, 2007: Life Insurance | .... | 128 |
| 41. Performance of Ombudsmen at different centres : Complaints disposal for the Year ending 31st March, 2007: Non-life Insurance | .... | 129 |
| 42. Performance of Ombudsmen at different centres: Complaints disposal for the Year ending 31st March, 2007: Life and Non-Life Insurance combined | .... | 130 |
| 43. First Year (Including Single Premium) Life Insurance Premium | .... | 131 |
| 44. Total Life Insurance Premium | .... | 132 |
| 45. Gross Direct Premium of Non-Life Insurance (Within & Outside India) | .... | 133 |
| 46. Individual Business (Within India) – Business in force (Number of Policies) | .... | 134 |
| 47. Individual Business (Within India) – Business in force (Sum Assured) | .... | 135 |
| 48. Individual Business (Within India) – Forfeiture/Lapse Policies in respect of Non-Linked Business | .... | 136 |
| 49. Solvency Ratios of Life Insurers (2006-07) | .... | 137 |
| 50. Solvency Ratios of Non-Life Insurers (2006-07) | .... | 138 |
| 51. Individual Business (within India) - Details Forfeiture/Lapse Policies in respect of Non-Linked Business | .... | 139 |
| 52. Individual New Business Performance of Life Insurances for 2006-07 — Channel Wise | .... | 140 |
| 53. Group New Business Performance of Life Insurances for 2006-07 — Channel Wise | .... | 141 |
| 54. State Wise Spread of Individual Agents — Insurer wise as at 31st March, 2007 | .... | 142 |
| 55. Details of Individual Agents of Life Insurers | .... | 144 |
| 56. Individual Death Claims | .... | 145 |
| 57. No. of Life Insurance offices as on end March | .... | 146 |
| 58. Distribution of offices of Life Insurers as on 31st March, 2007 | .... | 147 |
| 59. Geographical Distribution of offices—Company-wise | .... | 148 |
| 60. Individual New Business Underwritten—Company-wise | .... | 149 |

LIST OF ANNEX

| | | |
|--|------|-----|
| I Insurance Companies operating in India | .... | 153 |
| II Regulations framed under the IRDA Act, 1999 | .... | 154 |
| III (a) Appointed Actuaries of Life Insurers | .... | 155 |
| (b) Appointed Actuaries of Non-Life Insurers | .... | 156 |
| IV (a) Indian Assured Lives Mortality (1994-96) (modified) ultimate | .... | 157 |
| (b) Mortality Rates of Annuitants in LIC of India – LIC A (96-98) ultimate | .... | 158 |
| V Life Insurance products cleared during the financial year 2006-07 | .... | 159 |
| VI Non-life Products Introduced during the financial year 2006-07 | .... | 163 |
| VII Obligatory Cessions received by GIC | .... | 166 |
| VIII Registered Brokers (State - wise Break-up) | .... | 167 |
| IX Circulars / Orders / Notifications issued by the Authority | .... | 168 |
| X Annual Statement of Accounts for the year ended March 31, 2007 | .... | 173 |
| XI Addresses of Insurers, Intermediaries and Ombudsman | .... | 193 |

MISSION STATEMENT

- ✓ To protect the interest of and secure fair treatment to policyholders;
- ✓ To bring about speedy and orderly growth of the insurance industry (including annuity and superannuation payments), for the benefit of the common man, and to provide long term funds for accelerating growth of the economy.
- ✓ To set, promote, monitor and enforce high standards of integrity, financial soundness, fair dealing and competence of those it regulates;
- ✓ To ensure speedy settlement of genuine claims, to prevent insurance frauds and other malpractices and put in place effective grievance redressal machinery;
- ✓ To promote fairness, transparency and orderly conduct in financial markets dealing with insurance and build a reliable management information system to enforce high standards of financial soundness amongst market players;
- ✓ To take action where such standards are inadequate or ineffectively enforced;
- ✓ To bring about optimum amount of self-regulation in day to day working of the industry consistent with the requirements of prudential regulation.

**TEAM AT IRDA
Year 2006-07**

**CHAIRMAN
C. S. Rao**

MEMBERS

C.R. Muralidharan
K.K. Srinivasan
G. Prabhakara
Dr.R. Kannan

PART-TIME MEMBERS

Vijay Mahajan
Sunil Talati
Ela R. Bhatt
Dr. Sanjiv Misra

DIRECTOR GENERAL (RESEARCH & DEVELOPMENT)

Dr. D.V.S. Sastry

EXECUTIVE DIRECTORS

Prabodh Chander

V. Vedakumari

K. Subrahmanyam

CONSULTANTS

M. M. Siddiqui

Kunnel Prem

OVERVIEW

The Indian economy has witnessed a remarkable real GDP growth in 2006-07. This upswing has resulted from higher production in both manufacturing and services sectors while agriculture and allied activities have not shown a similar improvement. Services sector and manufacturing sector led the development path with growth rate of 11.0 per cent each. Agricultural sector registered a positive rate of growth at 2.7 per cent; however, it was much lower than the growth rate of 6.0 per cent registered in 2005-06. Thus, the overall real GDP growth was 9.4 per cent in 2006-07 as against 9.0 per cent in 2005-06. Within the services sector, trade, hotels, transport and communications and financing, insurance, real estate and business services have registered double digit rate of growth.

As a result of higher growth, the per capita income has increased; gross domestic savings as a percentage of GDP increased to 32.4 per cent in 2005-06 from 31.1 per cent in 2004-05. The saving rate of the household sector in financial assets has increased to 11.7 per cent in 2005-06 compared to 10.2 per cent in 2004-05. However, saving rate in the form of physical assets declined to 10.7 per cent from 11.4 per cent observed in 2004-05. Savings of private corporate sector has increased to 8.1 per cent of GDP in 2005-06 as compared to 7.1 per cent in 2004-05. Higher savings improved the investment situation at the economy level to 33.8 per cent of GDP in 2005-06 as against 31.5 per cent in 2004-05. Gross capital formation as per cent of GDP in the private corporate sector worked out to 12.9 per cent (9.9 per cent in 2004-05). Gross capital formation rate in the public sector has increased to 7.4 per cent marginally higher than 7.1 per cent in 2004-05. Thus, higher investment rates in both private corporate and public sectors of the economy will have a long term impact on the overall growth path.

Monetary policy during 2006-07 has managed a higher real growth path despite pressures from actual and expected inflation. The prices of fuel, power, light and lubricants have caused the rise of inflation in 2006-07. Higher commodity prices for primary food articles and manufactured products and demand conditions have contributed to the rise in inflation.

Inflation measured by variations in the WPI on a year-on-year basis increased from 4.0 per cent at end-March 2006 to 5.9 per cent at end-March 2007. On an average basis, WPI inflation was higher at 5.4 per cent in 2006-07 when compared to that of 4.4 per cent in 2005-06. Consumer price inflation for industrial workers registered, on year-on-year basis, an increase of 6.7 per cent in March 2007 compared with 4.9 in March 2006. Consumer price index for industrial worker averaged to 6.7 per cent in 2006-07 compared with 4.4 per cent in 2005-06. Domestic equity and bullion markets have also played significant role in the inflationary situation. Some of the key macroeconomic indicators suggest that the consumer price inflation have eased in most of the economies except in India, China and South Africa.

The Indian financial markets were calm during 2006-07 except for some volatility at certain points of time due to changes in cash balances and capital flows. Despite certain tightness in the uncollateralized call money market, call rates averaged at 7.22 per cent 2006-2007. In the money market there has been a shift from uncollateralized to the collateralized market in 2006-07, as collateralized market accounted for about 70 per cent of the total volume in money market. Along with nationalized banks, insurance companies and mutual funds have been major money lenders in the Collateralized Borrowing and Lending Obligation market. The issuance of commercial paper has seen a mixed response; however, the weighted average discount rates on commercial paper have increased to 11.33 per cent during the fortnight ending March 31, 2007 from 8.59 per cent observed at the corresponding period in the previous year. Yields on treasury bills have also seen a sharp rise during 2006-07. The government securities market showed an increase in yields both at short term and long term. Whereas the yield spread on securities above 1 year has declined at a faster rate, the deposit rates and lending rates of both public sector and private sector banks have moved up in year 2006-07. The gap in yield spread between 5 year government securities and 5 year AAA-rated bonds have widened by 142 basis points at end-March 2007. In the primary market, resources mobilized through public issues amounted

to Rs.32,382 crore during 2006-07. Mobilization of resources through private placement amounted to Rs. 84,307 crore. In the domestic secondary market, the BSE Sensex at end-March 2007 increased by 15.9 per cent on top of an increase of 73.7 per cent a year ago. Strong corporate profitability and liquidity support from foreign institutional investors and domestic mutual funds kept the stock market buoyant despite certain sharp corrections on few occasions. Major global stock indices showed mixed trends during 2006-07. The short term interest rates rose in some of the developed economies, whereas yield on the long term government bonds exhibited a mixed trend.

The balance of payments condition indicated vibrancy and strength in the external sector during 2006-07. The merchandise exports and non-oil import remained robust, though there was some deceleration as compared to the previous year. India's share in world trade has increased to 1.2 per cent in 2006 from 1.1 per cent in 2005. India's merchandise export reported a growth of 22.5 per cent in 2006-07 as compared to 23.4 per cent in the previous year. Commodities like engineering goods and petroleum products have recorded strong growth whereas export of commodities like chemicals and related products, gems and jewellery, textiles, and related products recorded a moderate growth. India's merchandise imports moderated to 27.8 per cent during 2006-07 from 33.8 per cent in the previous year. During 2006-07, US remained the major destination for India's export accounting for 14.9 per cent of India's total exports. Growth in oil imports moderated to 29.8 per cent in 2006-07 as against 47.3 per cent in 2005-06. India's external debt has increased by US \$ 28.6 billion during 2006-07 and stood at US \$ 155.0 billion by end March 2007. India's foreign exchange reserves stood at US \$ 199.2 billion on March 31, 2007 as compared with US \$ 151.6 billion on March 31, 2006. The Indian currency has shown a two way movement against US dollar, euro, Japanese yen and pound sterling. The rupee has appreciated against US dollar by 2.3 per cent and Japanese yen by 2.7 per cent while it depreciated against euro by 6.8 per cent and pound sterling by 9.1 per cent.

Global economic activity gathered further pace in 2006, with growth accelerating to 5.5 per cent from 4.9 per cent in 2005.

Growth in developing Asia accelerated from 9.2 per cent in 2005 to 9.7 per cent in 2006 due to strong global demand, favourable terms of trade and easy access to external finance. The volume of world trade increased to 9.4 per cent from 7.5 per cent in 2005. The World Economic Outlook predicts that global real GDP growth on the basis of purchasing power parity, to be lower at 5.2 per cent in 2007-08 compared to 5.5 per cent in 2006-07. The growth in the world trade volume is also expected to decelerate from 9.4 per cent in 2006 to 7.1 per cent in 2007 and 7.4 per cent in 2008. The global headline inflation has picked up momentum even though the core inflation has not shown much change. There has been a noticeable rise in volatility in the international financial markets. With financial globalization the exposure of emerging markets to risky financial assets has increased which in turn has led to increased risk appetite of institutional investors in search of higher yields.

The improved global economic activity has also impacted the insurance business. The world insurance premium in 2006 accounted for US \$ 3723 billion; of which US \$ 2209 billion was in life insurance and US \$ 1514 billion in non-life insurance. Profitability improved for both life and non-life insurance companies in 2006 as compared to 2005.

The Central Statistical Organization, in February 2007 has revised upwards the real GDP growth for 2006-07 to 9.4 per cent. Progress in all the three sectors has contributed towards the growth with the industrial and services sectors playing the vital role. The industrial sector has gained momentum with improvement in investment and sectoral policies. Further, to sustain the accelerating growth rate of this sector, Union Budget 2007 has declared a reduction in custom duties and other taxes.

The improved performance in the domestic economy is also reflected in the insurance industry. Higher per capita income, domestic savings and availability of more instruments for parking surplus funds have facilitated growth in the activities of financial services: Savers' risk appetite has also been increasing which can be seen by the growth in unit linked products provided by the life insurers. The premium underwritten in India and abroad by life insurers in 2006-07 has grown by 47.38 per cent as against 27.78 per cent in

2005-06. First year premium including single premium accounted for 48.45 per cent of the total life premium, whereas renewal premium accounted for the remaining. First year premium including single premium recorded a growth of 94.96 per cent in 2006-07 compared to 47.94 per cent in 2005-06, driven by a significant jump in the unit-linked business. The private life insurers have increased their market share from 14.25 per cent in 2005-06 to 18.08 per cent in 2006-07. This has not affected the growth of LIC, as the premium collected by LIC in 2006-07 has increased by 40.79 per cent over the premium collected in 2005-06. In the case of general insurers the growth was 21.51 per cent as against 15.62 per cent in the previous year. In 2006-07, the four public sector general insurers had reported a growth of 8.18 per cent (6.87 per cent in the previous year) in underwriting of premium within and outside India whereas eight private sector insurers reported a growth of 61.24 per cent. The market share of private insurers had increased to 34.72 per cent compared to 26.34 per cent in 2005-06 implying a decline in the market share of the public sector insurers. The number of policies underwritten by the private insurers increased by 51.48 per cent whereas it declined by 2.25 per cent for public insurers.

The Authority, visualizing the large opportunities for growth of insurance in India has been making efforts at widening and deepening the market. It has also recognized that competition among the companies has impacted their efficiency in production, innovation and claim management. Further, new untapped market is being exploited by the private insurers forcing the public insurers to come out with innovative schemes. The Authority feels that there is scope for new entrants to spread the message of insurance among the people; It, however, adopts a cautious and diligent approach in licensing firms to undertake insurance business in India. All out efforts are being made by the Authority in spreading health insurance. Further, micro-insurance is encouraged to cater to the needs of the poor people. The insurers responded positively to these developmental plans of IRDA, a new stand alone Health Insurance company has started its business in 2006-07. The existing companies are expanding their geographical operations. During 2006-07, 1508 offices as defined under Sec 64VC of Insurance Act 1938 have been

added. The number of policies issued in 2006-07 by private insurers registered 100 per cent increase over those issued in 2005-06. The total premium underwritten by the life insurers recorded a growth of 47.38 per cent in 2006-07.

The well laid out and carefully thought of road map put in place by the Authority for removal of tariffs in the general insurance industry was a historic event of 2006-07. The apprehensions of many were put to rest as no marked fluctuations were observed in the rates. Though it is too early to assess the impact of detariffication, the initial behaviour of the market has been normal. As the market becomes more competitive companies move to put in good underwriting practices and innovate new products so as to retain their earlier market shares.

The Authority is concerned with the market behaviour of the players and the way they sell their products to the consumers. The Authority lays stress on these issues and advised the insurers to restrain from misselling their products to the consumers by inflating the benefits of such products. Further the complex structure of the market forces evolving in the light of detariffing necessitated the Authority to recognize importance of the market supervision as well as financial supervision. In view of this, the Authority conducted inspections of the insurance companies to look into underwriting processes and based on the reports of the inspecting team, some of actions have been initiated.

Performance in the first half year of 2007-08

(i) Life insurance

The life insurers underwrote a premium of Rs. 33159.53 crore during the six months in the current financial year as against Rs. 29664.64 crore in the comparable period of last year recording a growth of 11.78 percent. Of the total premium underwritten, LIC accounted for Rs. 22761.49 crore and the private insurers for Rs. 10398.04 crore. The premium underwritten by the LIC declined by 2.87 percent while that of private players grew by 66.91 percent, over the corresponding period in the previous year. The number of policies written at the industry level increased by 69.09 per cent. The number of policies written by LIC increased by 61.61 per cent whereas in the case of private insurers the increase was

99.18 per cent. Of the total premium underwritten, individual premium accounted for Rs. 28470.56 crore. and the remaining Rs. 4688.97 crore came from the group business. In respect LIC, individual business was Rs. 18889.84 crore and group business was Rs. 3871.65 crore. In the case of private insurers, it was 9580.72 crore and Rs. 817.32 crore respectively. The market share of LIC was 68.64 per cent in premium collection and 76.55 per cent in number of policies underwritten. In the corresponding period of last year these shares were 79.00 per cent and 80.09 per cent respectively. The number of lives covered by life insurers under the group scheme was 131.19 lakhs recording a growth of 50.20 per cent over the previous period. Of the total lives covered under the group scheme, LIC accounted for 102.33 lakhs and private insurers 28.86 lakhs. The life insurers covered 54.82 lakh lives in the social sector with a premium of Rs. 83.21 crore. In the rural sector the insurers underwrote 43.38 lakh policies with a premium of Rs. 4340.81 crore.

(ii) Non-Life insurers

Non-life insurers underwrote a premium of Rs. 13904.01 crore during the first half of the current financial year recording a growth of 11.68 per cent over Rs. 12449.87 crore underwritten in the same period of last year. The private sector non-life insurers underwrote a premium Rs. 5441.52 crore as against Rs. 4340.57 crore in the corresponding period of the previous year, recording a growth of 25.36 per cent. Public sector non-life insurers underwrote a premium of Rs. 8462.49 crore which was higher by 4.36 per cent (Rs. 8109.30 crore in the first half of 2006-07). The market share of the public insurers, and the private players was 60.87 and 39.13 per cent respectively. ECGC underwrote credit insurance of Rs. 313.24 crore as against Rs. 293.02 crore in the previous

year, a growth of 6.90 per cent. Segment wise the premium underwritten in the Fire, Marine and Miscellaneous segments was Rs. 2220.93 crore, Rs. 900.02 crore and Rs. 10783.06 crore recording a growth of -11.69 per cent, 1.88 per cent and 19.13 per cent, respectively over the corresponding period of the previous year. The corresponding number of policies segment wise were 16.59 lakh, 6.88 lakh and 251.02 lakh respectively. i.e., a growth of -2.56, 1.45 and 28.49. Premium underwritten by the private sector insurers in these segments during April- September, 2007 was Rs. 874.03 crore, Rs. 294.96 crore and Rs. 4272.53 crore, respectively reporting growth of -11.73, 1.15 and 39.68 per cent. In terms of number of policies, the private insurers issued 3.14 lakh, 1.53 lakh and 77.68 lakh policies in the Fire, Marine and Miscellaneous segments reporting a growth of, 42.49, 8.54 and 57.67 per cent respectively. The policies underwritten in the corresponding period of the previous year were 2.21 lakh, 1.41 lakh and 49.27 lakh respectively. The growth in terms of policies underwritten by the private insurers was 55.73 per cent. Premium underwritten by the public sector insurers in these segments during April-September, 2007 was Rs. 1346.90 crore, Rs. 605.06 crore and Rs. 6510.53 crore respectively reporting growth of -11.66, 2.23 and 8.64 per cent. In terms of number of policies, the public insurers issued 13.44 lakh, 5.34 lakh and 173.34 lakh policies in the Fire, Marine and Miscellaneous segments reporting a growth of -9.28, -0.41 and 18.65 per cent respectively. The policies underwritten in the corresponding period of the previous year were 14.82 lakh, 5.37 lakh and 146.09 lakh respectively. The growth in terms of policies underwritten by the public insurers was 15.55 per cent.

PART I

POLICIES AND PROGRAMMES

A. GENERAL ECONOMIC ENVIRONMENT

The Indian economy, commensurate with strong global growth, exhibited a robust performance during 2006-07. Real GDP backed up by double digit growth in services sector and industrial sector increased to 9.4 per cent in 2006-07 as against 9.0 per cent in 2005-06. India's share in world GDP thus has increased to 6.3 per cent in 2006 measured in terms of purchasing power parity. Growth in per capita income also accelerated to 8.4 per cent in 2006-07 from 7.4 per cent in 2005-06. At the sectoral level, real GDP growth originating from agriculture and allied activities decelerated from 6.0 per cent in 2005-06 to 2.7 per cent in 2007, partly attributable to base effect and uneven monsoon. While the total food grains production increased marginally, non-food grains production has been lower than the earlier level. Real GDP growth originating from industrial sector, on the other hand, increased to 11.0 per cent in 2006-07 from 8.0 per cent recorded in 2005-06 mainly due to strong manufacturing activity. This has been substantiated by the movements in the index of industrial production also. The growth in IIP accelerated from 8.2 per cent in 2005-06 to 11.5 per cent in 2006-07. In terms of use based classification, while acceleration in growth was observed in basic goods, capital goods and intermediate goods, there has been a deceleration in the case of consumer goods.

The infrastructure sector witnessed improved performance during 2006-07 over its subdued performance in the preceding two years. However, the growth in infrastructure sector was lower than the overall industrial growth. However, growth in infrastructure industries (with a weight of 26.7 per cent in the IIP) increased to 8.6 per cent in 2006-07 from 6.2 per cent in the previous year. The improvement in the performance of infrastructure was due to turn around in the growth in crude petroleum and higher growth in electricity and petroleum refinery products. Small scale industries continued to record a steady progress in 2006-07. This sector accounted for 40 per cent of the industrial output and 47 per cent in the manufactured exports of the economy. Performance of the

corporate sector was optimistic with favourable investment activity together with export and import conditions.

The services sector has been an important sector in the Indian economic growth process in the recent years. GDP originating from the services sector recorded a growth rate of 11.0 per cent in 2006-07 compared to 10.3 per cent in 2005-06. The performance of this sector was mainly driven by trade, hotels, transport and communications (13.0 per cent in 2006-07 against 10.4 per cent in 2005-06). The financing, insurance, real estate and business services have grown by 10.6 per cent as compared to 10.9 per cent in 2005-06. Within this sub sector, GDP emanating from insurance has contributed to 17.0 per cent in 2006-07 which showed an increase over the previous year.

Saving and Capital Formation

The CSO released the estimates for GDP at the economy and at sectoral levels for 2006-07. However, the estimates of savings and capital formation are released with a lag of one year i.e., the latest such estimates are released for 2005-06. The RBI estimates the gross financial savings of the household sector and released the same for 2006-07. As such the review pertains to savings and capital formation for 2005-06 and gross financial assets for 2006-07.

Growth during 2006-07 was mostly driven by domestic demand led by investment. Gross domestic savings as a per cent of GDP at current market prices, increased from 31.1 per cent in 2004-05 to 32.4 per cent in 2005-06 as a result of higher increase in private corporate and household savings. The household savings rate has increased from 21.6 per cent in 2004-05 to 22.3 per cent in 2005-06. This was due to an increase in savings in the form of financial assets (11.7 per cent in 2005-06 against 10.2 in 2004-05). There was a marginal decline in household savings in the form of physical assets. The saving rate of private corporate sector has increased from 7.1 per cent in 2004-05 to 8.1 per cent in 2005-06. On the other hand there was a marginal decline in public sector savings from 2.4 per cent of GDP in 2004-05 to

2.0 per cent in 2005-06. While the domestic savings rate increased by 1.3 percentage points in 2005-06, the domestic investment rate increased by 2.3 percentage points from 31.5 per cent in 2004-05 to 33.8 per cent in 2005-06 taking recourse to higher foreign savings to the extent of 1.3 per cent.

Of the gross financial assets of the household sector in 2005-06, currency and deposits constituted 55.8 per cent which is much higher than 45.7 per cent observed in 2004-05, clearly showing the preference of households towards banks. Insurance funds accounted for 14.0 per cent in 2005-06 lower than 15.7 per cent in 2004-05. Of this life insurance funds accounted for 13.4 per cent with postal insurance and state insurance accounting for 0.3 per cent each. As a percentage of GDP insurance funds accounted for 2.3 per cent in 2005-06 more or less at the same level to that in 2004-05. Investments in the form of small savings constituted 12.2 per cent in 2005-06 sharply declining from 19.6 per cent in 2004-05. Provident and pension funds accounted for 10.5 per cent of financial assets of households in 2005-06 as against 13.0 per cent in 2004-05. However, these funds maintained the same share in GDP at 1.8 per cent.

Preliminary estimates place the financial savings of the household sector in 2006-07 at 11.6 per cent of GDP – the same as the revised estimates for 2005-06. Financial assets of the household sector are placed at 18.4 per cent of GDP in 2006-07. Of this, currency and deposits constituted 64.3 per cent much higher than 55.8 per cent observed in 2005-06. Insurance funds accounted for 15.0 per cent; of which 14.6 per cent was constituted by life insurance funds. As a percentage of GDP, insurance funds accounted for 2.8 in 2006-07 as against 2.3 in 2005-06. Postal insurance and state insurance funds constituted 0.2 per cent each. Investments in small savings accounted for 4.9 per cent in 2006-07 which is around one-third of its level in 2005-06. Provident and pension funds accounted for 9.2 per cent of financial assets of households in 2006-07.

Price Situation

Inflation remained firm in many countries including India during 2006-07 reflecting high commodity prices and strong demand

conditions. Inflation in India, as measured by movements in the whole sale price index on a year on year basis rose to 5.9 per cent on March 31, 2007 from 4.0 per cent a year ago. Supply pressures emanating from higher prices of primary articles and demand pressures due to high growth contributed to the higher inflation rate. Primary articles and manufactured products contributed to the high inflation rate in 2006-07. Shortfalls in domestic supply of major agricultural crops together with high international prices are the major causes for inflation in primary articles. Inflation in primary articles rose to 10.7 per cent on March 31, 2007 from 4.8 per cent a year ago. Inflation in manufactured products was due to strong growth and higher demand and high capacity utilization. Inflation in manufactured products increased to 6.1 per cent on March 31, 2007 from 1.9 per cent a year ago. Fuel group inflation which contributed more to the inflation in the preceding two years (2004-05 and 2005-06) eased significantly in 2006-07. Fuel group inflation as on March 31, 2007 was 1.0 per cent as against 8.3 per cent a year ago and 10.5 per cent two years ago. Base effect and cuts in prices were the causes for this low inflation. However, the fuel group inflation peaked to 9.9 per cent on June 17, 2006 and moderated significantly later. On an average basis, the wholesale price inflation (average of 52 weeks) was higher at 5.4 per cent in 2006-07 compared to 4.4 per cent in 2005-06.

Consumer price inflation was above the wholesale price inflation all through the year, reflecting higher food prices as well as their higher weightage in the basket of consumer goods. Consumer price inflation for industrial workers for the month of March 2007 was 6.7 per cent on a year on basis, which was higher than 4.9 per cent recorded for the same month of the previous year. On an average basis consumer price inflation for industrial workers was 6.7 per cent in 2006-07 higher than 4.4 per cent for the previous year.

DOMESTIC FINANCIAL MARKETS

Various initiatives were undertaken so as to deepen and widen the domestic financial markets. The implementation of Fiscal Responsibility and Management Act 2003 necessitated several structural and developmental measures in the government securities market. Insurance companies have extended the facility to trading in government securities market on screen

based order-driven anonymous NDS order matching module. Steps were taken to make the Indian capital market more efficient, transparent and investor friendly. During 2006-07, short term interest rates increased further in a number of economies as many central banks tightened the monetary policy to contain inflation and to stabilize inflationary expectations. Financial markets in India remained generally orderly during 2006-07.

Money Market

Money market rates rose up and moved along the policy rates during 2006-07. Some spells of volatility was observed in the money market at certain times due to changes in capital flows and cash balances. There was a rise in the interest rates in various segments of the money market. The call rate averaged to 7.22 per cent during 2006-07 and remained within the corridor during September–December 2006 set by the Reserve Bank's repo and reverse repo rates. Due to tight liquidity conditions, the call rate was higher than the repo rate and the weighted average call rate touched 16.88 per cent on December 29, 2006. Though the call rate eased to some extent at different points of time, thereafter it hardened and reached an intra-year high of 54.32 per cent on March 30, 2007. In line with movements in call rate, the interest rates in the collateralized segments of money market also increased during 2006-07. The collateralized segment (market repo outside Liquidity Adjustment Facility and Collateralized Borrowing and Lending Operations) accounted for about 70 per cent of the total volume. The interest rates in the market repo segment averaged to 6.34 per cent. In the Collateralized Borrowing and Lending Operations, the interest rates averaged to 6.24 per cent.

Interest rates in both these markets were lower than call money rates. The interest rates in the collateralized segments of the money market though hardened were below the call rates during 2006-07. Some of the major lenders in the CBLO markets are the mutual funds and insurance companies.

Interest rates in other segments of money market also increased. The weighted average discount rate of Certificates of Deposit increased from 8.62 per cent at end March 2006 to 10.75 per cent at end March 2007. Similarly, the weighted average discount rate of Commercial Paper increased from

8.59 per cent during the fortnight ended March 31, 2006 to 11.33 per cent during the fortnight ended March 31, 2007.

Foreign Exchange Market

The Indian currency exhibited two way movements in the range of Rs.43.14 to Rs.46.97 per US dollar during 2006-07. The rupee initially depreciated against US dollar due to higher crude oil prices and FII outflows. Subsequently, the rupee strengthened backed up by moderation in crude oil prices, large capital inflows and weakness in US dollar in international markets. The exchange rate was Rs.43.60 per US dollar at end March 2007. The Indian rupee appreciated by 2.3 per cent against US dollar, 2.7 per cent against Japanese Yen; however it depreciated by 9.1 per cent against Pound sterling and 6.8 per cent against Euro. Forward premia also increased during 2006-07 due to interest rate differentials. In view of increase in domestic flows remaining in excess of the current account deficit, the overall balance of payments showed a surplus resulting an accretion of US \$ 47.6 billion to the foreign exchange reserves. Foreign exchange reserves comprising of gold, SDR, foreign currency assets and reserve position at IMF – reached to US \$ 199.2 billion at end March 2007.

Government Securities Market

Yields on government securities in the secondary market hardened during 2006-07. The government securities market showed an increase in short term as well as long term yield. Yields on 10 year paper moved up from mid-April 2006 and reached the intra-year peak of 8.40 per cent on July 11, 2006. This upward movement was basically due to sustained domestic demand for credit, higher crude oil prices, hike in domestic fuel prices and reverse repo rate. The 10 year yield was 7.97 per cent as on March 31, 2007 which was 45 basis points higher than the level as on March 31, 2006. The yield curve flattened during 2006-07 with spread between 1 year and 10 year narrowed down to 42 basis points at end-March 2007 from 98 basis points at end March 2006. The gap in yields between 5 year government securities and 5 year AAA-rated bonds has widened to 142 basis points by end-March 2007 from 91 basis points at end-March 2006.

Primary Market

Resources raised from primary market through public issues increased to Rs.32,382 crore during 2006-07 from Rs.26,940 crore mobilized in 2005-06. However, the number of public issues (119) were lower than 138 in the previous year. All the issues were by private sector excepting for one. Of the 119 issues 116 were for equity and the remaining 3 for debt. The total resources mobilized through equity were Rs.31,535 crore. Of the 119 public issues, 75 issues were initial public offerings. The Indian corporate sector relied heavily on private placement route. The private corporate sector mobilized Rs.84,307 crore through 1539 private placements more than double the amount mobilized in 2005-06. Moreover the resources raised by Indian corporates from the American Depository Receipts and Global Depository Receipts have increased by 49.8 per cent to Rs.17,005 crore during 2006-07 from Rs.11,352 crore in 2005-06. ADRS accounted for Rs.8268 crore and GDRS for Rs.8737 crore. The net resources mobilized by Mutual Funds increased by 78.1 per cent to Rs.93,985 crore in 2006-07 from Rs. 52779 crore in the previous year. Net assets managed by Mutual Funds also increased significantly by 40.7 per cent to Rs.3,26,292 crore from Rs.2,31,863 crore in 2005-06. Bulk of resources mobilized by Mutual Funds during 2006-07 was under debt market schemes. This may be partly attributed to risk aversion on the part of investors.

Secondary Market

Indian Stock market gained further in 2006-07. The BSE Sensex increased by 15.9 per cent at end March 2007 over and above the increase of 73.7 per cent a year ago. Strong corporate profitability, continued liquidity support from FIIS and domestic mutual funds buoyed up the stock market. The domestic stock market moved in line with the developments in global equity markets. On February, 2007 the BSE sensex moved to 14652, an all time high, before closing at 13072 on March 30, 2007. As such the market capitalization of the BSE increased by 17.3 per cent. Activity in the wholesale debt market was however subdued with turnover declining by 53.9 percent to Rs.219106 crores in 2006-07.

To sum up, the domestic financial markets remained orderly during 2006-07 although there was some volatility especially in the last two weeks of March, 2007. Interest rates have edged up in all the market segments and moved in tandem

with the policy changes. The foreign exchange market exhibited a two way movement and the stock markets reached record highs in 2006-07.

EXTERNAL SECTOR

Sustained growth and vibrancy in the external sector was reflected in India's balance of payments during 2006-07. Net surplus under invisibles financed the large merchandise gap. As such, the current account deficit remained modest and as a proportion of GDP was 1.1 per cent in 2006-07; the same level as in 2005-06. The overall balance was a surplus resulting into further increase in foreign exchange reserves. Net capital flows increased in 2006-07 reflecting the investors' confidence in India's growth prospects. During 2006-07 net capital flows were US Dollar 44.9 billion constituting external commercial borrowings and foreign direct investment. Foreign direct investment increased by US \$19.5 billion due to progressive liberalization of FDI policy and simplification of procedures. Among the emerging economies, India has emerged as the second most preferred country next to China for FDI. The net external assistance India received worked out to US \$ 1.8 billion during 2006-07. India, in the form of technical cooperation and training, is also extending assistance to other countries like Bhutan, Nepal etc.

Global economic growth in 2006 accelerated to 5.5 per cent from 4.9 per cent in 2005. The slow down in US was compensated by accelerated growth in Japan and Euro area. Among the developing economies, China and India continued to exhibit strong growth. Increase in global demand was reflected in growth in volume of world merchandise trade from 7.5 per cent in 2005 to 9.4 per cent in 2006. According to IMF, the global growth may be some what moderated to 5.2 per cent in 2007. This may result into decrease in volume of trade and private capital flows. The volume of world trade is expected to decelerate to 7.1 per cent in 2007. Uncertainties in international oil prices, inflationary expectations may be the downside risks in the growth prospects.

First Quarter Review

Industrial production remained buoyant during April-June 2007, led by manufacturing activity. The growth in IIP during

this period accelerated to 11.0 per cent compared to 8.0 per cent observed in the corresponding period of 2006. According to use based classification while basic, capital and consumer goods showed higher growth, intermediate goods showed a deceleration. The growth in infrastructure industries was 6.9 per cent during this period as against 7.4 per cent observed in April-June 2006. The lead indicators presented a mixed response in the performance of services sector. Wholesale price inflation has moderated to 4.1 per cent on August 4, 2007 from 5.9 per cent at the end March 2007 and 5.1 per cent a year ago. Fuel group inflation turned negative due to cuts in domestic fuel prices. However, international crude oil prices increased from its march level. Primary articles inflation was 9.4 per cent (5.2 per cent a year ago) and manufactured products inflation was 4.4 per cent (3.8 per cent a year ago). The average wholesale inflation price increased to 5.4 per cent on August 4, 2007 from 4.4 per cent a year. Consumer price inflation continued to be higher than WPI inflation mainly because of higher prices for food articles and their higher weight in the consumer basket. Financial markets have remained stable upto June 2007. Short term interest rates have eased from end March 2007 levels. Overnight interest rates exhibited volatility due to movements in Government cash balances. Call rates were below 1 per cent on a number of occasions in June 2007. During May-July 2007 the call rates averaged to 3.37 per cent. During that period, the rates in the collateralised segment were lower than the call rate; 2.15 per cent in CBLO and 2.49 per cent in market repo. Upto August 17, 2007 the Indian rupee moved in the range of Rs.40.24 to 43.15 per US dollar. In the secondary market of government securities, the yield on 10 year security moved in the range of 7.80 to 8.41 per cent upto August 17, 2007. The 10-year yield was 8.01 per cent as on that day four basis points higher than end March 2007. To sum up, the growth momentum of 2006-07 is continuing in the current financial year also. Inflation has eased, but inflationary expectations have not totally subsided. International oil prices are hardening. The slow down in US economy is continuing with more integration among countries, the risks transfers may be quicker.

B. APPRAISAL OF INSURANCE MARKET

The contours of insurance business have been changing across the globe and the ripple effects of the same can be observed in the domestic markets as well. An evolving insurance sector is of vital importance for economic growth. While encouraging savings habit it also provides a safety net to both enterprises and individuals. The insurance industry also provides crucial financial intermediation services, transferring funds from the insured to capital investment, which is critical for continued economic expansion and growth, simultaneously generating long-term funds for infrastructure development. In fact investments in infrastructure are ideal for asset-liability matching for life insurance companies given their long term liability profile. Development of the insurance sector is necessary to support the structural changes in the economy. Social security and pension reforms too benefit from a mature insurance industry. The insurance sector in India, which was opened-up for private participation in the year 1999 has completed seven years in a liberalized environment. Since opening up of the insurance sector in 1999, 24 private companies have been granted licenses by 31st March, 2007 to conduct business in life and general insurance. Of the 24, 15 were in the life insurance and nine (including a standalone health insurance company) in general insurance. During the last seven years capital amounting to Rs.9625.28 crore was brought in by the private players, of which the contribution of the foreign partners has been Rs.2174.28 crore. During this period the average annual growth of first year premium in the life segment worked out to 47.06 per cent and in the non-life segment it was 16.87 per cent. The industry services the largest number of life insurance policies in the world. Yet Indian insurance industry has scope to further expansion with a large untapped potential.

The Authority and the industry have been playing an active role in increasing consumer awareness. Insurance companies in general and private insurance companies in particular, are reaching out to untapped semi-urban and rural areas through advertisement campaigns and by offering products suitable to meet the specific needs of the people in these segments. The insurers are increasingly introducing innovative products to meet the specific needs of the prospective policyholders.

Innovative products, imaginative marketing, and aggressive distribution enabled fledgling private insurance companies to sign up Indian customers' faster belying expectations at the time of opening up of the sector. At the time of opening up of the sector, life insurance was viewed as a tax saving device. Of late policyholders' perspective is slowly changing towards taking insurance cover irrespective of tax incentives. The insurable populace is looking for products which suit their specific requirements. As of now a variety of choices are available in the market meeting the requirements of different cross-sections of the society and across age groups.

TABLE 1

KEY MARKET INDICATORS

| | |
|---|---|
| Life and non-life market in India (Total Premium) | Rs.181971.61 crore (US \$ 41.74 billion) |
| Global insurance market | US \$ 3723 billion |
| (as on 31 st December, 2006) | Inflation adjusted growth: 5.0 per cent |
| Growth in premium underwritten in India and abroad in 2006-07 | Life: 47.38 per cent Non-life: 21.51 per cent |
| Geographical restriction for new players | None |
| Equity restriction | Foreign promoter can hold up to 26 per cent of the equity |
| Registration restriction | Composite registration not available |

With the registration of Bharti Axa Life Insurance Co. Ltd., the number of companies operating in the life insurance industry has increased to sixteen. The new entrant commenced underwriting life premium in August, 2006.

By end March 2007, there were sixteen life and sixteen non-life insurance companies (including the national re-insurer). Apollo DKV, another standalone health insurance company and Future Generali Insurance Co. Ltd. and Future Generali Indian Life insurance Co. Ltd. were granted Certificate of Registration in 2007-08 and are in the process of commencing operations.

TABLE 2

NUMBER OF REGISTERED INSURERS IN INDIA

| Type of business | Public Sector | Private Sector | Total |
|-------------------|---------------|-----------------|-----------|
| Life Insurance | 1 | 16* | 17 |
| General Insurance | 6 | 11 [^] | 17 |
| Re-insurance | 1 | 0 | 01 |
| Total | 8 | 27 | 35 |

* One has been granted registration in 2007-08

[^] Two have been granted registration in 2007-08

Of the non-life insurance companies in the public sector, there are two specialized insurance companies viz. Agricultural Insurance Company, which handles Crop Insurance business and Export Credit Guarantee Corporation which transacts export credit insurance. In addition, there are two standalone health insurance companies in the private sector, of which one is yet to commence operations.

Expansion of Offices

While there were 2199 offices in the life insurance industry by March 2001, the number has increased to 5373 by the end of 2006-07. During the period, while the number of offices of LIC has increased from 2186 to 2301 the offices of the private sector players increased from a mere 13 in 2001 to 3072 in 2006-07.

TABLE 3

DISTRIBUTION OF OFFICES OF LIFE INSURERS AS ON 31st MARCH, 2007*

| Insurer | Metro | Urban | Semi-urban | Others | Total |
|-----------------------|------------|-------------|-------------|-------------|-------------|
| Private total | 316 | 848 | 1362 | 546 | 3072 |
| LIC | 233 | 499 | 797 | 772 | 2301 |
| Industry total | 549 | 1347 | 2159 | 1318 | 5373 |

* Offices opened after seeking approval of the Authority

Note: 1) Data collected from life insurers through a special return.

2) Based on the HRA classification of places done by the Ministry of Finance.

Metro : Delhi, Mumbai, Chennai and Kolkata.

Urban : A, B-1 and B-2 class cities of the HRA classification.

Semi-urban : C class cities of the HRA classification.

Others : Places not listed in the HRA classification.

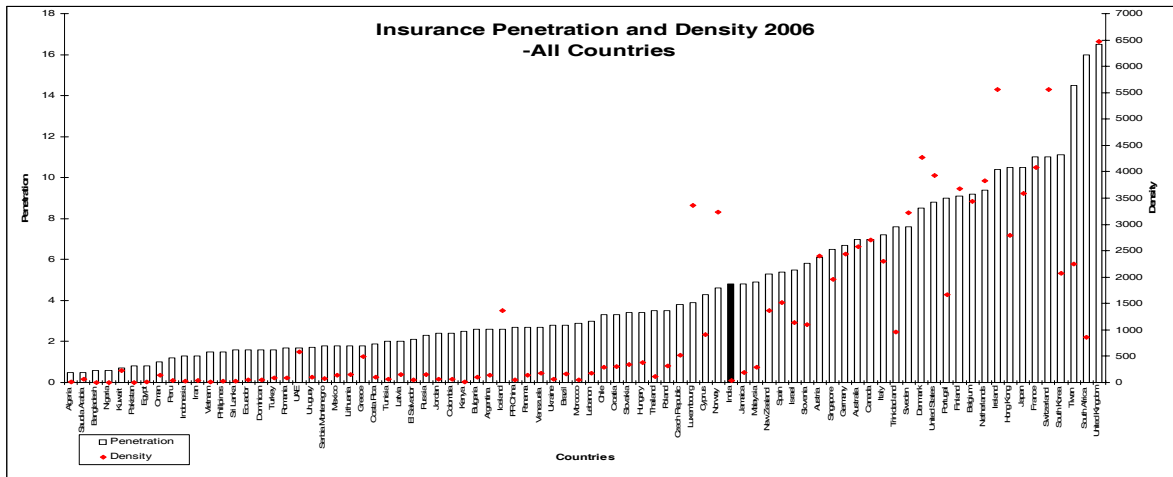
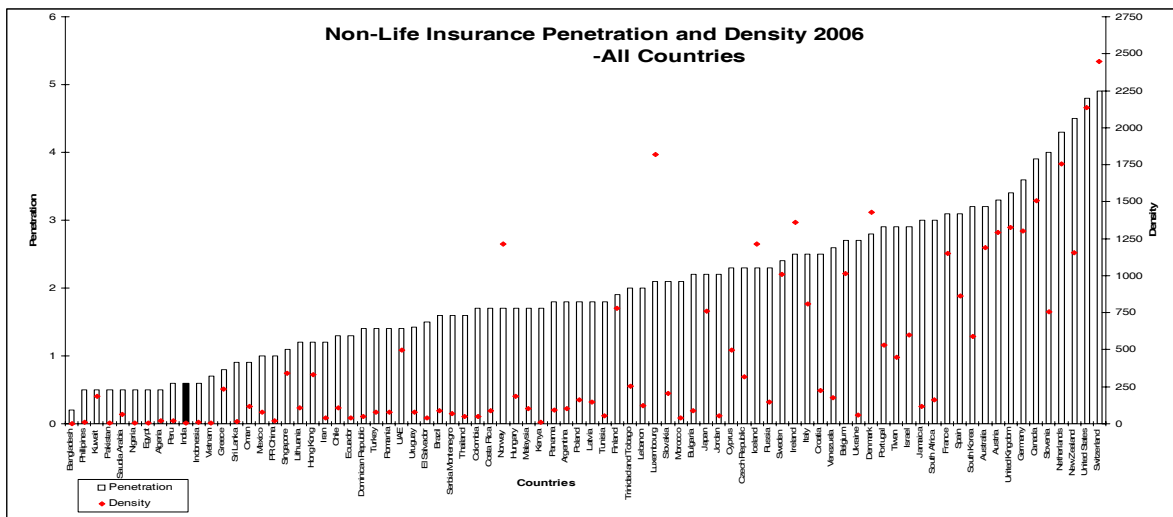
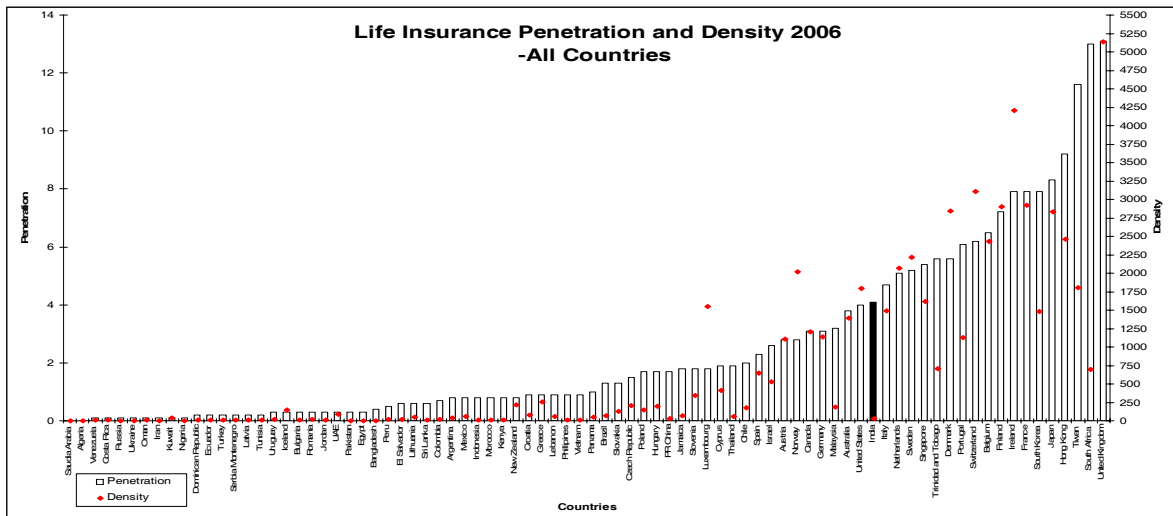


CHART 1

- Left hand vertical Scale indicates Penetration where r.h.s. indicates density.
- Dots indicate density
- Bars indicates India's position
- Insurance Penetration is measured as ratio (in Per Cent) of premium to GDP
- Insurance Density is measured as ratio of premium to total population

Source: Swiss Re, Sigma

Of the 5373 life insurance offices in India, 549 are located in metro areas, 1347 in urban areas and 2159 are operating in semi-urban areas. Remaining 1318 are in areas other than the above. The above classification is based on the HRA classification of the Ministry of Finance. LIC has 233 offices in the metro cities, 499 in the urban areas and 797 in the semi-urban areas.

i) World Insurance Scenario

Worldwide insurance premium amounted to US \$ 3723 billion in 2006 comprising of US \$ 2209 billion in life and US \$ 1514 billion in general insurance business. At this level the premium has increased by 5.0 per cent in real terms in 2006 as compared to 2.5 per cent in 2005. The growth in life insurance premium was about 7.7 per cent which is the highest since 2000. It may be interesting to note that in most of the countries the growth in life insurance premium was faster than growth in the economic activity. Booming stock markets favouring unit linked products, regulatory changes and tax incentives helped in increasing demand for life insurance. With increasing aging population and governments moving from public to private pension schemes, the demand for life insurance products has also increased. In emerging markets, the growth in life insurance tripled to 21.1 per cent from 7.5 per cent in 2005. Strong economic growth and catch-up dynamics had positive impact on the growth trend. The profitability of life business continued to improve in many countries as costs were cut, guaranteed interest rates were reduced and profit participations was adjusted to reflect the low interest rate environment. All these improvements have reflected in the increased level of life insurers' risk capital.

The global non-life business grew by 1.5 per cent in 2006 recovering from previous year's stagnation. The global growth performance in non-life business varied between industrialized countries and emerging markets. While industrialized countries had shown a small growth of 0.6 per cent, the emerging markets exhibited a robust growth of 11.0 per cent in the non-life insurance business. This growth was higher than 7 per cent recorded in 2005. In emerging markets, strong economic developments and introduction of mandatory cover in areas such as motor, third party liability and health were key drivers of growth. However, there was a downward pressure on premium rates in non-catastrophe lines of business. Strong

underwriting discipline and absence of major catastrophes helped improving the profits of general insurance business in 2006. As some of the Asian economies like Hong Kong, Singapore, Taiwan and South Korea are being reclassified as industrialized countries, the premium share of industrialized countries increased to 92.0 per cent in 2006 from 87.0 per cent in 2005. The share of emerging markets in the total world premium was 8.0 per cent in 2006.

The insurance penetration in a country depends on its level of economic activity, risk awareness among the people and the deepening of the financial system. It is therefore desirable to assess India's position vis-à-vis other countries with respect to insurance penetration and density. This has been shown in Chart 1.

The global outlook for 2007 suggests a mixed picture. While healthy growth is expected in life insurance with strong development of savings and pension products, the non-life insurance premiums are likely to stagnate. The outlook for profits remains robust with life sector making further progress on profitability. The combined ratios for non-life insurance are expected to deteriorate due to sluggish premium growth thereby affecting profitability.

ii) Indian Insurance Industry

With large population and untapped market, insurance is a big opportunity in India. The insurance business (measured in the context of first year premium) registered an impressive growth of 94.96 per cent in 2006-07, surpassing the growth of 47.94 per cent achieved in 2005-06. This has resulted in increasing insurance penetration in the country. Insurance penetration or premium volume as a ratio of GDP, for the year 2006 stood at 4.10 per cent for life insurance and 0.60 per cent for non-life insurance. The level of penetration, particularly in life insurance, tends to rise as income levels increase. India, with its huge middle class households, has exhibited growth potential for the insurance industry. Saturation of markets in many developed economies has made the Indian market even more attractive for global insurance majors. The insurance market in India has witnessed dynamic changes including presence of a number of insurers in both life and non-life segment.

Most of the private insurance companies are joint ventures with recognized foreign players across the globe. Consumer

awareness has improved. Competition has brought more products and improved the customer service. It has a positive impact on the economy in terms of income generation and employment opportunities in the sector.

I) Life Insurance

The total capital of the life insurers at end March 2007 stood at Rs.8124.41 crore. The addition to the capital during 2006-07 was Rs.2232.36 crore and the entire capital was brought in by the private insurers. The domestic and the foreign joint venture partners added Rs.1777.96 crore and Rs.454.40 crore respectively.

TABLE 4
PAID UP CAPITAL : LIFE INSURERS
(Rs.Crore)

| INSURER | 2005-06 | 2006-07 |
|----------------|----------------|----------------|
| LIC | 5.00 | 5.00 |
| PRIVATE SECTOR | 5887.05 | 8119.41 |
| TOTAL | 5892.05 | 8124.41 |

There has been no infusion of capital in the case of LIC which stood at Rs.5 crore.

Innovations in Products

Growth in insurance industry has been spurred by product innovation, active sales and distribution channels coupled with targeted advertising and marketing campaigns by the insurers. Innovations have come not only in the form of benefits attached to the products, but also in delivery mechanisms which have emanated from various marketing tie-ups both within the realm of financial services and outside. All these have taken life insurance closer to the customer as well as making it more relevant. The insurance companies are increasingly tapping the semi-urban and rural areas to take across the message of protection of life through insurance cover. The insurers have also introduced special products aimed at the rural markets.

Introduction of unit-linked insurance plans (ULIPs) has been, possibly, the single-largest innovation in the field of life insurance in India. The design of the product addresses and overcomes several concerns that customers have had in the past like liquidity, flexibility and transparency. ULIPs are differently structured products and give choices to the policyholder. The Authority prescribed guidelines for Unit Linked products, stipulating minimum level of sum assured, minimum

period of premium payment and several other requirements including NAV computation methodology. With the ULIP guidelines in place, there has been an enhanced up front transparency on the charges and associated risks. Fund-wise Net Asset Values (NAVs) and portfolio allocations are disclosed on a regular basis.

One of the most significant outcomes of the enhanced competition has been the reduction in the rates for pure protection plans. Over the last seven years, the rates have been revised downwards, and are significantly lower than those prevailing prior to opening up of the sector. The life insurance market has become competitive to the benefit of the policyholders. Simultaneously, industry has been constantly evolving and improving upon its underwriting and risk management abilities. The reduction of term rates has simultaneously facilitated increase in the level of sum assured for policies. This higher level of protection implies that customers are more conscious of the need for risk mitigation and greater security particularly for their homes and child's future. However, given the level of sum assured in the developed countries and other emerging economies, there is a further scope to tap the need for additional cover even amongst the insured population.

Life insurance companies have also been quick to recognize the huge need for structured retirement plans and have leveraged their abilities for long-term fund management towards building this segment. Pension is recognized as a necessity and presents an opportunity for growth in the country, and forms a significant part of portfolio of life insurers. More recently, private life insurers with their expertise in long-term mortality and morbidity introduced annuities.

The growth in group insurance business has also been impressive. The superannuation and gratuity business has grown on the strength of professional fund-management and a host of value-added services. Given such scope for innovation, the life insurance sector is expected to maintain the growth momentum of new premium in future.

New Policies

New policies underwritten by the industry were 461.52 lakh as against 354.62 lakh during 2005-06 showing an increase of 30.14 per cent. While the private insurers exhibited a growth of 104.64 per cent, (previous year 73.37 per cent), LIC showed a growth of 21.01 per cent as against 31.75 per cent in 2005-06.

TABLE 5

NO. OF NEW POLICIES ISSUED : LIFE INSURERS

| Insurer | 2005-06 | 2006-07 |
|----------------|---------------------|---------------------|
| LIC | 31590707 (31.75) | 38229292 (21.01) |
| Private Sector | 3871410 (73.37) | 7922274 (104.64) |
| Total | 35462117 | 46151566 |

Note: Figures in brackets indicate the growth rate (in per cent) of respective insurer.

The market share of the private insurers and LIC, in terms of policies underwritten, was 17.17 per cent and 82.83 per cent as against 10.92 per cent and 89.08 per cent respectively in 2005-06.

Premium

Life insurance industry recorded a premium income of Rs.156041.59 crore during 2006-07 as against Rs.105875.76 crore in the previous financial year, recording a growth of 47.38 per cent. The regular premium, single premium and renewal premium in 2006-07 and their contribution to total premium were Rs.45358.93 crore (29.07 per cent); Rs.30258.32 crore (19.39 per cent); and Rs.80424.34 crore (51.54 per cent), respectively. In 2000-01, when the industry was opened up for the private players, the life insurance premium was Rs.34,898.48 crore which comprised of Rs.6966.95 crore (19.96 per cent) of the regular premium, Rs.25191.07 crore (72.18 per cent) of renewal premium and Rs.2740.45 crore (7.86 per cent) of single premium.

Life insurance industry underwrote first year premium (comprising of single premium and regular premium) of Rs.75617.25 in 2006-07 as against Rs.38785.54 crore in 2005-06 recording a growth of 94.96 per cent as against 47.94 per cent in 2005-06. The growth in first year premium was fuelled by increased sale of unit linked products. This trend is being observed for the last three years. It is observed that LIC is also shifting its marketing strategy in favour of unit linked products. The shift towards unit linked products can also be seen through the increase in single premium policies issued by the insurers. LIC reported growth rates of 166.65 and 9.71 per cent, in single premium individual policies and non-single

premium policies respectively. As against these, private insurance companies reported growth rate of 42.96 per cent, 105.56 per cent respectively. Due to the unprecedented growth in the first year premium underwritten in 2006-07, the proportions of the first year premium and renewal premium to the total premium has witnessed a shift.

TABLE 6

PREMIUM UNDERWRITTEN BY LIFE INSURERS

(Rs.Crore)

| Insurer | 2005-06 | 2006-07 |
|---------------------------|-----------------------------|-----------------------------|
| Regular premium | | |
| LIC | 13728.03 (17.75) | 29886.34 (117.70) |
| Private Sector | 7526.88 (78.23) | 15472.58 (105.56) |
| Total | 21254.91 (33.84) | 45358.93 (113.40) |
| Single premium | | |
| LIC | 14787.84 (64.40) | 26337.21 (78.10) |
| Private Sector | 2742.78 (104.46) | 3921.10 (42.96) |
| Total | 17530.62 (69.60) | 30258.32 (72.60) |
| First Year premium | | |
| LIC | 28515.87 (38.07) | 56223.56 (97.17) |
| Private Sector | 10269.66 (84.55) | 19393.69 (88.84) |
| Total | 38785.54 (47.94) | 75617.25 (94.96) |
| Renewal premium | | |
| LIC | 62276.35 (14.32) | 71599.27 (14.97) |
| Private Sector | 4813.86 (122.56) | 8825.05 (83.33) |
| Total | 67090.21 (18.46) | 80424.33 (19.87) |
| Total premium | | |
| LIC | 90792.22 (20.85) | 127822.84 (40.79) |
| Private Sector | 15083.53 (95.19) | 28218.75 (87.08) |
| Total | 105875.76 (27.78) | 156041.59 (47.38) |

Note: Figures in brackets indicate the growth (in per cent).

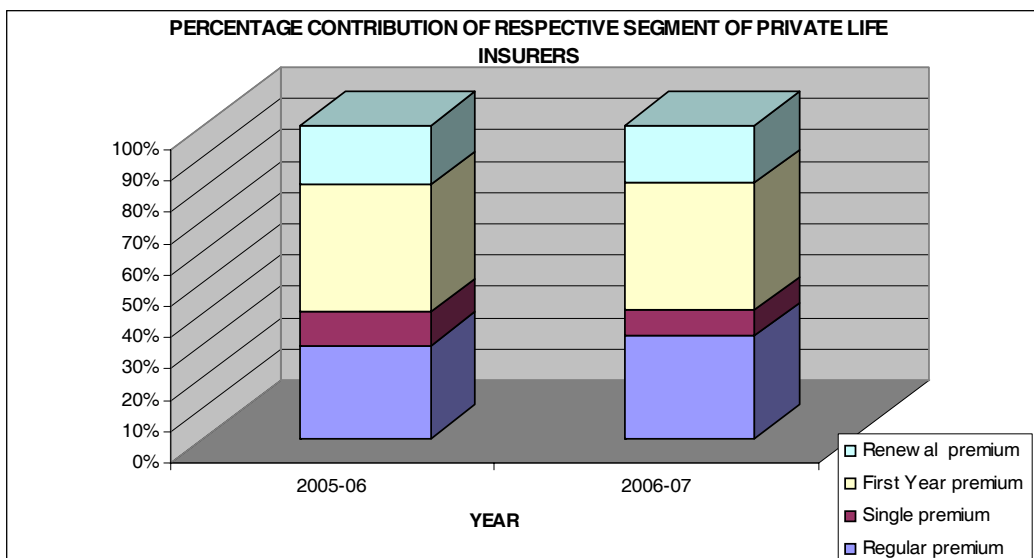
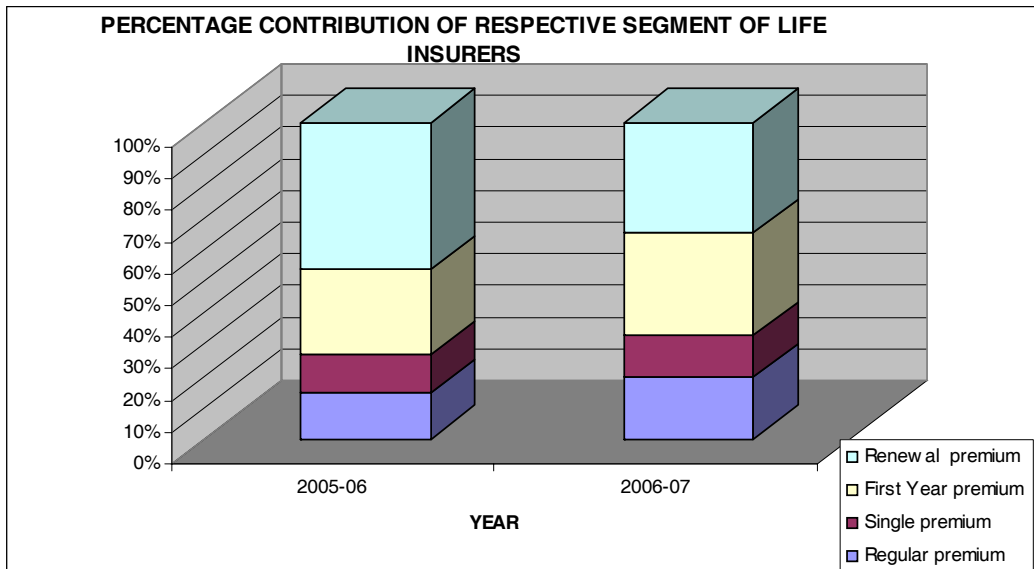
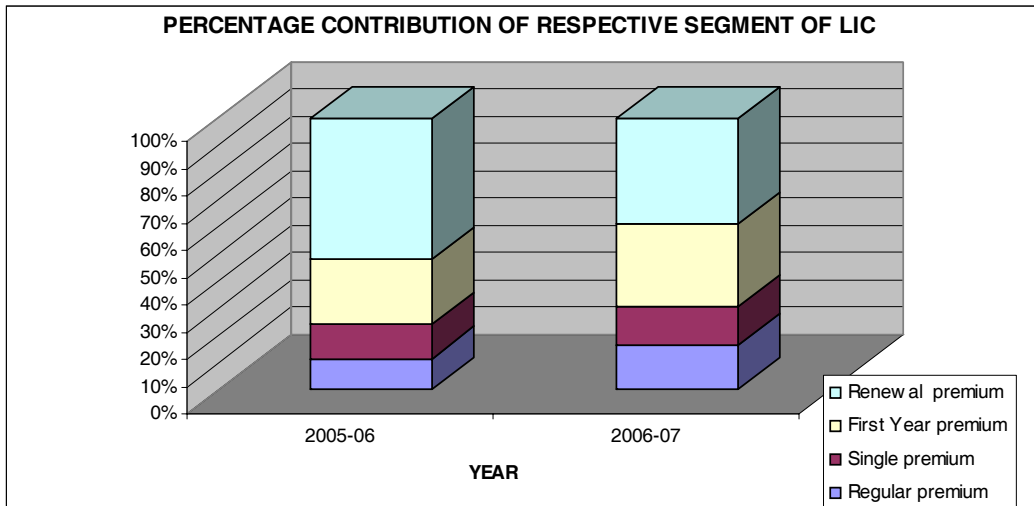


CHART 2

The size of life insurance market increased on the strength of growth in the economy and concomitant increase in per capita income. This resulted in favourable growth in total premium for both LIC (40.79 per cent) and private insurers (87.08 per cent) in 2006-07. The private insurers have improved their market share from 14.25 per cent in 2005-06 to 18.08 per cent in 2006-07 in the total premium collected in the year.

Segregation of the first year premium underwritten during 2006-07 indicates that Life, Annuity, Pension and Health contributed 67.40; 2.62; 29.94 and 0.04 per cent to the premium underwritten, as against 73.57; 4.30; 22.11 and 0.02 per cent respectively in the previous year. The shift in favour of pension products is visible for the third consecutive year.

Increase in the renewal premium is a good measure of the quality of the business underwritten by the insurers. It reflects increase in their persistency ratio and enables insurers to bring down overall cost of doing business. The renewal premium underwritten by the life insurance industry, during 2006-07 grew by 19.87 per cent as against 18.46 per cent in 2005-06. The private insurers and LIC reported growths of 83.33 per cent and 14.97 per cent respectively during the year.

TABLE 7
MARKET SHARE OF LIFE INSURERS (Per cent)

| Insurer | 2005-06 | 2006-07 |
|---------------------------|---------------|---------------|
| Regular Premium | | |
| LIC | 64.59 | 65.89 |
| Private Sector | 35.41 | 34.11 |
| Total | 100.00 | 100.00 |
| Single Premium | | |
| LIC | 84.35 | 87.04 |
| Private Sector | 15.65 | 12.96 |
| Total | 100.00 | 100.00 |
| First Year Premium | | |
| LIC | 73.52 | 74.35 |
| Private Sector | 26.48 | 25.65 |
| Total | 100.00 | 100.00 |
| Renewal Premium | | |
| LIC | 92.82 | 89.03 |
| Private Sector | 7.18 | 10.97 |
| Total | 100.00 | 100.00 |
| Total Premium | | |
| LIC | 85.75 | 81.92 |
| Private Sector | 14.25 | 18.08 |
| Total | 100.00 | 100.00 |

Segregation of first year premium revealed consolidation towards linked products, with premium underwritten at Rs.42894.71 crore in 2006-07 as against Rs.16060.67 crore in 2005-06, a growth of 167.08 per cent. The non-linked premium was Rs.32464.12. crore as against Rs.19804.33 crore in 2005-06, a growth of 63.92 per cent. Linked and non-linked business accounted for 56.92 and 43.08 per cent of total business in 2006-07 as against 44.78 and 55.22 per cent respectively in 2005-06. The shift in preference for linked products has coincided with the continued positive performance of the stock markets in the country. LIC too showed a tactical shift towards promoting linked products, with 46.31 per cent of the first year premium derived from this segment in 2006-07 while the non-linked premium contributed 53.69 per cent to the first year premium. In the case of private insurers, these proportions were 87.47 and 12.53 per cent respectively in 2006-07 as against 82.48 and 17.52 per cent in 2005-06. Response to unit linked products in the last three years reflects the preference of people to such products. LIC's decision to drive its premium growth on the strength of unit linked products in line with the rest of the industry reflects its recognition of the customers' choice.

Expenses of the life insurers

Section 40 B of the Insurance Act, 1938 provides that no insurer shall in respect of life insurance business transacted in India, spend as expenses of management in excess of the prescribed limits. Expenses of management include all commission payments and operating expenses. The Insurance Rules, 1939 further lay down the manner of computation of the prescribed limits. A major expense head for the life insurers is commission paid to the intermediaries. As against the industry average of 16.65 per cent (22.59 per cent in 2005-06), LIC incurred an expense of 16.04 per cent (25.26 per cent in 2005-06) towards commission on first year premium; for the private insurers this ratio worked out to 17.84 per cent (17.72 per cent in 2005-06). The commissions paid by LIC towards the single premium were 1.56 per cent as against the average ratio of private insurers at 1.08 per cent. The industry average was 1.50 per cent. The total pay-out by the life insurance industry on account of commissions in 2006-07 stood at Rs.12283.24 crore as against Rs.8643.29 crore in 2005-06. (Table 8) It was observed that the commissions paid by the life insurance companies for procurement of fresh business

has increased compared to the previous year, pointing to increasing competition in the sector.

Management expenses of private insurers have stabilized in 2006-07, except for new entrant Bharti Axa Life exceeding the limits prescribed under the Act. Thus, all the life insurance companies except Bharti Axa complied with the stipulations on expenses of management. However, in the case of Bharti Axa, the excess was within the norms for the life insurance industry. With the growth in business and stabilization of operations, four private life insurers who exceeded the prescribed limits in 2005-06, were compliant with the prescribed norms in 2006-07. In the case of LIC, the expenses of management continued to be within the allowable limits.

TABLE 8
COMMISSION EXPENSES OF LIFE INSURERS

(Rs.Crore)

| Insurer | 2005-06 | 2006-07 |
|------------------------|----------------|-----------------|
| Regular Premium | | |
| LIC | 3468.25 | 4792.32 |
| Private Sector | 1333.57 | 2760.17 |
| Total | 4801.83 | 7552.50 |
| Single Premium | | |
| LIC | 162.08 | 411.42 |
| Private Sector | 29.33 | 42.51 |
| Total | 191.41 | 453.94 |
| First Year | | |
| LIC | 3630.33 | 5203.75 |
| Private Sector | 1362.91 | 2802.69 |
| Total | 4993.24 | 8006.44 |
| Renewal | | |
| LIC | 3469.85 | 3969.82 |
| Private Sector | 180.19 | 306.96 |
| Total | 3650.04 | 4276.79 |
| Total | | |
| LIC | 7100.19 | 9173.58 |
| Private Sector | 1543.10 | 3109.65 |
| Total | 8643.29 | 12283.24 |

Alternate channels of distribution like bancassurance, direct marketing, internet and telemarketing have enabled the insurers to reduce costs. While agency force remained the mainstay of most insurance companies, insurers are making efforts to explore new channels including the bancassurance route both with commercial cooperative banks and rural regional banks. Insurers have also initiated on-line sale of policies. It is pertinent to note that the reduction in marketing costs would enable insurers to provide affordable insurance to low income households.

The major expense heads for the private insurers were employee expenses at 37.97 per cent (37.44 per cent in 2005-06); training expenses (including agents' training and seminars) at 7.01 per cent (5.90 per cent in 2005-06); and advertisement and publicity at 8.89 per cent (10.82 in 2005-06). Employee remuneration and welfare benefits accounted for 57.53 per cent of the operating expenses of LIC in 2006-07 as against 59.57 per cent in the previous year. Compared to LIC, the private sector insurers have leaner organizational structures. The industry average worked out to 48.15 per cent as against 51.35 per cent in 2005-06.

TABLE 9
OPERATING EXPENSES OF LIFE INSURERS

(Rs.Crore)

| INSURER | 2005-06 | 2006-07 |
|----------------|----------------|-----------------|
| LIC | 6041.56 | 7080.86 |
| PRIVATE SECTOR | 3569.48 | 6520.04 |
| TOTAL | 9611.04 | 13600.91 |

Operating expenses as a per cent of gross premium underwritten for the private insurers worked out to 23.11 per cent (23.67 per cent in 2005-06), indicating stabilization of operating costs. In the case of LIC, operating expenses constituted 5.54 per cent of the gross premium underwritten in 2006-07 as against 6.65 per cent in 2005-06. The average for the life insurance companies stood at 8.72 per cent in 2006-07 as against 9.08 per cent in 2005-06. However, given that the industry is in the expansion mode and companies have sought permission to expand their office network, it is expected that the expense limits may be breached in the current year.

Benefits Paid

The life industry paid gross benefits of Rs.55768.68 crore in 2006-07 (Rs.35263.45 crore in 2005-06) constituting 35.74 per cent of the gross premium underwritten (33.31 per cent in 2005-06). The benefits paid by the private insurers showed an increase of 89.05 per cent at Rs.2470.27 crore (Rs.1306.65 crore in 2005-06), constituting 8.75 per cent of the premium underwritten (8.66 per cent in 2005-06). LIC paid benefits of Rs.53298.41 crore in 2006-07, constituting 41.70 per cent of the premium underwritten by them (Rs.33956.80 crore in 2005-06, 37.40 per cent of the total premium underwritten). The benefits paid by the life insurers net of re-insurance was Rs.55715.01 crore (Rs.35209.86 crore in 2005-06). There has been a significant increase in the benefits paid on account of surrenders/withdrawals which stood at Rs.17532.60 crore as against Rs.4622.19 crore in 2005-06. It is expected that with the stipulation of minimum lock-in period of three years for ULIP products, surrender value as a per cent of premium underwritten would come down.

Investment income

As the operations of the life insurers stabilize, their investment base gets strengthened, resulting in investment income forming a larger proportion of their total income. In the case of LIC, the investment income including capital gains was higher at Rs.46800.52 crore in 2006-07 compared to Rs.40056.35 crore in 2005-06. However as a percentage of total income, it declined to 26.80 per cent in 2006-07 from 30.61 per cent in 2005-06. As against this, the share of investment income to the total income for the private life insurers increased to 8.88 per cent in 2006-07 (7.50 per cent in 2005-06). Companies have also reported an improvement in the yields on their investments. The investment income of the private insurers, inclusive of capital gains, was Rs.2747.32 crore in 2006-07 as against Rs.1222.42 crore in 2005-06. The industry is still in the process of stabilizing and despite additional contributions by way of share capital, would require time to reach the consolidation stage.

Profits of life insurers

Life insurance industry is capital intensive, and insurers are required to inject capital at frequent intervals to achieve growth

in premium income. Given the high rate of commissions payable in the first year, expenses towards setting up operations, training costs incurred towards developing the agency force, creating a niche for its products, achieving reasonable levels of persistency, providing for policy liabilities, and maintaining the solvency margin, make it difficult for the insurers to earn profits in the initial five to seven years of their operations. SBI Life Insurance Company was the first private company to report net profit of Rs.2.03 crore in 2005-06. It reported higher net profit of Rs.3.84 crore in 2006-07. The company has succeeded in achieving an early break-even on account of its lower cost of operations, as it has been able to leverage the network of its Indian partner the State Bank of India. However, the insurer still continues to report a deficit in the Revenue account. Shriram Life, which commenced operations in February, 2006, too reported net profit for the second successive year of operations. It reported net profit of Rs. 10.89 crore in 2006-07 as against Rs.2.50 crore in 2005-06. The company's operations have, however still to take off in a significant manner (Statement 5). The new business underwritten by the insurer in 2006-07 was slightly above Rs.180 crore.

All the private insurance companies reported deficit in their Policyholders Account in 2006-07, which needed injection of further capital by the shareholders (except for Sahara Life and Shriram Life). However, some of the business segments of individual insurers continued to report surplus. Other than Shriram, all the private insurers transferred funds from the Shareholders' Account to the Policyholders' Account to bridge the deficit in the Policyholders Account so as to meet the stipulations of the Authority for declaration of bonus in case of deficit in the Policyholders' Account. The total losses of the private insurers as on 31st March, 2007 stood at Rs.5585.15 crore as against Rs.3637.41 crore on 31st March, 2006, i.e., an increase of 53.56 per cent over the previous year. The continued financial support through equity injections reflected the promoters' commitment towards stabilizing the respective insurer's operations. During 2006-07 insurers continued to declare bonus despite reporting deficit in the

Policyholders' Account. It may be recalled that in 2003-04, recognizing the need of the new insurers to declare bonus to maintain their competitive stance in the market, the Authority had permitted declaration of bonus despite non-availability of actuarial surplus subject to compliance with the conditions imposed by the Authority. This relaxation has now been extended upto a period of seven years from commencement of operations.

TABLE 10
DIVIDENDS PAID : LIFE INSURERS

(Rs.Crore)

| Insurer | 2005-06 | 2006-07 |
|----------------|---------------|---------------|
| LIC | 621.77 | 757.81 |
| Private Sector | - | - |
| Total | 621.77 | 757.81 |

LIC continued to report surplus in the Policyholders' Account in 2006-07. Surplus in the said account, adjusted for interim bonus and allocation of bonus to policyholders was Rs.757.8 crore as against Rs.621.77 crore in 2005-06. LIC transferred Rs.757.81 crore to the Government of India (Rs.621.77 crore in 2005-06) complying with the provisions of Section 28 of the LIC Act, 1956.

Retention Ratio

LIC traditionally re-insures a small component of its business. During 2006-07, Rs.41.67 crore was ceded as re-insurance premium (Rs.34.54 crore in 2005-06). Similarly, in the case of private insurers, a small component of the business was reinsured, with group business forming the major component of the re-insurance cessions. The private insurers together ceded Rs.160.05 crore (Rs.101.62 crore in 2005-06) as premium towards re-insurance. It may be interesting to view this in the context of the fact that the risks pertaining to the investments component of the unit linked insurance products continue to be borne by the policyholders and a significant component of the new business premium underwritten by the industry in 2006-07 was towards unit linked products. However, with the new Unit Linked guidelines coming in force with effect from 1st July, 2006, stipulating a minimum sum assured in

respect of unit linked products, the re-insurance parameters may also undergo some change. (Statement-4)

Analysis of Death Claims

While the private life insurers booked 13139 death claims during the year 2006-07, LIC booked 602425 death claims for the same period. The percentage of claims settled by private insurers worked out to 72.69 per cent of the claims booked as against 96.94 per cent settled by LIC. The number of claims repudiated by the private insurers as a percentage of claim booked was 13.98 per cent in 2006-07, while the claims repudiated by LIC were 1.43 per cent. Claims pending with private insurers as on 31st March 2007 stood at 13.32 per cent as against 1.63 per cent for LIC. LIC paid Rs.4289.28 crore as death claim benefits as against Rs.155.46 crore paid by the private life insurers. (Statement 56)

II) Non-Life Insurance

There are at present 17 general insurance companies which have been granted registration for doing non-life insurance business in the country. Of these 6 are in public sector and the rest in private sector. Of the 11 private sector companies, two have been granted license during 2007-08. As such their financial data will not be included in this year's Report. A stand alone health insurance company was licensed in March 2006. Of the public sector companies, two are specialized insurance companies; one for credit insurance (ECGC) and another for Agriculture (AIC). The financial analysis of the above two is presented separately in the Annual Report. As such, the present analysis is confined to 4 public sector companies and 8 private insurance companies. The performance of the Standalone Health insurance company has been covered under a separate sub-section.

Paid-up Capital

During 2006-07, the general insurers have added Rs.271.86 crore to their capital. The increase in the paid up capital of the private non-life insurers through capital contributions was Rs.121.86 crore. (Domestic promoters Rs.90.64 crore and foreign joint venture partners Rs.31.22 crore.)

TABLE 11

PAID UP CAPITAL : NON-LIFE INSURERS AND REINSURER*

(Rs.Crore)

| | 2005-06 | 2006-07 |
|---------------------------------|-------------|-------------|
| Non -Life | | |
| Public Sector | 500 | 550 |
| Private Sector | 1279 | 1401 |
| Specialized Institutions | | |
| ECGC | 700 | 800 |
| AIC | 200 | 200 |
| Star Health | 105 | 105 |
| Re-insurer | | |
| GIC | 430 | 430 |
| Total | 3214 | 3486 |

Note: * Including specialized Institutions

The PSU insurers added Rs.50 crore. This additional capital was required either for expansion of their business or for meeting the regulatory requirement of meeting the solvency stipulation of 150 per cent. The specialized insurer ECGC has added Rs.100 crore.

Policies Issued

The total number of policies issued by the general insurers except specialized insurers (ECGC, GIC, AIC and Star Health) in 2006-07 was 54,795,189 as against 51,140,595 in 2005-06 registering an increase of 7.15 per cent. Of the total policies issued, 24.73 per cent were issued by private insurers and 75.27 per cent by the public insurers. There has been a decline of 2.25 per cent in the number of policies underwritten by the public insurers in 2006-07. This decline has been contributed by New India (4.42 per cent), National insurance (7.46 per cent), Oriental insurance (3.00 per cent), United India was the only public sector company which showed an increase in its policies underwritten. On the other hand, there has been an increase in the number of policies underwritten by the private insurers.

TABLE 12

NEW POLICIES ISSUED : NON-LIFE INSURERS

| Insurer | 2005-06 | 2006-07 |
|----------------|---------------------|---------------------|
| Public Sector | 42193079 (-5.47) | 41241665 (-2.25) |
| Private Sector | 8947516 (73.92) | 13553524 (51.48) |
| Total | 51140595 | 54795189 |

Note : Figures in brackets indicate the growth (in per cent) over previous year.

The number of policies underwritten by the private insurers has increased by 51.48 per cent. However, this growth was lower than 73.92 per cent exhibited in 2005-06. Except HDFC Chubb and Cholamandalam all other private insurers have registered an increase in their number of policies underwritten.

The general insurance companies have underwritten a premium of Rs.24905.47 crore in 2006-07 as against Rs.20359.72 crore in 2005-06 exhibiting a growth rate of 22.33 per cent. The four public sector insurers have underwritten a premium of Rs.16258.90 crore in 2006-07 as against Rs.14997.06 crore in 2005-06 registering a growth of 8.41 per cent.

TABLE 13

PREMIUM UNDERWRITTEN BY
NON-LIFE INSURER (WITHIN INDIA)

(Rs.Crore)

| | 2005-06 | 2006-07 |
|----------------|---------------------|---------------------|
| Public | 14997.06 (7.33) | 16258.90 (8.41) |
| Private | 5362.66 (52.85) | 8646.57 (61.27) |
| Total | 20359.72 (16.46) | 24905.47 (22.33) |

Note : Figures in brackets indicate growth in percent

The premium underwritten by eight private sector insurers in 2006-07 was Rs.8646.57 crore as against Rs.5362.66 crore in 2005-06 exhibiting a growth of

61.27 per cent. The lower growth rate for the public insurers may be seen in the light of their high base. The general insurance industry has added Rs.4545.75 crore in premium during the year 2006-07; of which public insurers contributed Rs.1261.84 crore and the private insurers Rs.3283.91 crore. The increase in premiums was across all the public sector companies. Oriental insurance has added the highest premium of Rs. 401.41 crore followed by United India and National insurance at Rs.343.99 crore and Rs.290.75 crore respectively. New India has added Rs.225.7 crore. Except HDFC Chubb, all private insurers have added premiums to their earlier levels. During 2006-07, ICICI Lombard has maintained the rising trend with an increase in premium of Rs.1406.21 crore, and registered a growth of 88.84 per cent over the previous year. Reliance has added Rs.749.90 crore to its earlier premium level and Bajaj Allianz added Rs.514.05 crore.

The private insurers are increasing their market share over the past few years. In 2006-07, the private insurers had a market share of 34.72 per cent which was much higher than 26.34 per cent in 2005-06. This shows an increase of 8.38 percentage points over the previous year. As a consequence there has been a decline in the market share of the public insurers to 65.28 per cent in 2006-07 from 73.66 per cent in the previous year. Though there has been a decline in the market share of the public sector insurance companies, the volume of premium underwritten by them has increased over the previous year implying the expansion of general insurance market. (Table 14).

Among the public sector insurers New India has the largest market share at 20.14 per cent in 2006-07, lower than its market share of 23.53 per cent in the previous year. Oriental insurance and National insurance had market shares at 15.77 per cent and 15.32 per cent

respectively as against 17.32 and 17.31 per cent in the previous year.

TABLE 14
GROSS DIRECT PREMIUM INCOME IN INDIA

| Company | Premium (Rs.Crore) | | Market Share (In per cent) | |
|--------------------|-----------------------|-----------------|-------------------------------|---------------|
| | 2006-07 | 2005-06 | 2006-07 | 2005-06 |
| National | 3814.42 | 3523.67 | 15.32 | 17.31 |
| New India | 5017.20 | 4791.50 | 20.14 | 23.53 |
| Oriental | 3928.52 | 3527.11 | 15.77 | 17.32 |
| United | 3498.77 | 3154.78 | 14.05 | 15.50 |
| Sub-Total | 16258.90 | 1499706 | 65.28 | 73.66 |
| Royal Sundaram | 598.20 | 458.64 | 2.40 | 2.25 |
| Reliance | 912.23 | 162.33 | 3.66 | 0.80 |
| IFFCO-Tokio | 1144.47 | 892.72 | 4.60 | 4.38 |
| Tata AIG | 710.55 | 572.70 | 2.85 | 2.81 |
| ICICI Lombard | 2989.07 | 1582.86 | 12.00 | 7.77 |
| Bajaj Allianz | 1786.34 | 1272.29 | 7.17 | 6.25 |
| Cholamandalam | 311.73 | 220.18 | 1.25 | 1.08 |
| HDFC Chubb | 194.00 | 200.94 | 0.78 | 0.99 |
| Sub-Total | 8646.57 | 5362.66 | 34.72 | 26.34 |
| Grand Total | 24905.47 | 20359.72 | 100.00 | 100.00 |

Among the private insurers, ICICI Lombard has the highest market share of 12.0 per cent followed by Bajaj Allianz with 7.17 per cent and IFFCO-Tokio with 4.60 per cent. HDFC Chubb has reported a negligible market share of 0.78 per cent. Reliance has registered a substantial increase in its market share from less than 1.00 per cent in 2005-06 to 3.66 per cent in 2006-07.

TABLE 15
PREMIUM (WITHIN INDIA) UNDERWRITTEN BY NON-LIFE
INSURERS - SEGMENT WISE

(Rs.Crore)

| Segment | 2005-06 | 2006-07 |
|----------------------|-----------------|------------------|
| Fire | 3775 (18.54) | 4132 (16.59) |
| Marine | 1284 (6.31) | 1628 (6.54) |
| Motor | 8733 (42.90) | 10697 (42.95) |
| Health | 2221 (10.91) | 3310 (13.29) |
| Others | 4347 (21.35) | 5139 (20.63) |
| Total Premium | 20360 | 24905 |

Note : Figure in brackets indicate the ratio (in percent) of respective segment to the total premium.

Various segments have contributed to the increase in premium in both public and private sector insurers. The highest contribution in 2006-07 has come from the motor segment which contributed 42.95 per cent of the total premium as against 42.90 per cent in 2005-06. Fire segment constituted 16.59 per cent in the total premium underwritten in 2006-07 which was lower than that observed in the previous year (18.54 per cent).

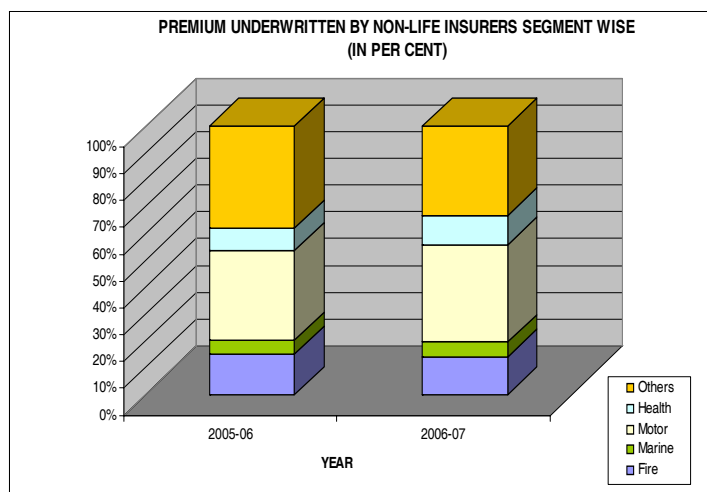


CHART 3

The premium collection in Health has doubled in 2006-07 from its level in 2005-06. Health premium contribution to the total in 2006-07 was 13.29 per cent as against 10.91 in 2005-06. Motor and Health portfolios constituted 56.24 per cent as against 53.80 per cent in 2005-06. Contribution from the Marine segment is the least at 6.54 per cent in 2006-07.

Premium Underwritten Outside India

The public sector general insurers also underwrote premiums outside India. They have underwritten a premium of Rs.1024.54 crore in 2006-07 as against Rs.979.38 crore in 2005-06 registering a growth of 4.61 per cent. Of the total premium underwritten by the public sector insurers 5.93 per cent accounted for premium underwritten outside India which lower than 6.13 per cent in 2005-06. The accretion in the premium underwritten outside India was a mere Rs.45.17 crore in 2006-07.

TABLE 16

GROSS DIRECT PREMIUM FROM BUSINESS OUTSIDE INDIA : NON-LIFE INSURERS

(Rs.Crore)

| Insurer | 2005-06 | 2006-07 |
|--------------|-------------------|------------------|
| National | 12.67 (18.00) | 12.70 (0.24) |
| New India | 884.05 (-0.93) | 919.58 (4.02) |
| Oriental | 82.66 (13.59) | 92.26 (11.61) |
| United | - | - |
| Total | 979.38 | 1024.54 |

Note : Figures in bracket indicate the growth rate over previous year.

New India is having operations in 27 countries through a network of branches, agencies, associate companies and subsidiaries.

Of the total premium, Rs.1024.54 crore was written outside India by the four public sector insurers in 2006-07, National has underwritten a premium of Rs.12.70 crore against Rs.12.67 crore in 2005-06. There was an increase in the premium underwritten

by New India to Rs.919.58 crore as against Rs.884.05 crore in 2005-06, showing a growth of 4.02 per cent.

Oriental insurance underwrote a premium of Rs.92.26 crore outside India as against Rs.82.66 crore in 2005-06 i.e., exhibiting a growth of 11.61 per cent. United India had ceased operations outside India in 2003-04. (Table 17)

Premium underwritten outside India, by the company constituted 15.49 per cent of the total premium underwritten in 2006-07. Oriental has a small component of overseas business i.e., 2.29 per cent (which is at the same level as in 2005-06). In the case of National, outside India business was 0.33 per cent (as compared to 0.36 per cent in the previous year).

TABLE 17

RATIO OF OUTSIDE INDIA PREMIUM TO TOTAL PREMIUM

(Per cent)

| Insurer | 2005-06 | 2006-07 |
|-----------|---------|---------|
| National | 0.36 | 0.33 |
| New India | 15.58 | 15.49 |
| Oriental | 2.29 | 2.29 |
| United | 0.00 | 0.00 |

Underwriting Experience

Total underwriting losses incurred by both public and private insurers during 2006-07 declined to Rs.2557.54 crore from Rs.3886.51 crore in the previous year. The public sector insurers during 2006-07 have incurred underwriting losses to the tune of Rs.2451.12 crore as against Rs.3836.64 crore in 2005-06. As a percentage of net premium, the underwriting losses have reduced to 18.83 in 2006-07 from 32.65 in 2005-06. The losses across the companies ranged between 13.72 per cent and 28.90 per cent. In 2005-06, this range was 27.12 per cent to 47.58 per cent. A notable reduction was witnessed in underwriting losses across four public sector insurers. The underwriting losses of National insurance was 19.73 per cent (41.89 in 2005-06); followed by New India at 14.38 per cent (28.98 per cent); United insurance and Oriental insurance at 30.80 (40.52 per cent); and 19.40 (28.15 per cent) per cent respectively. It may be mentioned that National has reduced its underwriting losses

from Rs.1090.32 crore in 2005-06 to Rs.546.17 crore in 2006-07. (Statement 28)

TABLE 18

UNDERWRITING LOSSES : NON-LIFE INSURERS

(Rs.Crore)

| | 2005-06 | 2006-07 |
|----------------|-----------|-----------|
| Public Sector | (3836.64) | (2451.12) |
| Private Sector | (49.87) | (106.42) |

On the other hand the private sector insurers have registered an increase in their underwriting losses from Rs.49.87 crore in 2005-06 to Rs.106.42 crore in 2006-07. These losses constituted about 2.28 per cent of the net premium underwritten in 2006-07 as against 1.75 per cent in 2005-06. Bajaj Allianz is the only private insurer which has reported underwriting profit during 2006-07. While Royal Sundaram and Cholamandalam have reported a decline in underwriting losses, Tata AIG, IFFCO Tokio, ICICI Lombard and HDFC Chubb have reported an increase in underwriting losses. (Statement 29)

Expenses of Non-Life Insurers

Out of the twelve non-life insurers, the expenses of management of five insurers for 2006-07 were within the limits prescribed under section 40C of Insurance Act 1939 read with Rule 17E, as against four in 2005-06. Four private sector insurers (ICICI Lombard, IFFCO-Tokio, Reliance and Bajaj Allianz) continued to be compliant with the limits of expenses of management as in 2005-06. Other private sector insurers (Royal Sundaram, TATAAIG, Cholamandalam, HDFC and Star Health & Allied) however continued to be non-compliant with the stipulations, having reported an increase in the expenses of management.

Oriental insurance company succeeded in bringing down its operating expenses so as to be compliant with the requirements of the Act and the Rules. National, Oriental and United continued to be non-compliant with the requirements. They reported a decline in the expenses of management computed as a percent of premium underwritten, as against 2005-06.

TABLE 19
OPERATING EXPENSES : NON-LIFE INSURERS

(Rs.Crore)

| Insurer | 2005-06 | 2006-07 |
|----------------|----------------|----------------|
| Public Sector | 4016.92 | 3606.74 |
| Private Sector | 1060.51 | 1700.15 |
| Total | 5077.43 | 5306.89 |

Note : Public sector does not include ECGC, AIC AND GIC

Expenditure towards 'Employee remuneration & Welfare benefits' constitutes a significant component of the total operating expenses of the public insurers. While it was 81.07 per cent for United India, the highest among the non-life public sector insurers, it was 75.55 per cent, 74.06 per cent and 70.79 per cent for National, Oriental and New India respectively. As against this, the expenses towards employee costs in case of private insurers ranged between 17.03 per cent and 47.78 per cent of the operating expenses. The major expense heads for the private insurers include legal and professional charges, marketing and business development, and outsourcing expenses.

TABLE 20
COMMISSION EXPENSES

(Rs.Crore)

| Segment | Private Sector | | Public Sector | |
|--------------|----------------|---------------|----------------|----------------|
| | 2005-06 | 2006-07 | 2005-06 | 2006-07 |
| Fire | 48.12 | 63.83 | 215.58 | 223.79 |
| Marine | 22.77 | 29.58 | 78.29 | 84.37 |
| Motor | 182.00 | 268.33 | 582.33 | 568.22 |
| Health | 43.66 | 102.20 | 193.21 | 249.33 |
| Others | 97.70 | 122.01 | 361.98 | 364.01 |
| Total | 394.28 | 585.97 | 1431.41 | 1489.74 |

Marked Figure will include Cholamandalam Figures

Investment Income

Higher interest rates on deposits, booming stock market and higher yield on government securities have helped the

insurance companies to report higher investment income in 2006-07. The return on investment income accrued on account of sale of investments held, redemption of securities and interest / dividend income of the securities held was high. Investment scenario in the economy was favourable during 2006-07. As a result, along with other financial sector players and intermediaries, the insurance companies too have witnessed an improvement in their financial performance. Insurers have reported higher collection on restructured accounts and returns on their mutual fund portfolios.

TABLE 21
INVESTMENT INCOME

(Rs.Crore)

| | 2005-06 | 2006-07 |
|--------------------|--------------------|-------------------|
| Public sector | 5610.63 (29.57) | 5784.23 (3.09) |
| Private sector | 269.47 (45.07) | 415.04 (54.02) |
| Grand Total | 5880.10 | 6199.27 |

Note : Figure in brackets indicate the growth rate (in per cent) of the respective sector.

The gross investment income to the general insurers was Rs.6199.27 crore in 2006-07 as against Rs.5880.10 crore in 2005-06 recording a growth of 5.43 per cent over the previous year. Investment income of the public sector insurers has increased to Rs.5784.23 crore from Rs.5610.63 crore in 2005-06 (i.e. an increase of 3.09 per cent over the previous year.

Increase in the investment income has been reported by all public sector insurers except United India which reported a decline. All private insurers have reported an increase in investment income to Rs.415.04 crore in 2006-07 from Rs.269.47 crore in 2005-06; an increase of 54.02 per cent (45.07 per cent in 2005-06). (Statement 34 & 35)

Incurred Claims Ratio

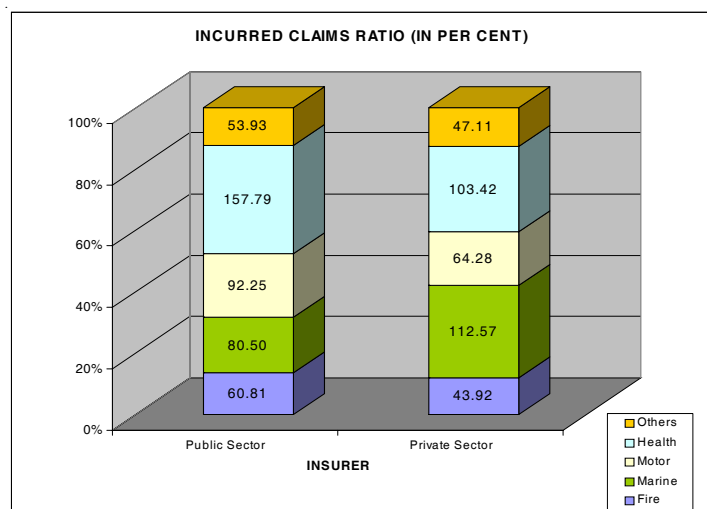
Total net incurred claims during 2006-07 was Rs.13041.64 crore as against Rs.12118.07 crore in 2005-06 registering a growth of 7.62 per cent over the previous year.

The public insurers in 2006-07 have incurred lower total net claims of Rs.10538.75 crore compared to Rs.10569.85 crore in 2005-06. The net incurred claims of public sector insurers as a ratio of net premium was 85.22 per cent lower than 92.44 per cent in the previous year. The incurred claim ratio of Oriental insurance was more or less at the same level of previous year. Sharp decline in this ratio was observed in the case of New India, National and United. In case of New India it declined from 88.13 per cent in 2005-06 to 80.34 per cent. For United it declined from 93.09 per cent to 90.26 per cent and for National it declined from 102.43 per cent to 86.51 per cent. (Statement 30&31)

TABLE 22
INCURRED CLAIMS RATIO

| Segment | Public Sector | | Private Sector | |
|--------------|---------------|--------------|----------------|--------------|
| | 2005-06 | 2006-07 | 2005-06 | 2006-07 |
| Fire | 65.14 | 60.81 | 61.48 | 43.92 |
| Marine | 67.67 | 80.50 | 116.75 | 112.57 |
| Motor | 109.43 | 92.25 | 62.71 | 64.28 |
| Health | 153.89 | 157.79 | 94.63 | 103.42 |
| Others | 49.52 | 53.93 | 53.37 | 47.11 |
| Total | 92.44 | 85.22 | 68.03 | 68.02 |

In case of the private insurers, the total net incurred claims increased to Rs.2502.89 crore from Rs.1548.22 crore in 2005-06. The overall net incurred claim ratio for the private insurers remained unchanged at 68.02 per cent as in



2005-06, though individual expenses varied from 54.27 per cent (Tata AIG) to 76.30 per cent (ICICI Lombard). Except Reliance, ICICI Lombard and IFFCO-Tokio rest of private sector companies reported a lower net incurred claims ratio in 2006-07 than reported in 2005-06. In the case of the four public sector insurers, the overall net incurred claims ratio declined to 85.22 per cent from 92.4 per cent in 2005-06. The ratio varied between 90.26 per cent and 80.34 per cent.

In the case of public insurers, the incurred claims ratio in respect of health business was 157.79 per cent. The incurred claims ratios for motor and marine segments were 92.25 per cent and 80.50 per cent respectively. In 2006-07 Oriental Insurance had the highest net incurred claims ratio at 98.14 per cent in the motor segment. And United Insurance had the highest claims ratio for marine at 103.36 per cent and fire at 75.21 per cent respectively. New India had the highest claims ratio in Health at 212.81 per cent.

Segment-wise analysis under the private sector illustrates that the claims ratio was highest in the Marine business with 112.57 per cent (116.75) followed by health at 103.52 per cent (94.63) and motor at 64.28 per cent (62.71). In 2006-07 among the private insurers HDFC Chubb and Reliance had the highest net incurred claims ratio at 74.85 per cent and 74.62 per cent respectively for the fire segment. The highest claim ratio in the Marine segment was reported by Bajaj Allianz at 139.37 per cent followed by IFFCO Tokio at 139.13 per cent. In the health segment IFFCO Tokio held the highest claim ratio at 78.97 per cent.

Net Profits

Despite underwriting losses the public insurers have reported profits on account of higher investment income. The net profit earned by both public and private sector insurers during 2006-07 has increased to Rs.3137.10 crore from Rs.1473.66 crore in 2005-06, an increase of 112.87 per cent over the previous year. Although the public sector companies have incurred underwriting losses, they were comparatively profitable than the private sector companies.

National insurance recovered from its loss of Rs.106.25 crore in 2005-06 and made a profit of Rs.421.28 crore during 2006-07. This turnaround was possible mainly due to much

lower underwriting losses and operating expenses. New India and Oriental have nearly doubled their profits to Rs.1459.95 crore and Rs.497.27 crore respectively in 2006-07. United Insurance on the other hand has registered a profit of Rs.528.86 crore. (Statement 28)

All private insurers recorded profits during 2006-07. Of these, one insurer has reported net profit after recording net loss during the previous three years; two have reported profits in 2006-07 but recorded lower than the previous year's profit. The total net profits of eight private insurance companies were Rs.229.74 crore as against Rs.157.52 crore reported by seven insurers in 2005-06. (Statement 29)

Returns to the Shareholders

The total dividend distributed by the public sector insurance companies (both life and non-life) was Rs.1339.20 crore as against Rs.887.77 crore in 2005-06. A higher growth of 50.85 per cent has been remarkable this year. All the four public sector general insurance companies which have reported net profits in 2006-07 have contributed Rs.581.39 crore against Rs. 266.00 crore in 2005-06 to the exchequer as dividends (Table 23).

TABLE 23

DIVIDENDS PAID : NON-LIFE INSURERS

(Rs.Crore)

| Insurer | 2005-06 | 2006-07 |
|--------------------------------|---------------|----------------|
| Non -Life | | |
| Public sector | 266.00 | 581.39 |
| Private Sector | 32.05 | 52.64 |
| Specialized Institution | | |
| ECGC | 44.35 | 125.00 |
| Re-insurer | | |
| GIC | 86.00 | 309.60 |
| Total | 428.40 | 1068.63 |

Note: * Including specialized Institutions

ECGC and GIC distributed dividends in 2005-06. ECGC declared Rs.125.00 crore and GIC at Rs.309.60 crore.

Star Health and Allied Insurance Co. Ltd.

Star Health was the first specialized company to receive certificate of registration to carry on general insurance business to underwrite exclusively Health, Personal Accident and Travel Insurance segments. In the year ending 31st March 2007 it had underwritten a gross direct premium of Rs.22.51 crore and incurred an underwriting loss of Rs.11.56 crore. Net loss for the year was Rs.2.59 crore.

General Insurance Corporation (GIC)

GIC is the sole insurer of the domestic re-insurance market, providing re-insurance to the direct general insurance companies in India. The corporation's re-insurance programme has been designed to meet the objectives of optimizing the retention within the country, ensuring adequate coverage for exposure and developing adequate capacities within the domestic market. GIC receives statutory cession of 20 per cent on each and every policy issued by domestic insurers subject to certain limits and leads domestic companies treaty programmes and facultative programmes. GIC is the manager of the Third Party Motor Pool.

The total gross premium written by GIC during 2006-07 was Rs.7404.17 crore as compared to Rs.4880.77 crore in 2005-06. The net earned premium during 2006-07 was Rs.5263.79 crore as against Rs.4458.84 crore in 2005-06 recording a growth of 18 per cent. The underwriting results on domestic business showed a loss of Rs.116.40 crore in 2006-07 as compared to a loss of Rs.1136.98 crore in the previous year. Net Income from investments was Rs.1232.24 crore in 2006-07 as against Rs.1097.28 crore for 2005-06. For the year under review, profit before tax stood at Rs.1789.46 as against Rs.442.94 crore in the previous year and profit after tax stood at Rs.1531.35 crore as against Rs.598.52 crore in 2005-06. Incurred claims for all classes put together declined to Rs.3622.72 crore (Rs.4573.07 crore in 2005-06).

IRDA directed setting up of Indian Motor Third Party Insurance Pool by all General Insurers in India to collectively service Commercial Vehicle Third Party Insurance business. This arrangement has become effective from 1st April 2007. The

share of GIC in the multilateral re-insurance arrangement shall be 15 per cent (i.e. same as the share of statutory cessions.) The balance share of pooled business will be shared by all other member insurers. GIC is the Administrator of the Pool. The Pool Administrator will be paid fees of 2.5 per cent plus service tax on the total premium of the pooled business. For this purpose GIC has set up a separate Motor Pool department with adequate manpower, hardware and software systems.

In pursuance of the powers conferred by section 101A of the Insurance Act, 1938, the Authority in consultation with the Re-insurance Advisory Committee constituted under section 101B of the Act and with the approval of the Central Government specified that the percentage cessions of the sum insured on each policy to be reinsured with the Indian reinsurer shall be 15 per cent in respect of insurances attaching during the year 1st April, 2007 to 31st March, 2008 and 10 per cent in respect of insurance attaching during the year 1st April, 2008 to 31st March, 2009 without any limits on the sum insured or PML of cessions. All other terms for obligatory cessions remain unchanged.

The obligatory cessions received by the GIC along-with re-insurance commission and profit commissions are placed at Annex VII.

C. RESEARCH AND DEVELOPMENT DEPARTMENT

While moving towards detariffed regime in the general insurance business effective 1st January 2007, Research and Development department has guided the TAC which had already collected transaction level data in generating tabulations. The data has been cleaned and tabulations have been generated at various aggregate levels so as to guide the Authority in arriving at bench marker rates which will be helpful for the insurers in a detariffed regime. Further the aggregate tables have been put on the websites of the Authority and TAC. Along with the aggregate tables on motor, tabulations in respect of health based on the data collected from TPAs were also generated and placed on the websites of the Authority and the TAC. Realising that the existing data formats will not be conducive for the analysis purpose in a detariff regime, attempts are being made in the department to revise the data formats in consultation with the underwriters and the insurers. Though TAC is expected to collect general insurance statistics, the movement towards making it as a data warehouse has not materialized for want of clarity on the role of the TAC in view of detariffing of general insurance business.

The Research and Development Department in coordination with the Government of India has conducted a National Seminar on Construction of Services Price Index Numbers. This Seminar was attempted to draw the attention of the insurers on the important role of the services sector in the economy in general and within the services sector the insurance sector in particular. In this regard, the Department has been coordinating with the companies for supply of information to the Ministry of Industry for compiling the services price index number. Further, the department has been liaising with other departments in their data requirements.

D. REVIEW

i. Protection of interests of policyholders

Consistent with the Mission statement, the Authority has set up two grievance cells separately for life and non-life. The grievance cell adopts a proactive approach in identifying the complaints made against the insurers. Based on the nature of the complaints if necessary, the Authority conducts targeted inspections. The Authority further instructs the insurers to put in place easy access facilities and prompt servicing mechanism.

ii. Maintenance of solvency margins of Insurers

Every insurer is required to maintain a Required Solvency Margin as per Section 64VA of the Insurance Act 1938. Every insurer shall maintain an excess of the value of assets over the amount of liabilities of not less than an amount prescribed by the IRDA, which is referred to as a Required Solvency Margin. The IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000 describe in detail the method of computation of the Required Solvency Margin.

In case of Life Insurers, the Required Solvency Margin is the higher of an amount of Rs.50 crore and a sum which is based on a formula given in the said Regulations. In case of general insurers, the Required Solvency Margin, shall be maximum of the following amounts:

1. fifty crore of rupees (one hundred crore of rupees in case of re-insurer); or
2. a sum equivalent to twenty per cent of net premium income; or
3. a sum equivalent to thirty per cent of net incurred claims, subject to credit for re-insurance in computing net

SOLVENCY

Solvency is “having enough money to meet all pecuniary liabilities.” In an insurance context, this definition gives rise to two concepts. These two relate to two extremes possibilities; liabilities paid on an immediate liquidation of the company (break-up or run-off approach). At the other end, to pay all its debts as they mature (*going-concern* approach). This means that a company is solvent when its solvency margin is positive. There are other ways of looking at solvency.

1. From the point of view of the management of the company, the continuation of the function and existence of the company must be secured.
2. From the point of view of the supervisory authority, the benefits of the claimants and policyholders must be secured.

The International Association of Insurance Supervisors (IAIS) defined solvency as follows: “An insurance company is solvent if it is able to fulfill its obligations under all contracts, under all reasonably foreseeable circumstances” (IAIS 2002). The definition was later slightly modified as “the ability of an insurer to meet its obligations (liabilities) under all contracts at any time” (IAIS, 2003a). In the definition it is also stated:

Due to the very nature of insurance business, it is impossible to guarantee solvency with certainty. In order to come to a practical definition, it is necessary to make clear under which circumstances the appropriateness of the assets to cover claims is to be considered, e.g., is only written business (run-off basis, break-up basis) to be considered, or its future new business (going-concern basis) is also to be considered. In addition, questions regarding the volume and the nature of an insurance company’s business, which time horizon is to be adopted, and what is an acceptable degree of probability of becoming insolvent should also be considered.

One of the principal concerns underlying the regulation of both life and general insurance companies is the protection of policyholders. Life insurers are custodians and managers of substantial investments of individuals; and general insurance policyholders need to be confident that their insurer will be able to meet its promised liabilities in the event that claims are made under a policy. Regulatory authorities therefore seek to ensure that insurers’ finances are in sound condition and are being properly managed. One of the most important tools at their disposal for this purpose is the solvency requirement imposed on insurers. The insurance directives set out minimum standards which insurers must comply with as regards the adequacy of their finances. In particular, they impose common standards for the determination of the minimum required solvency margin for an insurer and set out the types of assets which can count towards that margin.

In the last few years, many countries have moved from mandated solvency margin regime to risk-based capital where various risks are measured and capital is provided according to various risks.

The Solvency I directives provided the regulatory authorities in member states of Europe with certain powers to intervene if the rights of policyholders were threatened because of the adverse financial position of an insurer. In

particular, they had the power to oblige an insurance undertaking to maintain a higher margin of solvency in order to protect against further deterioration in its financial position in the near future. This higher margin was related to the financial recovery plan that the insurer was obliged to submit to the regulator.

At present European countries are working towards Solvency II. The following are some of the key considerations of this:

- H Identification of key risks to the financial position of an insurance company, viz., underwriting risk, asset risk, credit risk and operational risk;
- H Assessment of interaction and overlap of these risks and their modeling for decision-making purposes;
- H Requirements for insurers to disclose information to enable the regulators to assess the strength of an insurer's technical provisions in more details, such as the methodologies, assumptions in determining claims, sensitivity analysis and details of the development of the claims run-off;
- H Introduction of a more consistent approach to asset valuation and applying a more risk-based approach to account for volatility and resilience;
- H Integration and harmonization of the approach to the treatment of reinsurance in the solvency calculations
- H Assessment and incorporation of advanced risk reduction techniques, such as Alternate Risk Transfer, into the prudential supervision regime; and
- H Consideration of the application of a 'three pillar' approach to the supervision of insurance undertakings. The three pillars are
 - H Pillar 1: Financial resources – to include a risk based approach to minimum capital requirements and the valuation of assets and liabilities, including assessment of liabilities at the group level.
 - H Pillar 2: Supervisory Review – assessment of strength and effectiveness of risk management systems and internal controls.
 - H Pillar 3: Market Discipline – Obligations for insurers to make disclosures to allow policyholders to assess key information about the financial strength of insurers.

The following table gives the international practice in this area.

Table 1 - Solvency margin international practice:

| | |
|------------------|--|
| Australia | The ideas are similar to those behind Solvency II. Liability valuation, risk categories, a factor-based prescribed method, and internal models |
| Canada | A factor-based system. Risk categories, the minimum capital test, dynamic capital adequacy testing, and minimum continuing, capital and surplus requirements on ratings. |
| Denmark | Fair valuation and a traffic light test system. |

| | |
|--------------------|--|
| Finland | A risk theoretical transition model and equalization reserve. |
| Netherlands | Fair valuation and minimum solvency and continuity analysis. |
| Singapore | Valuation of assets and liabilities, risk categories, and two requirements in a risk-based system. |
| Sweden | Valuation of assets and liabilities, risk categories, and a simple model. |
| Switzerland | Valuation of assets and liabilities, risk categories, standard model, scenario tests determining the target capital, and internal model. |
| UK | A twin peaks' approach under pillar I, individual capital adequacy standards under pillar II. |
| U.S | Risk-based capital model, correlation structure, and different intervention levels. |

In India, IRDA had prescribed the solvency ratio of 150 per cent to all insurance companies. This solvency ratio is nothing but the ratio of available solvency margin to that of required solvency margin. If this ratio is more or equivalent to 150 per cent, then the insurer is considered to be solvent. The available solvency margin is the difference between the total value of assets at a specified date and amount of liabilities on that date. In working out the liability, the actuary has to consider all policies which are in the books of the insurer on the valuation date. The required solvency margin is either Rs. 50 crore or Rs. X whichever is higher. Rs. X is an amount using a formula which combines some percentage of mathematical reserves and some percentage of sums at risk. It is important to note that these percentages are prescribed by the IRDA and they vary depending upon the type of insurance product.

premiums and net incurred claims being actual but a percentage, determined by the regulations, not exceeding fifty per cent. IRDA has set a working Solvency Margin Ratio (Ratio of Actual Solvency Margin to the Required Solvency Margin) of 1.5 for all insurers.

Life Insurers

All the 16 life insurers who underwrote premiums during 2006-07 have complied with the stipulated requirement of a solvency ratio of 1.5. LIC had improved the solvency ratio to 1.5 from its earlier level of 1.3. Bharti Axa which has started its business in 2006 has reported a solvency ratio of 1.96. Of the 16 life insurers, solvency ratios of 8 insurers in 2006-07 were lower than the solvency ratios reported in 2005-06. Aviva has recorded a solvency ratio of 6.3 in 2006-07, much higher than 2.8 reported in 2005-06. ING Vysya, LIC, Max Newyork, and Shriram Life had higher solvency ratios in 2006-07 than those of 2005-06. Met Life and Sahara had the same solvency ratios in 2006-07 to those of 2005-06. (Statement 50)

Non-life insurers

In the non-life segment, all the four public sector non-life insurers have met the stipulated solvency ratio of 1.5, including National Insurance which improved its solvency position to 1.76 as against 1.08 as on 31st March, 2006. Amongst the specialized insurance companies, ECGC which is underwriting credit business had a solvency ratio of 11.41 as against 9.39 as on 31st March, 2006. Agriculture Insurance Company has reported solvency margin of 2.05 as on 31st March, 2006 as against 2.16 as at 31st March, 2006. All of the eight non-life private insurers have met their stipulated solvency requirement. Star Health, the standalone health insurance company has reported Solvency ratio of 1.91 as at the end of the first year of operations, as at 31st March, 2007. (Statement 51)

Re-insurer

The national re-insurer, General Insurance Corporation, reported solvency ratio of 4.10 as at 31st March, 2007 as against 3.41 in 2006.

iii. Monitoring of re-insurance

Every insurer needs a comprehensive and efficient re-insurance programme in order to be able to function effectively. This is important to the solvency of the insurer. Hence the Authority

requires every insurer to secure the approval of its Board of Directors for its re-insurance programme. The Regulations also provide for the insurer to file its plans for the re-insurance programme for the next year with the Authority at least 45 days before the commencement of the next year. The insurer is further required to file the treaty slips or cover notes relating to the re-insurance arrangements with the Authority within 30 days of the commencement of the financial year. These measures highlight the importance attached to the existence of adequate and efficient re-insurance arrangements for an insurer because its solvency is assessed on a "net of re-insurance" basis.

The Regulations require that every insurer should maintain the maximum possible retention commensurate with its financial strength and volume of business. The guiding principles in drawing up the re-insurance programme have been stated as:

1. maximize retention within the country;
2. develop adequate capacity;
3. secure the best possible protection for the re-insurance costs incurred; and
4. simplify the administration of business.

The Insurance Act requires every general insurer to cede a specified percentage of its direct insurances to the "National reinsurer". For many years this percentage was 20 with certain exposure limitations. However, consistent with the opening up of the market and taking note of the fact that the National reinsurer had already developed substantial strength, the percentage has been reduced to 15 per cent for the financial year 2007-2008 and it will be further reduced to 10 per cent for 2008-2009.

The Regulations required the Indian Reinsurer to organize domestic pools for re-insurance surpluses in Fire, Marine Hull and other classes in consultation with all insurers. This was not found possible because of the reluctance of the newly registered insurers to accept automatic re-insurance of any nature. Even the Public Sector insurers had discontinued the Fire Re-insurance Pool and maintained only the Marine Hull re-insurance Pool. In order not to interfere with the corporate policies of insurers unduly, the Authority did not enforce the formation of pools. However, the market came together to form

a Pool for Terrorism risks when the international re-insurance markets withdrew this cover after the September 11 terrorist strikes in New York in the year 2001. More recently, the insurers agreed to form a Pool for declined motor insurance risks which eventually was transformed into a pool for all commercial vehicles third party insurance. The Pool came into effect on 1 April 2007.

The Re-insurance Regulations expressed the hope that the formation of the pools will help maintain the national retention levels as close to the level achieved for the year 1999-2000 as possible. The Regulations recognize the fact that newly registered insurers will not have the same levels of shareholders' funds or business volume to enable maintenance of an equal level of retentions. The Authority has been watching the levels of retentions of insurers while reviewing their re-insurance programmes and advising the insurers to increase their retentions wherever possible. The movement in national retention levels over the last two years is as follows :

TABLE 24

NET RETAINED PREMIUM ON INDIAN BUSINESS AS PERCENTAGE OF GROSS DIRECT PREMIUM (EXCL. GIC)

(Per cent)

| Segment | 2005-2006 | | | 2006-2007 | | |
|---------------------|---------------|----------------|--------------|---------------|----------------|--------------|
| | Public Sector | Private Sector | Total | Public Sector | Private Sector | Total |
| Fire | 59.72 | 19.49 | 46.68 | 61.00 | 21.92 | 46.80 |
| Marine Cargo | 73.71 | 49.87 | 67.32 | 74.16 | 43.74 | 64.27 |
| Marine Others | 11.86 | 4.74 | 10.92 | 13.49 | 4.69 | 11.15 |
| Motor | 79.40 | 75.55 | 78.56 | 79.80 | 76.13 | 78.71 |
| Engineering | 70.81 | 23.51 | 54.32 | 75.20 | 22.65 | 53.25 |
| Aviation | 5.14 | 0.45 | 4.63 | 15.13 | 2.09 | 13.35 |
| Other Miscellaneous | 78.77 | 52.53 | 72.10 | 78.27 | 58.69 | 72.66 |
| TOTAL | | | | | | |
| ALL CLASSES | 71.41 | 50.13 | 66.10 | 72.31 | 53.05 | 66.36 |

While some improvement in retentions is seen in aviation segment, these are offset by declines in marine cargo and engineering. As a result the overall net retention ratio in 2006-07 was at the same level prevalent in 2005-06.

The Authority has been encouraging the insurers to place re-insurance with other Indian insurers as far as possible. The Indian reinsurer has also been active in providing capacity to the Indian insurers. As a result of these efforts, the re-insurance placements in India have grown without hampering access to international markets. The developments in placement are shown in the table below :

TABLE 25

RE-INSURANCE PLACED WITHIN INDIA AND OUTSIDE INDIA AS PERCENTAGE OF GROSS DIRECT PREMIUM IN INDIA (EXCL GIC)

(Per cent)

| Segment | 2005 - 2006 | | 2006 - 2007 | |
|---------------------|-----------------|----------------------|-----------------|----------------------|
| | Placed in India | Placed outside India | Placed in India | Placed outside India |
| Fire | 39.23 | 26.98 | 37.69 | 19.13 |
| Marine Cargo | 24.47 | 12.05 | 22.83 | 13.45 |
| Marine - Others | 32.34 | 67.69 | 48.23 | 44.39 |
| Motor | 21.49 | 0.18 | 21.19 | 0.28 |
| Aviation | 43.72 | 63.98 | 33.82 | 55.73 |
| Engineering | 37.33 | 20.41 | 36.24 | 15.41 |
| Other Miscellaneous | 22.38 | 7.88 | 20.86 | 7.06 |
| TOTAL | | | | |
| ALL CLASSES | 26.56 | 11.64 | 25.93 | 9.03 |

The above table reveals that while the re-insurance placed inside India is nearly at levels prevalent in 2005-06, the re-insurance placed outside India has declined marginally. The decline is due to decline in cessions in all classes except marine cargo and motor.

It is neither possible nor desirable to eliminate all re-insurances outside India. Re-insurance protection plays a very important role in safeguarding the insurer's financial position in the event of catastrophic losses or in providing insurance for large risks. The profit ceded on the placement outside India represents the price of protection. The position over the latest two years has been as follows :

TABLE 26

RE-INSURANCE CEDED OUTSIDE INDIA ON INDIAN BUSINESS
(EXCL GIC)

(Rs. Crores)

| Segment | 2005-2006 | | 2006-2007 | |
|--------------------|----------------|------------------|----------------|------------------|
| | Premium ceded | Net profit ceded | Premium ceded | Net profit ceded |
| Fire | 993.28 | -1023.88 | 780.10 | 62.66 |
| Marine Cargo | 93.94 | -158.52 | 114.50 | 58.84 |
| Marine – Others | 366.75 | -595.52 | 306.84 | 127.71 |
| Motor | 15.13 | -7.29 | 27.64 | -8.17 |
| Aviation | 255.22 | 74.24 | 244.91 | 164.19 |
| Engineering | 192.32 | -68.46 | 196.67 | 93.99 |
| Other | | | | |
| Miscellaneous | 395.95 | 43.79 | 426.78 | 147.10 |
| TOTAL | | | | |
| ALL CLASSES | 2312.62 | -1735.64 | 2097.45 | 646.32 |

As compared to 2005-06 premium cessions we observe that the premium cessions in 2006-07 have reduced. But the net profit ceded in 2006-07 has increased sharply. 2005-06 was particularly a bad year for re-insurers because of Mumbai Floods and other catastrophe losses which hit the Indian market.

Terrorism Pool

The Indian Market Terrorism Risk Insurance Pool, which started in April 2002 as an initiative by non-life insurers in India to provide capacity in the domestic market to underwrite terrorism risks, successfully completed its fifth year of operations on 31st March 2007. All the non-life insurance companies operating in India are members of the Pool and offer capacity to the Pool in specified proportions. For 2006-07, the shares of the member Companies was as under

TABLE 27

SHARE OF MEMBER COMPANIES
IN THE INDIAN MARKET TERRORISM POOL

| Insurer | Share (%) |
|--|-----------|
| General Insurance Corporation of India | 24.4197 |
| National Insurance Co. Ltd. | 12.8617 |
| The New India Assurance Co. Ltd. | 24.4224 |
| The Oriental Insurance Co. Ltd. | 11.5977 |
| United India Insurance Co. Ltd. | 12.8617 |
| Bajaj Allianz General Insurance Co. Ltd. | 1.1254 |
| Cholamandalam General Insurance Co. Ltd. | 1.6077 |
| Govt. Insurance Fund, Gujarat | 1.6077 |
| HDFC Chubb General Insurance Co. Ltd. | 0.4166 |
| ICICI Lombard General Insurance Co. Ltd. | 3.2474 |
| IFFCO-Tokio General Insurance Co. Ltd. | 1.6143 |
| Reliance General Insurance Co. Ltd. | 1.6077 |
| Royal Sundaram Alliance Insurance Co. Ltd. | 1.0023 |
| Tata-AIG General Insurance Co. Ltd. | 1.6077 |

During 2006-07, the total premium ceded to the Pool was Rs.163.50 crore and claims paid was Rs.1.31 crores. The Pool's premium in the previous year was Rs.155.97 crores with claims paid being Rs.84 lakhs. In view of the good performance of the Pool, the capacity offered by the Pool was enhanced to Rs.600 crores per risk/location, effective from April 1, 2006. The Pool members also agreed for downward revision in terrorism risk premium rates, effective from April 1, 2007. The comparative chart of the existing rates and the revised rates is shown below –

TABLE 28

RATING OF TERRORISM POOL

| | Total Sum Insured per Location (MD + LOP) (Rs.) | Full rate of | Existing Rate (per Mille) | Revised Rate (per mille) |
|---|---|---|--|--------------------------|
| 1 | Upto Rs.500 Crs. | Industrial Risk Non-Industrial Risk Residential Risk | 0.30 0.20 0.10 | 0.25 0.15 0.10 |
| 2 | Over Rs.500 crs. and upto Rs.2000 crs. | First 500 crs. as per (1) above PLUS on balance Sum Insured as under : | Industrial Risk Non-Industrial Risk | 0.25 0.12 |
| 3 | Over Rs.2000 Crs. | First 2000 crs. as per (2) above PLUS on balance Sum Insured as under : | Industrial Risk Non-Industrial Risk | 0.20 0.10 |

The Pool Underwriting Committee met thrice during the year and discussed important issues like additional classes of insurance to be covered by the Pool, review of Pool's financial results, terms of cover, accounting and data transfer mechanisms, re-insurance protection, etc.

iv. Monitoring of Investments of the insurers

(a) Investments of the Insurance Sector

The investments made by the insurers both life and general separately for public and private sector is given in the following table.

TABLE 29
INVESTMENTS OF INSURERS

(Rs.Crore)

| INSURER | Life | | Non-Life | | Total | |
|----------------|------------------|------------------------------------|-----------------|-----------------------------------|------------------|------------------------------------|
| | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 |
| Public Sector | 463771.14 | 559200.56 (20.58) | 38519.52 | 44170.75 (14.67) | 502290.66 | 603371.31 (20.12) |
| Private Sector | 23379.55 | 44979.24 (92.39) | 3799.43 | 6212.06 (63.50) | 27178.98 | 51191.3 (88.35) |
| Total | 487150.69 | 604179.80 (24.02) | 42318.95 | 50382.81 (19.05) | 529469.64 | 654562.61 (23.63) |

The investments of the LIC increased by 20.58 per cent (in view of its large base) and, in the case of private insurers, the growth was 92.39 per cent. Increase in investments by public

sector general insurance companies was 14.67 per cent and for private sector general insurers it was 63.50 per cent.

(b) Life Insurers

TABLE 29 (I)
TOTAL INVESTMENTS : INSTRUMENT-WISE

(Rs.Crore)

| | 2004-05 | | 2005-06 | | 2006-07 | |
|--|------------------|---------------------|------------------|---------------------|------------------|---------------------|
| | Amount | Percentage to Total | Amount | Percentage to Total | Amount | Percentage to Total |
| <i>Investments from Traditional Products</i> | | | | | | |
| Central 'Govt. Securities | 201550.00 | 47.88 | 238089.00 | 51.62 | 275099.00 | 51.22 |
| Approved Securities incl. Central Govt. Securities | 252737.00 | 60.04 | 296377.00 | 64.25 | 335187.00 | 62.40 |
| Infrastructure and Social Sector | 45521.00 | 10.81 | 49638.50 | 10.76 | 69837.00 | 13.00 |
| Investment subject to Exposure norms including Other than approved Investments | 122667.00 | 29.14 | 115247.00 | 24.99 | 132106.00 | 24.59 |
| Other than approved Investments | 26377.70 | 6.27 | 26698.60 | 5.79 | 30049.00 | 5.59 |
| Total | 420924.00 | 100 | 461263.00 | 100 | 537130.00 | 100 |
| ULIP Funds | | | | | | |
| Approved Investments | 6731.78 | 89.43 | 23401.00 | 90.39 | 57586.20 | 85.89 |
| Other than approved Investments | 795.66 | 10.57 | 2487.12 | 9.61 | 9462.56 | 14.11 |
| Total | 7527.44 | 100 | 25888.10 | 100 | 67049.80 | 100 |

The broad pattern of investments out of premium generated by traditional products during 2006-07 remains on the pattern of the investments in 2005-06. The investments in Infrastructure and Social sector improved marginally from 10.76 per cent to 13 per cent.

(C) FUNDWISE PATTERN OF INVESTMENTS

The investments made by the life insurers from different types of funds are given in the following table.

TABLE 29 (II)

TOTAL INVESTMENTS : FUND-WISE

(Rs.Crore)

| | 2005-06 | 2006-07 | Growth (%) |
|--------------|---------------|---------------|--------------|
| Life Fund | 397188 | 465555 | 17.21 |
| Pension Fund | 37264 | 37063 | -0.54 |
| Group Fund | 26810 | 34511 | 28.73 |
| Unit Fund | 25888 | 67050 | 159.00 |
| Total | 487150 | 604179 | 24.02 |

It may be observed that a significant shift has taken place in favour of investments of Unit Linked Funds since last year. This is further analysed in Table 30.

TABLE 29 (III)

INVESTMENTS OF LIFE INSURER : FUND-WISE

(Rs.Crore)

| INSURER | LIFE FUND | | PENSION AND GENERAL ANNUITY FUND | | GROUP EXCLUDING FUND GROUP PENSION & ANNUITY | | UNIT LINKED FUND | | TOTAL OF ALL FUNDS | |
|-----------------------|------------------|------------------|----------------------------------|-----------------|--|-----------------|------------------|-----------------|--------------------|------------------|
| | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 |
| LIC | 389447.52 | 453440.06 | 36157.64 | 35062.29 | 26737.53 | 34445.98 | 11428.45 | 36252.24 | 463771.14 | 559200.56 |
| PRIVATE SECTOR | 7741.13 | 12115.24 | 1106.65 | 2001.28 | 72.09 | 65.16 | 14459.68 | 30797.56 | 23379.55 | 44979.24 |
| TOTAL | 397188.65 | 465555.30 | 37264.29 | 37063.57 | 26809.62 | 34511.13 | 25888.13 | 67049.80 | 487150.69 | 604179.80 |
| | (81.53) | (77.06) | (7.65) | (6.13) | (5.50) | (5.71) | (5.31) | (11.1) | | |

Note: 1) The figures are based on provisional Returns filed with IRDA.

2) Figures in brackets are percentages to the respective totals.

(d) Growth of investments of Unit Linked and Traditional Business

The percentage increase of ULIP funds on year over year basis (Table 30) of investment over the last 4 years vis a vis traditional

funds indicates that the growth in investment pertaining to Unit Linked Business started from 2003-04. Till then the total investments were only out of premiums towards traditional, group and annuity businesses.

TABLE 30
TOTAL INVESTMENTS : FUND-WISE

(Rs.Crore)

| FUND | 2003-04 | 2004-05 | | 2005-06 | | 2006-07 | |
|---------------------------|------------------|------------------|---------------|------------------|---------------|------------------|---------------|
| | TOTAL | TOTAL | % Increase | TOTAL | % Increase | TOTAL | % Increase |
| Life | 307308.91 | 366219.85 | 19.17 | 397188.66 | 8.46 | 465555.3 | 17.21 |
| Pension & General Annuity | 9551.84 | 12023.77 | 25.88 | 37264.29 | 209.92 | 37063.57 | -0.54 |
| Groups | 34075.47 | 42680.85 | 25.25 | 26809.63 | -37.19 | 34511.14 | 28.73 |
| Traditional (A) | 350936.22 | 420924.47 | 70.30 | 461262.59 | 181.19 | 537130.01 | 45.40 |
| Unit Linked Funds | 1688.31 | 7527.44 | 345.86 | 25888.14 | 243.92 | 67049.8 | 159.00 |
| ULIP (B) | 168831 | 7527.44 | 345.86 | 25888.14 | 243.92 | 67049.80 | 159.00 |
| TOTAL INVESTMENTS | 352624.53 | 428451.91 | | 487150.73 | | 604179.81 | |

The cumulative balances of Unit Linked investments reported at Rs.1688.31 crore in 2003-04 went up significantly to Rs.25888.14 crore in 2005-06 and further to of Rs.67049 crore in 2006-07. The share of investments of Unit Linked business in the cumulative life business therefore had gone steeply from 0.47 per cent in the year 2003-04 to 11.09 per cent in 2006-07. On an incremental basis, while the growth of investments during the last 2 years shows a steady pattern in respect of investments pertaining to traditional products, there

is a steep increase in respect of investments pertaining to Unit Linked business.

INVESTMENTS OF NON-LIFE INSURERS

Of the total investments by general insurers, Rs.18866 crore were held in Central govt. and State govt. Securities, in infrastructure and social sector Rs.6102 crore and in investments subject to exposure norms Rs.21671 crore as on 31st March, 2007, as against Rs.16740 crore, Rs.4980 crore, Rs.17492 crore for the previous year.

TABLE 31
TOTAL INVESTMENTS OF GENERAL INSURERS : FUND-WISE

(Rs.Crore)

| PATTERN OF INVESTMENTS | 2004-05 | | 2005-06 | | 2006-07 | |
|---|--------------|------------|--------------|------------|--------------|------------|
| | TOTAL | % to Fund | TOTAL | % to Fund | TOTAL | % to Fund |
| G. Sec | 10366 | 28 | 11670 | 28 | 13231 | 26 |
| Other approved Securities incl. G. Sec | 14964 | 40 | 16740 | 40 | 18866 | 37 |
| Housing and Fire Fighting Equipments | 2647 | 7 | 3107 | 7 | 3742 | 7 |
| Infrastructure and Social Sector | 4389 | 12 | 4980 | 12 | 6102 | 12 |
| Investment Subject to Exposure Norms (incl. OTAI) | 15410 | 41 | 17492 | 41 | 21671 | 43 |
| Other than approved Investments | 4025 | 11 | 4078 | 10 | 3884 | 8 |
| TOTAL | 37411 | 100 | 42319 | 100 | 50382 | 100 |

Note : Investments of CHNHB Association and AIC of India has not been included.

Public sector non-life companies invested Rs.16606 crore in Central Govt and State Govt Securities (37.60 per cent of their total investments), Rs.5051 crore in infrastructure and social sector (11.43 per cent of their total investments) and Rs.19323 crore in investment subject to exposure norms (43.75 per cent of their total investments) as against Rs.15151 crore (39.33 per cent), Rs.4413 crore (11.46 per cent) and Rs.16169 crore (41.98 per cent) respectively in the previous year. Investments of the private insurers in the above sectors stood at Rs.2260 crore (36.39 per cent), Rs.1052 crore (16.93 per cent) and Rs.2349 crore (37.81 per cent) as against Rs.1590 crore (41.84 per cent), Rs.567 crores (14.92 per cent) and Rs.1323 crore (34.82 per cent) respectively as on 31st March, 2006.

V) Health Insurance

Liberalisation of the insurance sector as well as the increasing demand for health insurance covers, especially from the middle class, have given a fillip to the growth of health insurance in the country and today the sector is emerging as fastest growing segment in the non-life insurance industry. In 2006-07, health insurance premium stood at more than Rs.3200 crore registering an increase of 35 per cent. Over the last five years the premium has nearly doubled. Despite this, health insurance penetration in India continues to be low. There are several other challenges in the health sector—from the perspective of policyholder, insurers and the Authority.

With a view to promoting health insurance in the country and looking for possible solutions to bring in as many people as possible into the insurance net, the IRDA has, over the last few years, gave special thrust to addressing various issues concerning health insurance. These initiatives not only develop health insurance in the country but also address the concerns of the policyholders of health insurance. The grievance redressal system set up by the Authority enables a detailed analysis of policyholder grievances and health insurance stands out as a major area of concern from the customer viewpoint. It was in this backdrop that the IRDA set up The National Health Insurance Working Group towards the end of 2003. This provided a platform for stakeholders of the health insurance industry to work together to suggest solutions to various relevant issues. Some of the Working Group's recommendations were implemented and some are under examination.

The industry has recently seen the entry of a second stand-alone health insurance company. Some more are in the offing. Given its potential, health insurance business has generated considerable interest among the existing general and life insurers. Innovations in products are taking place though there is always scope for further enlargement of the canvas. Whilst on this, mention must be made of a stand-alone policy covering HIV that has been recently introduced in the market by one of the insurers. Many other innovative covers are being devised and are likely to come into the market.

To handle the plethora of issues relating to health insurance with focused attention, a separate health department was set up in IRDA. The team in the health unit has recently been strengthened and shall be scaled up further if required.

Third Party Administrators

Third Party Administrator (Health Services) have grown and are further consolidating their position. Two more companies have been granted licence to act as TPAs. TPAs are on the steady path of growth by enlarging their network. People trained on ICD-10 coding have been positioned in TPA's to facilitate analysis of health insurance related data.

TABLE 32
TPA (INFRASTRUCTURE)

| Name of TPA | Hospitals Added in the Network | Number of Offices/ branches opened | Manpower including Doctors/ Professionals Added |
|--|--------------------------------|------------------------------------|---|
| Family Health Plan Ltd. | 653 | 0 | -100 |
| Heritage Health Services | 254 | 0 | 45 |
| Raksha TPA Private Ltd. | 720 | 5 | 57 |
| TTK Healthcare Services Ltd. | 719 | 2 | 285 |
| Paramount Health Services | 52 | 0 | 20 |
| Medi Assist India Private Ltd. | 1558 | 9 | 143 |
| Vipul MedCorp TPA Private Ltd. | 157 | 6 | 55 |
| MD India Healthcare Services Pvt. Ltd. | 332 | 4 | 81 |
| Genins India Ltd. | 519 | 0 | 20 |

Increasing number of hospitals in different parts of the country has been included in the TPA network for cashless settlement of claims arising out of health insurance policies. This is a welcome indicator as it reveals that health insurance policy holders across the country are now able to get cashless treatment in hospitals.

The following table gives the time taken by the TPAs in settling the claim.

TABLE 33

THIRD PARTY ADMINISTRATORS - CLAIMS DATA

| Claims Received | Claims Settled – Annexure | | | | Claims outstanding |
|-----------------|---------------------------|-------------------|-------------------|--------------------|--------------------|
| | Within one month | Within 1-3 months | Within 3-6 months | More than 6 months | |
| 1840298 | 1406815 (76.44) | 367298 (19.96) | 44711 (2.43) | 10291 (0.56) | 156925 (8.53) |

Note: Figure in brackets indicates the ratio (in per cent) of claims settled to the total claims received.

It is observed from the above table that 76.44 per cent of the claims received were settled within one month. This is a marked improvement over the last year's level of 64.8 per cent. Similarly, outstanding claims as percentage of total claims reduced from 9.29 per cent in 2005-06 to 8.53 per cent in 2006-07.

vi) Business in the rural and social sector

The Regulations framed by the Authority on the obligations of the insurers towards rural and social sectors stipulate obligations to be fulfilled by insurers on an annual basis. The regulations require insurers to underwrite business based on the year of commencement of their operations. For meeting these obligations the regulations further provide that if the operations of the insurer is less than 12 months, proportionate percentage or number of lives, as the case may be, shall be underwritten. In addition, the LIC and public sector general insurance companies are required to ensure that the quantum of insurance business in the rural and social sector underwritten by them shall not be less than what has been recorded in 2001-02 i.e. before the issue of regulations.

Obligations of life insurers:

- Rural Sector Obligations:* All the sixteen life insurers, including the public sector insurer, LIC have fulfilled their obligations towards the rural sector. The number of policies underwritten by them in the rural sector as a per cent of the total policies underwritten in the year 2006-07 was as per the obligations applicable to them. LIC, in compliance with its obligations, underwrote a higher percent of policies in rural sector, than were underwritten in the year 2001-02.
- Social Sector Obligations:* Of the sixteen life insurers, fourteen have fulfilled their social sector obligations during 2006-07. The number of lives covered by them in the social sector was above the stipulated obligations. The LIC, in compliance with its social sector obligations covered a higher number of lives than was covered by it in 2001-02.

Two private sector companies did not comply with their social sector obligations. The details are:

Bharti Axa Life Insurance Co. Ltd. which commenced its operations in August 2006 fell short of meeting its obligations in social sector. Against a proportionate obligation of coverage of 3333 lives in about 8 months of operations, they have covered 3067 lives. The shortfall has been waived as the insurer is in first year of operations and the shortfall is negligible.

Shriram Life Insurance Company Limited commenced its operation in February 2006. They are obliged to cover 7500 lives. They covered only 5952 number of lives. As the shortfall was observed for the second year in succession, a penalty of Rs.5 lakh has been imposed on the insurer. They have also been advised to cover the shortfall in the current year i.e., 2007-08. This company has submitted revised data and according to that they covered only 5952 number of lives. The company further submitted data for 2005-06 which the Authority is examining.

Obligations of non-life insurers:

- Rural Sector Obligations:* All the eight private sector non-life insurers met their rural sector obligations in

2006-07. The gross direct premium underwritten by them in the said sector, as a percentage of total premium underwritten in 2006-07, was above the prescribed stipulations. All the four public sector insurers complied with the rural sector obligations for 2006-07. With respect to the public sector insurers, their obligations are indicated against the quantum of insurance business done by them in the accounting year ended 31st March, 2002.

- (b) *Social Sector Obligations:* All the eight private sector non-life insurers met their social sector obligations in 2006-07. The number of lives covered by them in the social sector was also higher than the regulatory stipulations. While, three public sector insurers complied with the social sector obligations for 2006-07, New India Assurance Co. Ltd. fell short of compliance towards the sector. With respect to the public sector insurers, their obligations are indicated against the quantum of insurance business done by them in the accounting year ended 31st March, 2002. In case of New India, a penalty of Rs.5 lakh has been imposed for non-compliance with its social sector obligations and was advised to fulfill the shortfall in 2007-08 and 2008-09.

vii. Accounting and Actuarial Standards

I. Accounting Standards

Additional measures taken by the Authority to improve the transparency and disclosures in reporting in the financial statements are:

1. Prudential norms for Income Recognition, asset classification and provisioning and other related matters.

Clause 7 of Part I of Schedules A and B of the IRDA (Preparation of Financial Statements and Auditor's Report) Regulations 2002 require that "Loans shall be measured at historical cost subject to impairment. Insurers shall assess the quality of its loan assets and shall provide for impairment. The impairment provision shall not be lower than the amount derived on the basis of guidelines prescribed from time to time by Reserve

Bank of India that apply to companies and financial institutions".

While insurers have already adopted the RBI guidelines in this regard as stipulated, keeping in view the specific requirements of the insurance industry, the Authority formalized the norms for income recognition, asset classification and provisioning and other related matters in respect of debt portfolio. The norms are effective financial year 2006-07.

2. Unit Linked Disclosure norms

The format of reporting under the IRDA (Preparation of Financial Statements and Auditor's report of Insurance Companies) Regulations, 2002 has been modified to ensure transparency and consistency in the disclosures across the industry. The regulations require life insurance companies to file segment wise information. At the time of framing the regulations, it was not envisaged that unit linked products would gain so much popularity. As such, detailed disclosure norms were not stipulated for ULIP products in the financial statements. In order to bring standardization in the reporting, the Authority stipulated disclosure norms for the unit linked business. The reporting format requires insurance companies to segregate the unit linked revenue into (i) Non –Unit Funds and (ii) Unit Funds. The additional reports form Addendum to the Form (A-RA). Reporting formats have been prescribed to capture information on the operations of various funds. Additional disclosures requirements namely, NAV, performance of the respective funds (growth per cent) for three years and since inception; and details of investments held under respective funds have been stipulated as part of the Annual Report. Other aspects requiring disclosures include related party transactions and fund-wise disclosure of appreciation and/or depreciation in value of investments. The disclosure requirements were effective from 2006-07, and have been complied with by all insurers. Such disclosures provide additional information to the policy holders who bear the risks associated with the investments made under the unit linked products.

II (a) Appointed Actuary System

One of the main areas which engage the attention of actuaries is the assessment of financial risks in the operation of the insurance companies so that the products sold by them do not contribute to huge financial risks. In this context they ensure that the solvency of the company is maintained at all points of time.

The Authority introduced the system of Appointed Actuary (AA) in the year 2000. The regulatory framework lays down that no insurer can transact any life insurance business in India without an Appointed Actuary. While an AA must be a full time employee in the case of life insurers, in the case of non-life insurers, AA could be a consultant and need not necessarily be an employee of the company. Every AA has certain privileges and obligations which have been specified in the regulations. During 2003-04, the Authority notified the "Qualification of Actuary" Regulations, defining an Actuary for the purpose of the Insurance Act, 1938. The regulations further provide that the Authority may relax the provisions in such circumstances as it deems fit and may permit such a person to sign as an Actuary for specified purposes.

The powers and duties of an Appointed Actuary are laid down by the Authority in the regulations pertaining to their appointments which include the right to attend all management and board meetings; right to participate in discussions; rendering actuarial advice to the management particularly on product design and pricing, contract wording, investments and re-insurance; ensure maintenance of required solvency margin of the insurer at all times; certifying the value of assets and liabilities of the insurer; drawing the attention of management towards such matters as may prejudice the interests of policyholders; certifying the "Actuarial Report and Abstract" and other returns under Section 13 of the Insurance Act, 1938; complying with Section 40-B of the Act in regard to the basis of premium; complying with Section 112 of the Act on recommendation of interim bonus/bonuses payable; making available requisite records for conducting the valuation; ensuring that the premium rates of the insurance products are fair; certifying that mathematical reserves are set taking into account the Guidance Note (GN) of the Actuarial Society of India; ensuring that the Policyholders' Reasonable

Expectations (PRE) have been considered in the matter of valuation of liabilities and distribution of surplus to participating policyholders; submit actuarial advice in the interests of the insurance industry and the policyholders; and informing the Authority if the insurer has contravened the provisions of the Act.

In the case of a non-life insurer, the AA is required to certify the rates for in-house non-tariff products and Incurred But Not Reported (IBNR) Reserves which are indicated under "Outstanding Claims" in the financial statement. The growth of the insurance industry coupled with the entry of private insurers in the last four years, has augured well for the actuarial profession. The developments in the profession signal evolution in the system of Appointed Actuaries seeking their rightful place in a corporate environment. The profession is expected to make significant contribution in terms of actuarial inputs in life and general insurance business and risk management and pensions.

Peer Review

While analyzing the availability of solvency in the insurance companies, one of the methods followed to ensure consistency and acceptability to the liability estimates prepared by actuaries is peer review system. In some parts of the world peer review system is vigorously followed so that both the appointed actuary and his company could draw comforts to the results derived by the valuation actuary. No doubt this will add significant comforts to the regulators also. In India, peer review system is in vogue for the past four years. The professional guidance note released by the professional body helps the actuaries in pursuing this approach more confidently. It is very important to recognize that in addition to the regulator and the profession, the policyholders interests' are also protected through this mechanism.

Review Committee

The Authority decided to have a Review Committee to review the Statutory Report furnished to the Authority in respect of Actuarial Report and Abstract required under Section 13 of the Insurance Act, 1938. The Authority reconstituted a new Actuarial Review Committee for the year 2007, comprising:

1. K.P. Narasimhan
2. N.M. Govardhan
3. R. Ramakrishnan
4. J. Salunkhe
5. P.A. Balasubramanian

The Committee reviews the statutory returns of the insurers and examines the functions of the AA in the backdrop of the requirements of the regulations. The efforts of the Committee have enabled the Authority to understand the effectiveness of the functioning of AA system in the Industry in the context of high growth of business and introduction of innovative insurance products with varying dimension of risk for Insurers requiring appropriate risk management practices. The Committee has focused on AA's compliance to the provisions of IRDA (Asset, Liability and Solvency Margins of Insurers) Regulations 2000 and IRDA (Actuarial Report and Abstract) Regulations 2000. The Committee has reported overall improvement in the quality of Actuarial Report and Abstract and in adherence to the provisions of related regulations while observing that in the details presented there were, in some cases, issues like inadequate understanding and explanation of certain requirements such as margin for adverse deviation in the valuation assumptions, provision for expenses overrun in the initial years, reserve for likely revival of lapsed policies, inconsistency of data and reconciliation between different forms of the returns as also between Actuarial Report and Account statements, taking actuarial liability without netting of re-insurance ceded and reporting format inadequacies were noticed. The validity of the valuation results, however, was not significantly affected as a result of the inadequacies cited above. The observations of the Committee relating to Actuarial Report and Abstract are discussed with the AAs of respective insurers and deficiencies pointed out by the Committee are asked to be corrected through revised filing, wherever required.

The Actuaries Act, 2006

The Government of India notified the Actuaries Act in the official gazette on 28.08.2006. As a result, the actuarial profession would get a fillip with the grant of statutory status. As per provisions of the Act, "Institute of Actuaries of India" is

constituted in place of existing Actuarial Society of India with the following objectives:

- H To promote, uphold and develop the standards of professional education, training, knowledge, practice and conduct amongst Actuaries;
- H To promote the status of the Actuarial Profession;
- H To regulate the practice by the members of the profession of Actuary;
- H To promote, in the public interest, knowledge and research in all matters relevant to Actuarial science and its application; and
- H To do all such other things as may be incidental or conducive to the above objects or any of them,

II (b) Actuarial Standards

The Actuarial Society of India (ASI) issues Guidance Notes (GN) (actuarial standards) to its members. The GNs issued by the ASI are aimed at protecting public interest. GNs emanating from the regulations framed by the Authority require its concurrence prior to issuance by ASI. The ASI issued the first Guidance Note (GN-I) on "Appointed Actuaries and Life Insurance". The GN is a mandatory professional standard and covers the responsibilities of the Appointed Actuary towards maintaining the solvency of the insurer, meeting reasonable expectations of the policyholders, and to ensure that the new policyholders are not misled with regard to their expectations. ASI issued the GN-21 for the appointed actuaries of general insurers. GN-21 covers such aspects as nature and responsibility of appointed actuaries, considerations affecting their position, the extent of their responsibility and duties, premium rates and policy conditions for new products and existing products on sale, capital requirements, actuarial investigations, premium and claims reserving, written notes and guidance to actuaries who are directors on the boards, employees or consultants to a General insurance company. The Authority issues clarifications to the Appointed Actuaries on interpretation of the regulations framed by the Authority.

viii) Crop Insurance

Agriculture is also a raw material source to a large number of industries like textiles, silk, sugar, rice, flour mills, milk

products. The Indian economy is based directly or indirectly on agriculture. It would not be wrong to say that the criticality of this sector is such that any change has a multiplier effect on the economy. Productivity of agriculture is contributed by many inputs such as soil, seeds, fertilizers, and management practices. However, weather risk is the only significant uncontrollable risk among all other production risks. A study by the Crop Insurance Cell of General Insurance Corporation of India shows that a mammoth 90 per cent of the reasons of crop failure can be attributed to various weather related deviations, be it deficiency or excess rainfall, high or low temperature, excessive wind speed or high relative humidity.

Weather Insurance is an insurance product based on a weather index which provides insurance for losses arising due to vagaries of weather. These weather indices could be deficit/excess rainfall, extreme fluctuations of temperature, relative humidity and/or a combination of above. Detailed correlation analysis is carried out to ascertain the way weather impacts yields of the crops to arrive at compensation levels. The basic idea is to estimate the percentage deviation in crop output due to adverse deviations in weather conditions. Hence, it is a financial protection based on the performance of specified index in relation to a specified trigger.

The general insurance companies have experimented with several weather insurance schemes for agriculture during the last two years which are easy to administer, are designed considering location's agro-climatological properties, do not entail long term-liabilities on governments or insured, are rated based on actuarial principles and offer high level of flexibility in terms of indemnity level and coverage.

Agriculture Insurance Company of India Limited underwrites two types of crop insurance products;

1. Government supported products, viz. National Agricultural Insurance Scheme (NAIS), where AIC is the Implementing Authority (IA).
2. Company's own products: The Company has been designing from time to time need based new insurance products. These products can be broadly classified as under:

a) Weather & Index Insurance Products: Varsha Bima, Rainfall Insurance, Coffee Insurance, Wheat Insurance & Mango Insurance. These products cover weather based perils & are operated on 'Area Approach' basis.

b) Traditional & Named Peril Insurance Products: like Potato Insurance, Bio-Fuel Tree/Plant Insurance, and Poppy Insurance. These products operate at individual farm level with losses being assessed on individual basis.

The list all products is as under:

TABLE 34

BRIEF DETAILS OF CROP INSURANCE POLICIES OF AIC LTD.

| S. No. | Product | Scope/ Coverage | States | No. of Locations (App) |
|--------|---------------------------|--|---------------------------------|---------------------------------|
| 1 | Varsha Bima | Deficit Rainfall | 15 states | 140 |
| 2 | Coffee Insurance | 2005-06 yield + Deficit rainfall 2007-08 Adverse rainfall | Karnataka KTK/TN/ Kerala | 3 40 |
| 3 | Poppy Crop Insurance | Named perils (Natural calamities +pests & diseases) | MP, Raj., UP | CBN Notified locations |
| 4 | Wheat Insurance | Biomass + temp. + rainfall | Hary. & Punjab | 12 |
| 5 | Mango Insurance | Un-seasonal R/F + temp+ frost + wind | Maharastra & Uttar pardesh & AP | 5 |
| 6 | Rainfall Insurance | Deficit & Excess rainfall | UP, Raj, MP Maha, Gujrat | 100 |
| 7 | Potato Crop Insurance | Named perils (Natural calamities+ pests & diseases) | Maharashtra & WB | 5 |
| 8 | Bio-Fuel Plant/ Tree Ins. | Named perils (Natural calamities pests & diseases) | Available in all parts of India | Available in all parts of India |
| 9 | Weather Ins. (Rabi) | | UP, Raj, MP Maha, | 75 |

The year of introduction of these products is given below :

TABLE 35

LIST OF PRODUCTS INTRODUCED BY AIC LTD.

| S.No | Year | Product |
|------|------------------|---|
| 1 | 2004-05 | Varsha Bima |
| 2 | 2005-06 | Varsha Bima Coffee Insurance Mango Insurance Poppy Insurance Wheat Insurance Sukha Suraksha Kavach |
| 3 | 2006-07 (Kharif) | Potato Insurance -Kharif Potato Insurance -Rabi Rainfall Insurance Weather Insurance Bio-Fuel Insurance |

Weather Insurance was launched by ICICI Lombard three years back. Till the year 2006, ICICI Lombard has executed close to 90 weather insurance deals across the country which have provided weather insurance solutions to about 2,00,000 farmers covering an area of about 2,50,000 acres. These 90 deals represent experience in wide ranging crops such as groundnut, castor, cotton, wheat, coriander, kinnu, cumin, black gram, soybean, grapes, paddy and oranges. The deals were executed across 13 states.

The result of the policy for the year 2006 is as under:

- H The product is in 8 states
- H 150 Districts
- H 68600 farmers

across the scheme cover.

The potential for weather insurance in a monsoon dependent country like India is immense. It can act as a risk mitigation tool for farmers and give them liquidity due to quicker turnaround times for claims settlement. Some of the other entities that can benefit from it are agro-based companies,

micro finance organizations, other rural financial organizations and governments. By bringing about stability to a critical sector of the economy, it can have a multiplier effect thereby fuelling growth of the economy.

ix) Micro-Insurance

Insurance can play a positive role in meeting the financial needs of the poor, and one would need to examine the many challenges involved in offering insurance to them through micro-insurance agents with simpler types of insurance cover for property, personal accident, health and life insurance. The Authority had notified Micro-Insurance Regulations on 10th November 2005.

The Micro-Insurance regulations, 2005 allow the sale of both term assurance as well as savings-linked insurance policies along with riders, on the life insurance side. Under non-life, covers include dwellings, live stock, tools & implements, personal accident covers and crop insurance. Health insurance, however, is allowed to be offered by both life and non-life insurers. Composite covers or package products can also be offered by the insurers through a tie up with the corresponding life/non-life counterparts.

This has provided framework for insurers to design suitable micro-insurance products. Norms are also laid down to recognize micro-insurance agents, like Non-Government Organizations (NGO) and Self Help Groups (SHG). The relaxation of the KYC norms under Anti Money Laundering Act requirements, upto a premium of Rs.10,000/- per annum help the Micro-Insurance sector. The Advertising guidelines notified on 14th May 2007 provide for release of joint sales advertisements by the insurers and Micro-Insurance Agents.

A modest beginning has been made in the first year after notification of Micro Insurance regulations. While twelve Micro-Insurance products have been filed by six life insurers, eight Micro-Insurance products have been filed by four non-life insurers till date.

OPERATIONAL RISKS IN THE INSURANCE INDUSTRY

Risk management is the 'mantra' of modern business and of late the importance in operational risk management has been increasing because of increasing number of large size operational losses, increasing reliance on technology with associated risks and deregulations and globalization. Operational risk assumed prominence since episodes of Barings, Enron etc. The financial services industry which is now relying on highly sophisticated financial engineering together with technology is yet to recognize the associated risks. The Basel Committee on Banking Supervision recognized this and stated that growing use of highly automated systems has the potential to transform high frequency and low severity manual processing errors into low frequency and high severity system failures. Further, the growing use of internet in conducting business also posed risks such as fraud and security which are yet to be properly understood by the business. It is therefore important that business recognizes these areas which cause such kind of operational failures and try to mitigate them by using appropriate risk mitigating techniques.

In the insurance industry, in addition to the above factors, it is important to recognize that the value of an insurance company is nothing but the present value of its future cash-flows adjusted for risks. Shareholders value can be increased by reducing the volatility of future cash-flows. In the last few years, financial institutions had developed many sophisticated techniques to manage various risks and in-spite of this volatility in earnings is still matter of concern. Many studies have shown that a major source of such volatility is not related to financial risks but the way in which the company operates.

What differentiates operational risk from financial risk is the mean effect. Normally, market risk and interest rate risk are considered as zero mean rate risk. A company is equally likely to suffer or gain from market and interest rate movements. Operational losses from a few insurers can cost significant damage to the market value of the whole industry due to contagion effect.

Operational risk is defined as "the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events". This definition includes legal risk, but excludes strategic risk, reputational risk, and systemic risk. An earlier definition distinguished between "direct or indirect loss", but since indirect loss could be construed as opportunity cost which is not intended to be provided for under operational risk capital this distinction has been dropped. There are four sources through which operation risk could occur, viz., people, processes, systems and external factors. If we have to consider various types of operational risk, Basel Committee classified the term as follows:

- i. Employment Practices and Workplace Safety
- ii. Internal Fraud
- iii. External Fraud
- iv. Damage to Physical Assets
- v. Business Disruption and System Failures
- vi. Execution, Delivery and Process Management
- vii. Clients, Products and Business Practices

Ever since operation risk assumed prominence, the financial institutions like banks etc. try to provide capital for covering operation risks. In this context, measurement of (or) assumes more importance. There are three methods of calculating operational risk capital in order of increasing sophistication and risk sensitivity.

1. **Basic Indicator Approach:** This is an elementary, top-down approach that can be followed by any company irrespective of its size or complexity. Under this approach, the operational risk capital is calculated using a proxy indicator for the entire company proposed as the average annual gross income over the previous three years. This indicator is multiplied by a parameter α , which is given by an internal committee or by the regulator. This parameter is calibrated so that the operational risk capital equals 12 percent of minimum regulatory capital.
2. **Standardized Approach:** This method breaks out the above calculation by business line. For each business line, the operational risk capital is calculated as $\alpha \times \text{Indicator}$. Originally, the Committee had proposed a variety of indicators such as gross income, annual average assets, total assets under management, and annual settlement throughout, depending on the particular line of business. However, in the absence of demonstrably increased risk sensitivity, the Committee specified that average annual Gross Income over the previous three years be used for all business lines.
3. **Advanced Measurement Approach:** Under this, the regulatory capital requirement will equal the risk measure generated by the bank's internal operational risk measurement system using the quantitative and qualitative criteria. The use of advanced measurement approach is subject to supervisory approval.

Time has come for the Indian insurance industry to pay due attention to operational risk issues and address them in an adequate manner so that these risks are suitably identified at an early stage and risk mitigating measures are put in place. Compelling reasons for this are: (i) Unlike other risk factors, operational risk takes a long time to surface; In the case of credit risk or interest rate risk, the moment the interest rate changes or credit rating changes, the company assesses the impact of these changes. If there is a serious error in the policy document and a policyholder goes to court, then the operational risk factor is felt only when the court judgment is given. (ii) The contagion effect of operational risk from one insurer to another insurer needs to be recognized. If an insurer has huge operational risks, the policyholders may lose interest in its insurance products. This lack of confidence in insurance products impacts other potential buyers of insurance products from other insurance companies as they lose confidence which will have an adverse impact on the insurance business. In the days of financial convergence, customers will switch from one financial product to another. In the long run this will significantly affect the insurance companies. (iii) In a similar vein, if an insurer who has higher operational risks, transfers risks to a financial intermediary belonging to another financial system say banks / NBFCs there could be a systemic impact which will destabilize the financial system.

All the above clearly endorse the importance of operational risks which are to be recognized well in advance. Companies must put in place well defined processes for each activity and these processes must be reviewed periodically.

x) Directions, orders and regulations issued by the Authority

The Authority has made mandatory for all the brokers to insert the word 'Insurance Broker / Brokers / Broking' in the name of their company. The Authority also issued guidelines vide Circular No.: 011/IRDA/CIR/BRO/May07 dated 21st May, 2007 on documentation and procedural requirements for seeking a broker's licence.

xi) Right to Information Act, 2005

During the year 2006 -2007 the Authority nominated the following Officers and Public Information Officer under the Section 19 (1) of RTI Act, 2005.

Shri C R Muralidharan, Member continues to be the Appellate Authority under Section 19 of the said Act.

| | Name of the PIO | Subject related to |
|----|------------------------|--|
| 1. | Mr Prabodh Chander | Non-Life, Hindi, Health Insurance and Legal |
| 2. | Mr. K Subrahmanyam | Actuarial |
| 3. | Mr. M M Siddiqui | Intermediaries & Inspections |
| 4. | Mr. Kunnel Prem | Life Insurance |
| 5. | Mrs. Vedakumari | Agents' Training Institute, Corporate Agency and any other residuary matters |

During the year 2006 – 2007, 120 applications were received by the Authority. Out of them 78 applications were disposed and 42 were rejected. 7 Appeals were received by the Appellate Authority and all of them were accepted.

PART II

REVIEW OF WORKING AND OPERATIONS

i) Regulation of Insurance and reinsurance companies

The Authority, in order to discharge the functions specified in Section 14 of the Insurance Regulatory and Development Authority (IRDA) Act, 1999 has notified the regulations given in the Annex II. The regulatory framework broadly covers such aspects as entry level requirements including those pertaining to minimum paid-up capital, 'fit and proper' management, 'file and use requirements, and filing of regular returns to the Authority, to carry out its statutory functions to regulate, promote and ensure orderly growth of insurance and re-insurance business.

During the year 2006-07 the following regulation was notified:

1. IRDA (Reinsurance Cession) (Notification) Regulations, 2007

ii) Intermediaries associated with the insurance business

Insurance Agents

A critical element of insurance sector reforms is the development of resources having the right skills and expertise in each segment of the industry so as to provide quality intermediation to market participants. The number of agents with LIC as at 31st March 2007 was 11,03,047 while the private sector had 8,90,152 agents. However, while the net increase in number of agents of LIC was 5 per cent, the private sector numbers increased by 140 per cent in the year 2006-07.

The agency network has spread over all the states; however, the number of agents per 1000 population has varied across the states. At the national level, only 2 agents serve 1000 people. Chandigarh has 20 as against the national average of 2. The density of agents in states such as Goa, Kerala and Delhi is way ahead of the national average while in the north eastern states other than Assam it is far below the national average. The presence of agents is well below the national average in the four populous states of Uttar Pradesh, Bihar,

Madhya Pradesh and Rajasthan. It is worthwhile to mention here that the agency presence of private sector has overtaken that of LIC in states such as Gujarat, Haryana, Jammu & Kashmir, Kerala, Orissa, Punjab, Chandigarh and Delhi. (Statement 61)

Corporate Agents

No fresh guidelines have been issued by the Authority in the year 2006-07.

Insurance Brokers

During the year 2006-07, 25 broking licenses were issued, of which 24 were direct broker licenses and one composite broking license. The renewal licenses were issued to 101 brokers. The total number of licenses issued as on 30-08-2007 were 258, of which 223 are direct brokers, 30 are composite brokers and 5 are reinsurance brokers. As on August 30, 2007 there were 242 insurance brokers with valid licenses. The capital employed by brokers in 2004-05 was Rs.158.03 crore and they earned an income of Rs.258.10 crore. In 2005-06, the capital employed by them was Rs.180.27 crore and income earned was Rs.390.36 crore, showing an increase of 51 per cent in 2005-06. The brokerage commission earned by Brokers in the year 2005-06 was about Rs. 355 crore showing an increase of 50 per cent over the preceding year. It will be of interest to note that broking companies are seeking licenses in smaller towns like Bharuch, Surat, Baroda, Rajkot, Thrissur, Indore, Ahmedgarh, Nanded, Udaipur, Varanasi etc. In addition, many have expanded their branch networks, thereby making services available in large number of B and C category towns.

Channel-wise New Business Performance

Individual Business:

In order to spread the message of insurance to the remote corners of the country, the Authority has enlarged the scope

of distribution from earlier single channel system of tied agencies to multiple channel set-up comprising of corporate agents including bancassurance, brokers and referral providers. The initiative appears to have borne fruit looking at the fact that within a few years of coming into existence, the new channels have contributed around 12.5 per cent of new business premium procured in the year 2006-07. The new channels have thus added value in terms of expanding the

market. The private insurers have particularly taken advantage of the new channels as evident from the 34 per cent share of premium mobilized through new channels during the year, as against a mere 3 per cent mobilized by LIC. It is pertinent to mention that corporate agencies which include bancassurance have contributed over three-fourths of the business mobilized through all the new channels.

TABLE 36
INDIVIDUAL NEW BUSINESS PREMIUM OF LIFE INSURERS FOR 2006-07
CHANNEL-WISE (Per cent)

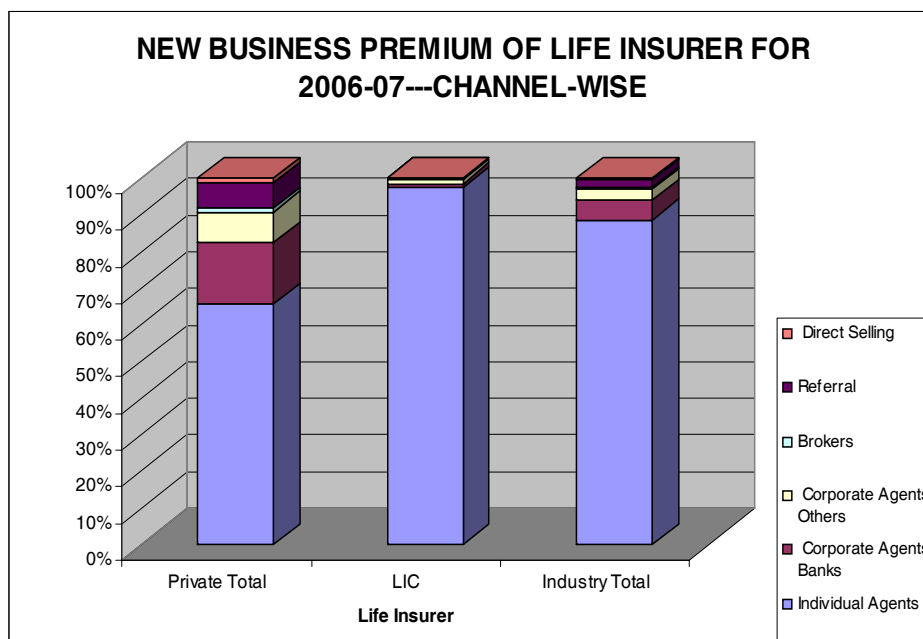
| Life Insurer | Individual Agents | Corporate Agents | | Brokers | Referrals | Direct Selling | Total New Business |
|-----------------------|-------------------|------------------|-------------|-------------|-------------|----------------|--------------------|
| | | Banks | Others* | | | | |
| Private | 65.80 | 16.58 | 8.41 | 1.05 | 6.77 | 1.39 | 100.00 |
| LIC# | 97.28 | 1.24 | 0.90 | 0.34 | 0.24 | 0.00 | 100.00 |
| Industry Total | 88.62 | 5.46 | 2.96 | 0.54 | 2.04 | 0.38 | 100.00 |

* Any entity other than banks but licensed as a corporate agent.

Does not include its overseas new business premium of Rs.18.92 crore.

Though business acquired through direct marketing appears insignificant at present, it would be interesting to watch how this channel catches up in future. The tied agency channel

continues to largely hold its ground with a share of 87.5 per cent of the total new business premium.



Group Business:

Because of complexity in group products, insurers, by and large, prefer to sell them directly. Over 97 per cent of the

group premium is sold under the direct mode in the year 2006-07. The group business constitutes 19.88 per cent of the total new business secured in the sector.

TABLE 37

GROUP NEW BUSINESS PREMIUM OF LIFE INSURERS FOR 2006-07
CHANNEL-WISE

(Per cent)

| Life Insurer | Individual Agents | Corporate Agents | | Brokers | Referrals | Direct Selling | Total New Business |
|-----------------------|----------------------|---------------------|-------------|-------------|-------------|----------------|-----------------------|
| | | Banks | Others* | | | | |
| | | Private | 0.23 |  |  |  |  | 13.36 | 0.13 | 1.27 | 0.06 | 84.96 | 100.00 |
| LIC | — | — | — | — | — | 100.00 | 100.00 |
| Industry Total | 0.04 | 2.34 | 0.02 | 0.22 | 0.01 | 97.37 | 100.00 |

* Any entity other than banks but licensed as a corporate agent.

In the case of LIC the entire group business was handled directly by itself. In the case of private life insurers 85 per cent of the group business was handled directly. 13 per cent of the group business is handled through bank assurance by the private insurers.

Surveyors and Loss Assessors

The Government of India appointed a committee to look into the suitability of forming an institute for surveyors and loss assessors similar to those of the Chartered Accountants, Cost and Works Accountants and Company Secretaries. As a follow up of the recommendations of the Committee, IRDA constituted an *ad hoc* Committee of Surveyors and Loss Assessors to set in motion the establishment of the Institute. The Institute has been incorporated under Section 25 of the Companies Act 1956 under the name 'Indian Institute of Insurance Surveyors and Loss Assessors' with the registered office at Hyderabad. The Memorandum of Understanding and Articles were drawn up with the approval of the Regional Director, Department of Company Affairs, Chennai. The IRDA called for applications for membership to the Institute. 4340 members were found to be eligible to contest / vote for the elections to the first Council of the Institute. The election process was completed and the results were declared on 11th September, 2007. With the nominations from the Government and the Authority, the new Council will be constituted.

The Authority issues licenses to surveyors and loss assessors in terms of Section 64UM of the Insurance Act, 1938. An individual, a company or a firm wanting to act as surveyors and loss assessors has to make an application to the Authority in the prescribed format for the purpose. The Insurance Surveyors and Loss Assessors (Licensing, Professional Requirements and Code of Conduct) Regulations, 2000 lay down the process of application for procurement of license.

During the last financial year, the Authority has enrolled 792 applicants as Trainee surveyors and issued 238 fresh licenses to trainee surveyors on completion of practical training and passing of the requisite examinations. The Authority also received 1672 requests for renewal of licenses during 2006-07 out of which 1624 have been issued/renewed licenses on fulfillment of all the Regulatory requirements. Further, for the first half of 2007-08, 894 requests for renewals have been received out of which 801 requests have been processed and issued renewed licenses.

iii) Litigations, appeals and court pronouncements

IRDA has a dedicated legal department to provide in-house legal assistance, legal opinions, interpretation of Statutes and to attend to all litigation matters. The Authority has been impleaded either as the main party or proforma party, in regard

to litigations on diverse matters filed before various courts. The court cases pertain mainly to settlement of claims by insurers, non-renewal of insurance policies, renewal of license of insurance agents, classification and categorization of surveyors and loss assessors, loading of motor insurance premium, non-implementation of awards of Ombudsman, etc. The Authority, while defending the cases on merit, keeping in view the provisions of laws and regulations, seeks to highlight the philosophy behind various provisions of law and instructions issued on different issues relating to the supervision and conduct of insurance business.

Some of the important decisions that have a bearing on the working of the insurance companies and the regulatory framework are mentioned below:

W.P. No. 81/2007 in the High Court of Kerala at Ernakulam Kasarogode Taluk Bus Owners Association & Others Vs. IRDA

The petitioners have challenged the decision of the IRDA relating to fixation of tariff in respect of motor vehicles for third party insurance. The Hon'ble High Court after having noted that the tariff has since been slashed during the pendency of the writ petition observed that there is no lack of jurisdiction or lack of authority for IRDA in the matter of fixation of tariff and refused to entertain the said writ petition.

The Court noted that IRDA has demonstrated that it has considered all relevant material and also afforded an opportunity of hearing to the petitioner before fixation of the rates. The Court also observed that Sec. 146 of the Motor Vehicles Act, 1988 that seeks compulsory insurance to third party does not give the petitioner any added advantage to stand against any decision of the Authority on the question of tariff.

M.A.T. No. 25/2007 in the Hon'ble High Court of Kolkata Federation of West Bengal Truck Operators Assn Vs. IRDA & Ors.

A Division Bench of the Hon'ble High Court of Kolkata refused to grant any stay of the operations of IRDA circular relating to

fixation of premium for motor vehicles to cover insurance of third party liability.

Dismissing the application for interim stay and upholding the order of the Single Judge for refusal of stay, the Hon'ble Division Bench in its order dated 04.01.2007 observed as under:

"After hearing the learned advocates for the parties and after going through the aforesaid materials, we are of the view that in this type of a writ application where amount of premium for insurance is involved, court should be slow to interfere at the interim stage thereby staying operation of the order unless error apparent on the face of record or want of authority on the part of the respondents is manifest."

The Hon'ble High Court has further observed that:

"Moreover, enhancement is for an amount of Rs.4,000/- and odd for a year which comes to Rs.300/- and odd a month. In such a situation, we are of the view that at this stage, no interim order should be passed restraining the respondents from realizing the enhanced amount before decision on merit."

W.P. No. 282/2007 in the Hon'ble Supreme Court of India General Ins. Council & Ors vs. State of AP & Ors.

The Hon'ble Supreme Court vide its order dated 09.07.2007 has directed all State Governments and Union Territories to instruct the concerned police officers on the need to comply with the requirement of Sec. 158(6) of the MV Act, 1988 keeping in view the requirement in Rule 159 and Form 54 of the Central Motor Vehicles Rules.

The Hon'ble Supreme Court was of the view that since this is a mandatory requirement under the statute, there is no justifiable reason as to why the requirement is not being followed.

It also directed that periodical check shall be done by the Inspector General of Police concerned to ensure that the requirements are being complied with and in case of non-compliance, appropriate action should be initiated against the erring officials.

Pursuant to the aforesaid directions of the Supreme Court, the Authority has issued letters to DGP's of all States & CP's

of all Union Territories on the need to comply with the aforesaid directions of the Hon'ble Supreme Court.

*W.P. No. 18367/2006 in the High Court of Delhi
Rajinder Gupta Vs. New India Assurance Co. Ltd.*

The petitioner challenged circular dated 09.06.06 of the insurance company whereby the company decided not to grant any commission on commercial vehicles of all ages (passenger and goods vehicles) except tractors.

The Hon'ble High Court vide its order dated 11.12.2006 was of the view that there is no illegality in the decision taken by the respondent insurance company nor is there any procedural unreasonableness to interfere with the decision of the insurance company. Hence, the writ petition was dismissed.

Order of the Hon'ble National Consumer Disputes Redressal Commission in M.A. No. 102/2007 – Malana Power Company Ltd. Vs. Oriental Ins. Co. Ltd. & ors

In the aforesaid matter, the insurance company refused to furnish a copy of the survey report to the complainant stating that it is a private and confidential document to be used by insurer only.

The Hon'ble Commission was of the view that such refusal on the face of it was unjustified and against the provisions of IRDA (Protection of Policyholder's Interests) Regulations, 2002 and hence deplorable.

The Hon'ble Commission sent a copy of its order to the Authority for appropriate action. Accordingly, the Authority vide its circular no. 028/IRDA/Legal/Cir/Aug-07 dated 13.08.2007 has directed all non-life insurers to ensure that a copy of surveyor's report is sent to the insured when the insured approaches them.

*W.P. No. 550/2006 in the High Court of Bombay, Nagpur Bench
Prashant Manohar Elkunchwar Vs. IRDA*

The petitioner was a licensed surveyor empanelled with New India Assurance Co. Ltd. The company stopped giving him any work since he does not have the categorization from IRDA. IRDA contended that the petitioner had not applied for categorization before 31.03.2001 i.e. the last date for such

categorization. The petitioner also did not apply for categorization even during the extended period upto 31.03.2002.

The Hon'ble High Court dismissed the writ petition after observing that the petitioner has applied much after the date notified by the Authority and that no fault can be found with the Authority in the circumstances.

iv) International Cooperation in Insurance

International Association of Insurance Supervisors (IAIS)

The International Association of Insurance Supervisors (IAIS) was established in 1994 to promote cooperation among insurance supervisors and other financial sector supervisors. Over the years, the membership has grown and insurance supervisors from over 180 jurisdictions became members and over 100 organisations and individuals representing professional associations, insurance and reinsurance companies, international financial institutions, consultants and other professionals became observers. This involvement reflects the increasing global nature of insurance markets and the need for consistent supervisory standards and practices. In addition, it recognizes the important contribution that strong supervisory regimes leads to financial stability. The IAIS provides an effective forum for standard-setting and implementation activities by providing opportunities to both practitioners and policy makers to share their expertise, experience and understanding.

The IAIS's activities are undertaken with active guidance of its Executive Committee, which comprises of 15 voting members elected from different regions of the globe and the Chair of the Budget Committee who is an ex-officio non-voting member. This is complemented by the Technical Committee, the Implementation Committee and the Budget Committee, supported by their working parties. The day-to-day business and affairs of the IAIS are taken care of by its Secretariat, located at the Bank for International Settlements in Basel, Switzerland.

The IAIS develops principles, standards and guidance for effective insurance supervisory regimes. In doing so it helps to establish and maintain fair and efficient insurance markets for the benefit and protection of policyholders. The IAIS also

FINANCIAL SECTOR ASSESSMENT PROGRAM

The financial crises in Mexico, Russia and East Asia in the 1990s brought to the forefront the significance of the stability of financial sector for the overall macro-economic soundness. As part of the process, the International Monetary Fund and the World Bank initiated a Financial Sector Assessment Program (FSAP) to evaluate the financial sector soundness and stability of the member countries. The broad objectives of the assessment are (i) crisis prevention & mitigation; and (ii) fostering financial sector development. The participation by member countries in FSAP is voluntary.

Initially, twelve countries were included as part of the pilot project and India was one of the countries which participated in the exercise in 1999. Thereafter, the Government and the Reserve Bank of India (RBI) jointly undertook a comprehensive self-assessment of international financial standards and codes covering *inter alia*, insurance regulation under the aegis of the Standing Committee on International Standards and Codes, which culminated in the publication of a Synthesis Report in 2002. An updated review of the same was published in 2005. The IMF and World Bank had also undertaken independent assessments of financial standards and codes for India since 2000 as part of Report on Observance of Standards and Codes (ROSC).

Drawing upon the experience gained during the FSAP and through the internal assessment of standards and codes as also recognising the relevance and usefulness of the analytical details contained in the *Handbook on Financial Sector Assessment* jointly brought out by the World Bank and the International Monetary Fund, in September 2005, the Government of India decided, in consultation with the Reserve Bank of India, to undertake a comprehensive self-assessment of the financial sector. To carry out the self-assessment, a Committee on Financial Sector Assessment (CFSA) (Chairman: Dr.Rakesh Mohan, Co-Chairman: Dr.D.Subbarao) has been constituted in September 2006. The exercise is being conducted in coordination with major financial regulators and experts drawn from the financial sector and would be subject to a peer review by international experts.

For the purpose of the assessment, the system is viewed as comprising three pillars that make up the major policy and operational components that are necessary to support orderly financial development and sustained financial stability, viz., Pillar I - Macro prudential Surveillance and Financial Stability Analysis; Pillar II – Development Issues and Pillar III - Assessment and Status of Implementation of International Financial Standards and Codes developed by various international bodies and standard-setting organizations. Based on the reports of assessment of Pillars I and III, and after an objective assessment of the extant position by independent experts, the gaps (institutional, infrastructure as well as legal) and the steps necessary for further development of the financial sector are evolved under Pillar II. The recommendations arising out of the analysis are expected to provide a roadmap for further improvements in the financial sector.

To assist in the process of assessment, the CFSA has constituted four Advisory Panels respectively for the assessment of Financial Stability and Stress Testing, Financial Regulation and Supervision, Institutions and Market Structure and Transparency Standards. The Advisory Panels will prepare separate Reports covering each of the above aspects. The Advisory Panels comprise of non-official experts with domain knowledge in respective areas and officials with similar expertise represented as Special Invitees. The panels are being supported by Technical Groups which comprise of officials drawn from various fields including RBI, SEBI and IRDA.

Under the auspices of the CFSA, IRDA has set up two independent technical groups to assess stability and standards pertaining to the regulation and supervision of the insurance sector, viz.,

1. Technical Group on Macro-prudential Surveillance – Financial System Stability and Stress Testing; and
2. Technical Group on Status & Implementation of Financial Standards & Codes (IAIS Insurance Core Principles).

The technical groups comprise of eminent persons drawn from the insurance industry, experts in the field of insurance and representatives of the Authority. The first technical group is addressing country-specific issues relating to (i) financial stability perspective; (ii) structural indicators; (iii) financial soundness indicators; (iv) stress testing; and assessment of insurance supervision. It covers industry wide issues including (i) competition and concentration - interest rate spread and prices of financial services; intermediary concentration ratios (market share of 3 or 5 of the largest institutions); financial market concentration ratios (market share of the largest financial instruments, as percentage of total financial assets); (ii) efficiency - interest rate spreads and intermediation costs (as percentage of total assets); and (iii) liquidity - ratio of value traded to market capitalization and average bid-ask spread. While addressing the micro level company issues factors such as capital adequacy; reinsurance and actuarial issues; management soundness; earnings and profitability; liquidity; and sensitivity to market risk are being factored.

The second technical group set up by IRDA has taken up the assessment of the IAIS Core Principles on insurance supervision, which utilizes diagnostic tools to assist in improving supervision globally, and can act as a roadmap for the reforms agenda in this sector. The reports of the two Technical Groups would be provided to the respective Advisory Panels under the auspices of the CFSA.

prepares 'issue papers' that provide background on specific areas of interest to insurance supervisors.

The IAIS collaborates closely with other international financial institutions and international associations of supervisors or regulators and assists in shaping financial systems globally. In particular the IAIS is one of the constituting bodies of the Joint Forum and participates in all of its working groups. It is also represented on the Financial Stability Forum. The IAIS provides input to the International Accounting Standards Board (IASB) for its work on the international financial reporting standards most relevant to insurers, and is a member of the IASB's Standards Advisory Council as well as an official observer of its Insurance Working Group and Financial Instruments Working Group. It also has observer status on the Financial Action Task Force, which combats money laundering and terrorist financing.

The Authority is represented by its Chairman on its Executive Committee and by Members on the various Committees of IAIS looking into insurance contracts, accounting aspects, insurance laws, reinsurance, financial conglomerates, solvency, frauds, etc.

Joint Forum Working Group on Conglomerate Principles

The Joint Forum, which was formed in the early 1990s comprising of the three international bodies on regulation of financial sector, viz., BIS, IAIS and IOSCO, has been entrusted with the task of evolving policy papers on conglomerate supervision with particular reference, to capital requirements, risk management, fit and proper criteria, information sharing with supervisors, intra group transactions and exposures etc. Initially, this was meant for the use of G7 and European Union countries. The Joint Forum recently constituted a Working Group with a mandate to take stock of the implementation of the principles laid down in the papers of the Joint Forum by its member countries and by other jurisdictions. The Forum is keen to understand the approach of various jurisdictions across the globe on conglomerate supervision. There is also a felt need to compile comprehensive information on the actual policies in various countries on conglomerate supervision and cross border supervision issues for future work. In order to meet the objectives of the Forum, the Working Group has

been constituted with the existing member countries plus three non-Member jurisdictions, one each from Asia, Africa and Latin America to understand the approach in the adoption of the underlying ideas and principles of Joint Forum on conglomerates by various countries in the world.

The Indian Sub-Continent is represented by the Member (F&I) of the Authority on the Joint Forum Working Group on Conglomerate Principles at Basel, Switzerland.

v) Public Grievances

While framing the regulations for the insurers, the Authority keeps in mind the primary objective of protecting the interests of and secure fair treatment to policyholders. Consistent with this, the Authority has set up grievances redressal cell in IRDA and tries to ensure speedy redressal of the complaints received from the policyholders of life and non-life insurance products. Policyholders who have complaints against insurers are required to first approach the Grievance / Customer Complaints Cell of the concerned insurer. If they do not receive a response from insurer(s) within a reasonable period of time or are dissatisfied with the response of the company, they may approach the Grievance Cell of the IRDA.

Some of the complainants insist on the Authority to resolve the dispute. While the Authority facilitates taking up the grievance with the Insurer for prompt resolution, it also reiterates that it does not have the power of adjudication and aggrieved parties are properly advised to approach the available quasi-judicial or judicial channels, i.e., the Insurance Ombudsmen, Consumer fora or the Civil courts in case they are not satisfied with the decision of the Insurer. The list of Insurance Ombudsmen along with their contact details are available on IRDA website under the heading 'Ombudsmen'.

Non-Life Insurers

As on 31st March 2006, there were 565 complaints pending with the general insurance companies for resolution. During 2006-07, 1618 complaints were received of which 1108 pertains to public sector companies and the remaining were to the private sector companies. Of the total grievances of 2183, 71 per cent of the grievances were resolved in the current year. While public sector companies resolved 80 per cent of the complaints, private sector insurers resolved 69 per cent.

As on 31st March 2007, 623 grievances were pending for resolution with the insurers; of which 517 are with public sector companies and the remaining with the private sector. Of the total pending grievances 33.86 per cent are policy related

issues, 45.59 per cent to non settlement / delay in settlement of claims, 15.89 per cent to repudiation / partial settlement of claim and the remaining for other reasons.

TABLE 38

STATUS OF GRIEVANCES – NON- LIFE INSURERS

| INSURER | PENDING AS ON 31/3/06 | REPORTED DURING APR'06-MAR-07 | TOT.NO.OF COMP AS ON 31/3/07 | RESOLVED 1/4/06 TO 31/3/07 | PENDING AS ON 31/3/07 | Break up of pending grievance according to nature | | | |
|--------------|--------------------------|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|--|-----------------------|----------------------|---------------------|
| | | | | | | (i) | (ii) | (iii) | (iv) |
| | | | | | | | | | |
| Public | 550 | 1108 | 1658 | 1141 (68.81) | 517 | 154 | 252 | 87 | 24 |
| Private | 15 | 510 | 525 | 419 (79.81) | 106 | 57 | 32 | 12 | 5 |
| TOTAL | 565 | 1618 | 2183 | 1560 (71.46) | 623 | 211 (33.86) | 284 (45.59) | 99 (15.89) | 29 (4.65) |

Note: Figures in brackets are percentages to the respective totals

- (i) Policy related issues
- (ii) Non settlement / Delay in settlement of claim
- (iii) Repudiation / Partial settlement of claim
- (iv) Other Reasons

966 grievances were reported to IRDA during the first half of the current financial year. Of these 543 were towards public sector non-life insurance companies and the remaining 423 were for the private sector companies. Public sector

companies resolved 291 grievances and private insurers resolved 340 grievances. As on 30th September 2007, 958 complaints are pending with the insurers.

TABLE 39

STATUS OF GRIEVANCES – NON LIFE INSURERS
(HALF YEAR ENDED SEPTEMBER, 2007)

| Insurer | Pending as on 31 st March 2007 | Reported during Apr-07 to Sep-07 | Total No.of Complaints as on 30.9.07 | Resolved 1.4.07 to 30.9.07 | Pending as on 30.9.07 |
|----------------|--|-------------------------------------|--|-------------------------------|--------------------------|
| Public Sector | 517 | 543 | 1060 | 291 | 769 |
| Private Sector | 106 | 423 | 529 | 340 | 189 |
| Total | 623 | 966 | 1589 | 631 | 958 |

Life Insurers

Complaints received from policy holders, insurance intermediaries and from various other sources against different life insurance companies are being registered and tracked by the Authority as they provide significant inputs to the marketing practices and settlement procedures adopted by Insurers. During 2006-07, IRDA has received 861 complaints against various insurance companies. These complaints primarily pertain to issues relating to Adjustment of Premium, Policy

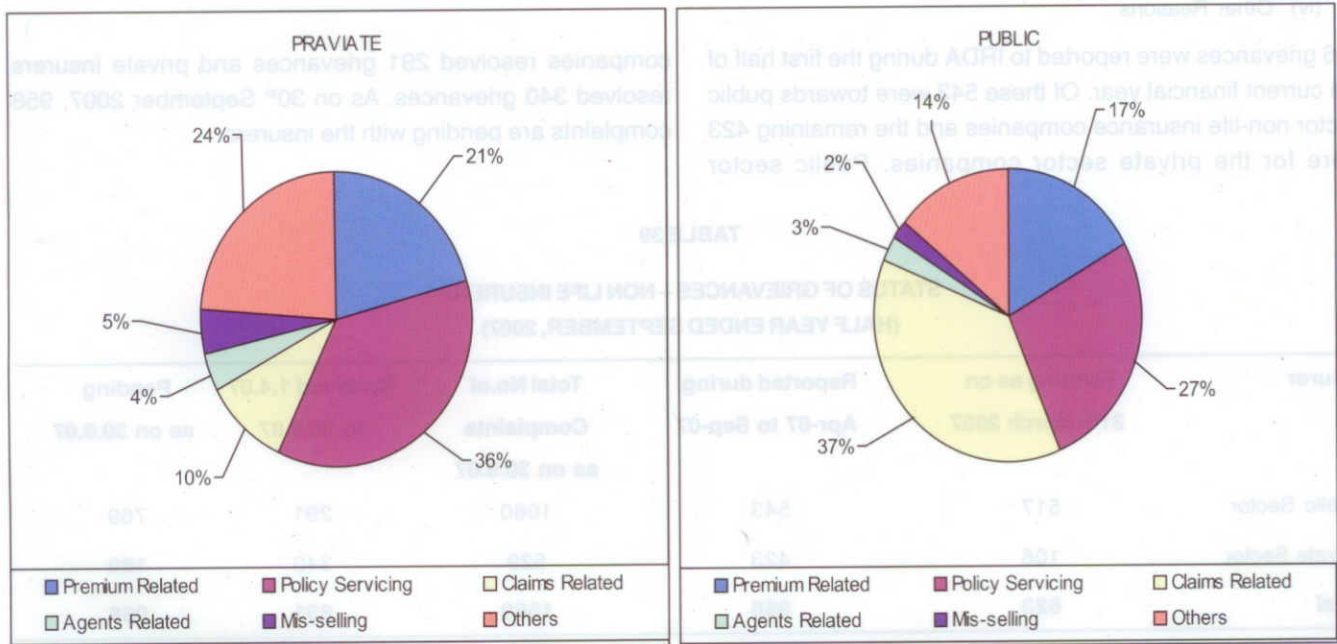
Servicing, Payment of Claims, Mis-selling and complaints received from the Agents – on non-payment of commission, non-issuance of NOC certificate, termination condition etc.

During 2006-07, out of the total 861 complaints registered with the Authority, 41.11 per cent pertains to LIC and 58.89 per cent pertains to Private Sector Insurance companies. The complaints received at the Authority mostly relate to inadequacies of service or complete disclosure of the terms of contract.

TABLE 40
STATUS OF GRIEVANCES—LIFE INSURERS

| Insurer | Total Grievances | | | | |
|---------|-----------------------------|------------------------------|-------|--------------------------|-----------------------------|
| | Outstanding as on 31.3.2006 | Reported during current year | Total | Resolved During the year | Outstanding as on 31.3.2007 |
| Public | 1376 | 354 | 1730 | 1533 | 197 |
| Private | 403 | 507 | 910 | 808 | 102 |
| Total | 1779 | 861 | 2640 | 2341 | 299 |

The outstanding grievances are further classified according to nature of grievance. These have been pictorially presented in the following diagram:



vi) Insurance Associations and Insurance Councils

Life Insurance Council

Life Insurance Council is a body set up under section 64 C of the Insurance Act 1938. All registered life insurers are members and are represented by CEOs. There are two nominees from the IRDA, one of whom is the Chairman of the Council. The Secretary General functions as the chief executive of the Council. During the Financial Year 2006-07 the Council met five (5) times. The Council has formed several standing sub-committees. In addition as and when needed specific areas of work are taken up. 'Working groups' are constituted. The sub-committees follow committee-based approach for ensuring wider participation.

Brief outline of work in 2006-07

- H The Administration & HR sub-committee met once to ensure the Secretariat's transparent and orderly functioning. A set of rules and internal procedures were laid down in this regard.
- H A Statistical Data sub-committee was formed to address the important task of identifying the nature and extent of industry statistics that may be published by the Council. This sub-committee met twice during the year and finalised a data-set for 2006-07. The Secretariat has taken up further work on details to be published periodically as approved by the sub-committee and Council.
- H The Sub-committee of CFOs met four times during the year for formulating issues relating to taxation in general and Service Tax in particular for discussions with the Government. The industry's submissions were also sent through IRDA.
- H Distribution is important to the development of life insurance. The main channel is the large individual agency-force which is growing fast. In order to discuss emerging issues in training and examination of agents and related matters the Council formed the 'Intermediary Education' sub-committee which met three times during the year. Several discussions were held with the Insurance Institute of India and the IRDA. A

representation on duration of training and examinations was sent to IRDA for their consideration. Through this subcommittee the Council actively contributed to the revision of syllabus for mandatory agency training. The syllabus included a chapter on ULIPs.

- H With a view to creating the right kind of awareness and to ensuring regular dissemination of information about the sector, the Council formed a sub-committee on Insurance Awareness. This sub-committee will work in coordination with the IRDA in all areas of creating awareness across the country. During the year this sub-committee met and drafted a plan of action which was approved by the Council. Some steps are already under implementation. The Council's website too has been modified to reflect the importance given to this area.
- H The Underwriters sub-committee which met four times during the year, worked on an assignment to modify the existing Declined Lives Database, with a view to reducing response time. This database is maintained by TAC which completed a web-based prototype. Members have started using information from the database.
- H As approved by the Council a database is now in place at the Council's office, of agents whose services were terminated for reasons other than non-performance.
- H A proposal to set up an institution to conduct continuous study of mortality and morbidity data and publish information vital to the insuring public and the well-being of the life insurance sector, has been under discussion with the Institute of Actuaries of India (IAOI) for some time. It is expected that the Mortality & Morbidity Research Institute will become a reality in 2007-08.
- H During the year the Council coordinated with the efforts of IRDA in bringing out a full set of guidelines relating to 'Anti-Money-Laundering' measures and KYC norms in the life insurance sector.
- H To make a beginning in its role as a self-regulatory organisation the Council has been discussing a

voluntary code for members in the context of severe competition. During the year the Council adopted a 'code of best practice' for members and approved implementation thereof. Further, an additional 'code of conduct for ULIP products' has also been introduced. In the months following introduction, matters requiring attention of the Council were brought up. These were resolved effectively with display of maturity and understanding on all sides.

- H Council participated in a major market-survey by IIEF, on domestic savings in general and life insurance in particular across the country. Collected data has been installed in the insurers' computer systems. It is expected to be of use to the industry in planning. The costs were shared by insurers.

General Insurance Council

During the year 2006-07, the General Insurance Council had sixteen meetings and undertook the following tasks:

1. Facilitation of tariff – free regime of prices from 1.1.2007;
2. Formation of the Motor T.P. Pool;
3. Suggested changes needed in the Regulatory and Legislative framework such as the Insurance Act, 1938, IRDA Act, 1999, Motor Vehicles Act and Carriage by Road Bill;
4. Taxation issues of the Non-life Insurance Sector;
5. Undertaking publicity campaign for bringing about greater consumer awareness on the benefits of detariffing.
6. Submission of recommendations to IRDA for reviewing the guidelines on Anti-Money Laundering Act with reference to non-life insurance sector;
7. Strategy for campaign against uninsured vehicles following meeting with Ministry of Surface Transport;

The Council is focusing on issues pertaining to two major classes of general insurance business i.e. Motor Insurance and Health Insurance. On the Motor Insurance, the Council has made progress in liaising with various authorities:

- a) To bring about required amendments to the Motor Vehicles Act;
- b) To ensure prompt intimation from Police authorities on T.P. Claims,
- c) To adopt measures to reduce theft of vehicles and ensure proper identification,
- d) For exchange of data base on stolen vehicles;
- e) For reduction in the number of uninsured vehicles.

The Council is addressing issues pertaining to coverages, portability and policies for identified segments of the society in order to ensure growth in the Health Insurance sector.

The Council encouraged the underwriters of non-life insurance companies to set-up Underwriter forums to enhance camaraderie and rapport amongst the Underwriters with broad objectives of enhancing Customer Service Standards, maintain market discipline and pursue growth of business on ethical principles.

The Council is taking steps to facilitate further detariffing by having a common minimum Indian Market Wordings (IMW) for Fire, Engineering and Motor classes of business. It has also developed a code of best practices and corporate governance guidelines for non-life insurers. The Council is also putting in place system of sharing of information and data amongst companies on large losses.

With a view to ushering in the best global practices in the Indian Non-life Insurance Sector, the Council has already entered into Memorandum of Co-operation (MoC) with the General Insurance Association of Japan and the Association of British Insurers, U.K. Similar MoCs are under way with Insurance Bureau of Canada, Property and Casualty Insurers' Association of America and German Insurance Association.

vii) Functioning of Ombudsmen

The information on the complaints handled by the Ombudsmen during 2006-07 is given in Table 41. During 2006-07, 10187 complaints were lodged with the Ombudsmen against the insurers both life and non-life. Of these, 5433 were against life insurers and remaining were against the non-life insurers. As on April 1, 2006, there were 1929 complaints pending with

the Ombudsmen for disposal. Of these, 588 complaints were pending against the life insurers and the remaining were against the non-life insurers. Taking together (those pending for disposal as on April 1, 2006 and received during 2006-07) the total number of complaints with the Ombudsman were 12116 at the end March 2007. Of these, 6021 were against life insurers and 6095 were against non-life insurers. Of the

total complaints (12116) the Ombudsmen have disposed of 10169 complaints during 2006-07. Of the disposed complaints, 5418 were in the case of life insurers and 4751 were against the non-life insurers. As such, complaints outstanding with the Ombudsmen for disposal as on April 1, 2007 were 1947; of which 603 were in the case of life insurers and 1344 were against non-life insurers.

TABLE 41
DISPOSAL OF COMPLAINTS BY OMBUDSMAN: 2006-07

| Particulars | Complaints as on 31-3-06 | From 1.04.06 to 31.03.07 | Total | Disposed | No. of complaints disposed off by way of | | | | | | | Complaints Outstanding |
|------------------------|--------------------------|--------------------------|--------------|--------------|--|-------------|---------------------------|-------------------|-------------|----------------------|-------------|------------------------|
| | | | | | Recommen- dation | Awards | Withdrawal/ Settlement | Non Acceptance | Dismissal | Not Entertainable | | |
| Life Public | 529 | 4735 | 5264 | 4773 | 118 | 561 | 1205 | 105 | 337 | 2447 | 491 | |
| Private | 59 | 698 | 757 | 645 | 12 | 91 | 146 | 8 | 67 | 321 | 112 | |
| Total | 588 | 5433 | 6021 | 5418 | 130 | 652 | 1351 | 113 | 404 | 2768 | 603 | |
| | | | | *(89.99) | *(2.40) | *(12.03) | *(24.94) | *(2.09) | *(7.46) | *(51.09) | *(10.01) | |
| Non-Life Public | 1246 | 4121 | 5367 | 4220 | 193 | 1112 | 694 | 136 | 618 | 1467 | 1147 | |
| Private | 95 | 633 | 728 | 531 | 15 | 103 | 96 | 21 | 90 | 205 | 197 | |
| Total | 1341 | 4754 | 6095 | 4751 | 208 | 1215 | 790 | 157 | 708 | 1672 | 1344 | |
| | | | | *(77.95) | *(4.38) | *(25.57) | *(16.63) | *(3.30) | *(14.90) | *(35.19) | *(22.05) | |
| Combined | 1929 | 10187 | 12116 | 10169 | 338 | 1867 | 2141 | 270 | 1112 | 4440 | 1947 | |
| | | | | *(83.93) | *(3.32) | *(18.36) | *(21.05) | *(2.66) | *(10.94) | *(43.66) | *(16.07) | |

Note : AIC, ECGC are included in the public Sector

* represents percentages to the respective complaints disposed

The disposal rates of complaints against LIC and private insurers were 90.98 per cent and 85.20 per cent respectively. In the case of non-life, there were 5367 complaints relating to the public insurers of which 4220 were disposed during the year (disposal rate 78.63 per cent). Of the 728 complaints against private insurers 531 were disposed of during the year (disposal rate 72.94 per cent). Around 51 per cent of the complaints in the case of life and 35 per cent in the case of non-life were treated as not entertainable by the Ombudsmen. Of the total complaints disposed, the Ombudsmen have given awards for 1867 and dismissed 1112 cases. The Ombudsmen

recommended to the companies 338 cases for settlement at their end.

viii) Committees

Committee on Health Insurance for Senior Citizens

The Authority is seized of the issues relating to health insurance for senior citizens of the country as they are more vulnerable and therefore fall in a higher risk category. Senior citizens across the country have voiced their grievances about the matters relating to policy issuance and claims servicing of

health insurance policies. The Authority has also received representations relating to entry barriers for the aged, refusal of renewals, imposition of harsh terms without justification, sharp increases in policy rates, delay in claims servicing etc. In order to cater to the needs of the senior citizens in a holistic way, the Authority has appointed a Committee on Health Insurance for Senior Citizens with Shri K.S. Sastry as Chairman of the Committee. The Committee had representations from industry, consumer forums, insurers and TPAs. The committee is expected to submit the report shortly.

Committee on Grievance Redressal System

The Grievance Cell of the IRDA advised the complainants to first approach the insurers with their grievances and in case they are not satisfied with the disposal, they may approach the Grievance Cell of the IRDA. After a review, the Authority felt that the grievance redressal system of the insurers needs to be made more effective. In order to review the existing grievance redressal system, the Authority set up a Committee under the Chairmanship of Shri Vepa Kamesam, Managing director, IIRM. The Committee submitted its report in January 2007. Some recommendations of the Committee are:

- i. There should be an agreed definition of 'Grievance/ Complaint'.
- ii. A certain minimum requirements related to grievance redressal:
 - (a) Every company shall have a Board approved redressal policy.
 - (b) There shall be a designated Grievance Officer.
 - (c) The Grievance Redressal policy shall outline a procedure for registration and redressal:
- iii. Minimum software requirements for the grievance redressal system.
- iv. Grievance Redressal should be made an essential part of Corporate Governance.

- v. Insurers themselves should work out a code of commitment for grievance redressal.

The recommendations of the Committee are being processed.

Insurance Advisory Committee

The Advisory Committee met on 9th July 2007 and discussed the life insurers' views on issues relating to pre -licensing training and examination. The life insurers felt that the mandatory 100 hours of training requirement for pre-licensing examination may be reduced to 50 hours in the case of insurance agents and to 75 hours in the case of insurance composite agents. The Advisory Committee approved the suggestions. The Authority ratified the Advisory Committee's recommendation on 27th August 2007 and necessary Gazette Notification was issued on 9th October 2007.

(ix) Review of advisory functions performed by the Authority

The rapid growth of insurance, especially in the life segment has brought to the fore a number of issues concerning the agency structure which is a vital link between the insured and the insurer. In order to spread the message of insurance to the far corners of the country, the Authority had enlarged the scope of the intermediaries' structure from the traditional tied individual agents to the corporate agent, micro-insurance agent, the Bancassurance mode and the referral system.

The Authority feels that there is a need for a study to be undertaken to ascertain the manner in which these channels have been functioning, their efficacy, their cost effectiveness, their weaknesses and make recommendations on the changes to be made to make them effective, professional and accountable and serve the interests of the insured and facilitate provision of services all over the country in a cost effective manner even for the low priced insurances.

The Chairman vide Circular No. IRDA/Life/Dist. Channel/037/2007-08 dated 21st September, 2007 has constituted a committee chaired by former LIC Chairman, Mr. N.M. Govardhan to undertake the above study.

PART III

STATUTORY FUNCTIONS OF THE AUTHORITY

a) Issue to the applicant a certificate of registration, renew, modify, withdraw, suspend or cancel such registration

Insurer:

During 2006-07, Bharati Axa Life Insurance Company was granted licence for operations in India. During August and September of 2007, the Authority has granted license to three insurers namely Appollo DKV Insurance Co. Ltd., Future

Generali Insurance company Limited and Future Generali India Life Insurance Company Limited. The Authority has also cleared R1 applications of IDBI Life Insurance Company Limited, Universal Sompo General Insurance Company Limited and Shriram General Insurance Company Limited during the year. The Certificate of Registration issued to all the existing life and non-life insurance companies have been renewed in terms of Section 3A of the Insurance Act, 1938 and penalty was imposed on the following insurers for the reasons mentioned therein:

| S. No. | Name of the Insurance Company | Amount of Penalty | Brief particular of the violation committed |
|--------|---|-------------------|--|
| 1. | Star Health & Allied Insurance Co. Ltd | Rs. 5000/- | For late submission of the renewal of registration application |
| 2. | Agriculture Insurance Corporation of India Ltd. | Rs.5,55,833/- | For late submission of the renewal of registration application |
| 3. | Reliance General Insurance Co. Ltd | Rs.1,62,331/- | For late submission of the renewal of registration application |

Non-Life Department has acted as nodal department for levy of penalty for the following insurers for the reasons mentioned against their names:

Statement showing the penalty charged from the various insurers from 01-04-06 to 30-09-07

| S. No. | Name of the Insurance Company | Amount of Penalty | Brief particular of the violation committed |
|--------|--|-------------------|---|
| 1. | Bajaj Allianz Life Insurance Co. Ltd. | Rs. 5,00,000/- | Penalty U/S 102(b) of the Insurance Act, 1938 for opening of offices without prior permission of the Authority. |
| 2. | United India Insurance Co. Ltd. | Rs. 5,00,000/- | Lower charging of premium for Pravasiya Bhartiya Bima Yojana |
| 3. | Bajaj Allianz General Insurance Co. Ltd. | Rs. 5,00,000/- | Violation of IRDA Advertisement Regulations |
| 4. | Reliance General Insurance Co. Ltd. | Rs. 5,00,000/- | Violating provisions of Section 102 of the Insurance Act, 1938 |
| 5. | IFFCO Tokio General Insurance Co. Ltd. | Rs. 5,00,000/- | Penalty for engaging a non-licensed entity as intermediary. |

Broker:

Inspections were conducted on 11 broking companies during 2006-07. One license was suspended, one license was cancelled and four voluntary surrender of license were accepted. During inspection, it was observed that some of the Broking Companies have exceeded the limits set in the Regulation 20 by procuring business from a single client. These companies were issued directions to comply with the Regulation 20 of

IRDA (Insurance Brokers) Regulations, 2002 by end of the financial year 2007-08.

The license of a Broking Company was suspended due to irregularities found in reinsurance placements. Another investigation of one of the Broking Company revealed gross violations of Insurance Broker Regulations which resulted in cancellation of the license.

The inspections also revealed in some cases that payments were made to introducers and canvassers in contravention of code of conduct 3(b) of Regulation 20 of IRDA (Insurance Brokers) Regulations, 2002, resulting in cancellation of broker license for violation in one case and issue of directions in other cases.

TPAs:

The Authority has issued TPA (Health Services) licence to (1) Dedicated Healthcare Services (India) Private Limited, (2) Grand Healthcare Services India Private Limited, under the provisions of TPA Health Regulations, 2001, during the year 2006-07. Licence of M/s Vipul MedCorp TPA Private Limited has been renewed during the year 2006-07

b) Protection of the interests of the policyholders in matters concerning assigning of policy, nomination by Policy holders, insurable interest, settlement of insurance claim, surrender value of policy and other terms and conditions of contracts of insurance

In line with the Mission statement, the Authority accords utmost priority to the interests of policyholders. While the Life Grievance cell plays a facilitative role in resolving the grievances by taking it up with the insurers, a proactive approach is also adopted by analyzing the cause/source of the complaints to identify system deficiencies and procedural slackness. Targeted Inspections have been conducted based on the findings. Inputs are given to the inspection team for examination during the comprehensive inspection visits. It is ensured that the insurers put in place adequate infrastructure, easy customer access facilities and prompt servicing mechanism before approval is accorded for expansion of new offices.

The efforts of the Grievance Cell for non-life set up in the Authority have resulted in greater awareness among the policyholders. Regulation 5 of IRDA (Protection of Policyholders Interests) requires every insurer to have an effective grievance redressal system. The Authority has insisted that this requirement must be incorporated in the policy documents of the products filed by the Authority for its approval.

c) Specifying requisite qualifications, code of conduct and practical training for intermediaries or insurance intermediaries and agents

The Authority has prescribed qualifications and training for agents as per Regulations 4 and 5 of the IRDA (Licensing of Insurance Agents) Regulations 2002. Similarly in case of Corporate Agents, Regulation 4 of IRDA (Licensing of Corporate Agents) Regulations 2002 prescribes minimum qualifications for the corporate insurance executive/specified person. The agent, corporate executive and the specified persons shall also not suffer from any of the disqualifications specified under Section 42D of the Insurance Act, 1938. The Authority has issued guidelines for offline agents' training institutes in the October 2004 and for online agents' training institutes in May 2005.

The guidelines provide for a minimum training period, coverage of training, maintenance of attendance record of the trainees, appointment of one qualified faculty for each stream to solve the online queries of the trainees, maintenance of database by the web administrator, barring of marketing fee/consultancy fee payment for getting the trainees, etc. The accreditation for offline institutes will be for three years and the accreditation for online training institutes will be for one year.

As IRDA has approved reduction in the number of training hours for pre-licensing of agents, the Insurance Institute of India, Mumbai has prescribed the syllabus in view of the above changes. The examination starting online from 12th November 2007 and offline examination from 18th November 2007 will follow the prescribed changes of Insurance Institute of India.

The Authority also prescribed technical checks to be compiled with by the online training institutes. In addition to that IRDA issued a Circular on 23rd June 2006 stating that (i) Opening of more than one Login (multiple Login) on same computer as well as Login by same user ID/Password on different machines at the same time is not permissible and (ii) that the training institutes must have only one domain to launch the IRDA accredited online training for Life and General Insurance. Use of more than one domain is not permissible.

d) Specifying the code of conduct for surveyors and loss assessors

The code of conduct regarding the professional and ethical requirements for conduct of their professional work is specified in Chapter VI of the IRDA Regulations for Surveyors and Loss Assessors, 2000. They should strive for objectivity in professional and business judgment while behaving ethically and with integrity in their professional pursuit acting impartially and complying with due diligence, care and skill with regard to technical and professional standards expected to them. The Government of India and the Authority have established the Indian Institute of Insurance Surveyors and Loss Assessors in order to promote self-regulation and professionalism amongst the surveyors. The Institute, at present, has a limited mandate, to establish the necessary infrastructure, to inculcate professionalism and discipline disseminate information relating to the profession of surveyors and loss assessors amongst its members.

e) Promoting efficiency in the conduct of insurance business

When the tariffs were withdrawn with effect from 1st January 2007, there was apprehension that the statutory motor third party cover would be denied to the policyholders. The Authority has been taking cognizance of complaints received regarding denial of third party cover and has resolved the complaints by taking up with the concerned insurers. The initiatives taken by the Authority in regulating the third party motor premium have been upheld by several High Courts.

The Authority's directives to the general insurers to participate in motor third party pooling arrangement for commercial vehicles segment has resulted in availability of third party cover for the policyholders as well as an increase in initiative from the insurers to give such covers. The Pool has been set up with state of the art hardware and software.

The Authority has stressed the need for collection and collation of qualitative data by the insurers especially in the area of motor insurance.

The Authority has also been taking initiatives in leading the life insurance council and the general insurance council towards becoming self regulatory organizations.

The Micro-insurance regulations put in place by the Authority have resulted in the mainstream general insurance companies submitting micro-insurance products to the Authority for approval. This augurs well for the low-income population as they can get the existing insurance products at affordable premium.

The Authority has constituted a Committee to look into issues relating to Health Insurance for of Senior Citizens in procuring health insurance.

A circular was issued on 28th December 2006 to all life insurers advising them that the decision for closure/relocation of their places of business should be after due consideration of all the factors including the possible inconveniences to its clientele. It is essential that such a decision is appropriately appraised to the Board for information with the reasons therefor, since the proposal for opening the branches/offices were initially approved by the Board. Adequate notice of a minimum of 2 months on the proposed relocation/closure should be given to policyholders serviced by that branch along with the alternate arrangements being made to service them.

In the specific context of hardships in complying with the Know Your Customer (KYC) requirement by small value policyholders as per Anti Money Laundering Guidelines and with possible implication for the spread of insurance into rural and low-income domains, especially the micro insurance sector, the Authority, has vide circular dated 2nd March 2007 decided to provide exemption up to a total Annual Premium of Rs.10000/-on all the life insurance policies held by a single individual from the requirement of recent photograph and proof of residence.

Consequent to circulation of misleading sales literature among the public by some of the life insurers representatives projecting high returns on unit linked products, the Authority has come out with a press release on 2nd March 2007 cautioning members of the public not to be carried away by such projections and to take an informed decision based on proper disclosure of projected returns as per guidelines of the Life Insurance Council.

Advertisement guidelines were issued on 14th May 2007 reinforcing the existing regulations on Advertisements with a view to protect the interests of the insuring public, enhance

their level of confidence on the nature of sales material that is made available to them and ultimately to encourage fair business practices.

Rural/Social sector obligations have been benchmarked based on micro insurance parameters for minimum/maximum cover and also micro insurance agents have been permitted to issue joint sale advertisements

A circular dated 11th May 2007 was issued clarifying certain key issues concerning policyholders to ensure protection of their interests and to remove inconsistencies in implementation of ULIP guidelines across the industry.

(f) Promoting and regulating professional organizations connected with insurance and reinsurance business:

The Institute of Insurance and Risk Management (IIRM) is a joint venture of IRDA and the Government of Andhra Pradesh. During the year 2006-07 it has been granted affiliation by the Chartered Institute of Insurance (CII), London. This is in addition to the earlier accreditation accorded by the CII to the International Post Graduate Diploma in Insurance conducted by IIRM. Efforts are on to obtain accreditation from some Universities in the United States to the IIRM Courses. A Distance Learning Wing has been opened in IIRM to provide opportunities to students wishing to pursue the diploma in the distance mode. Diploma obtained from this mode also has received accreditation from the CII, London. The plans for opening of the International School of Actuarial Sciences in the year 2007-2008 have fructified with the inauguration of the International School of Actuarial Sciences in August 2007. During the year, IIRM has conducted short term programmes on topics pertaining to Insurance and Risk Management for several banks and others. A seminar on 'Grievance Redressal in Insurance Sector' was conducted jointly with IRDA. IIRM has been allotted 5 acres of land free of cost by the Government of Andhra Pradesh.

g) Levying fees and other charges for carrying out the purposes of the Act

The Authority in terms of powers vested by section 3 of the Insurance Act levies both registration and renewal fees from the insurers and various intermediaries associated with the

insurance business. However, registration fee is charged at the time of granting of registration certificate and not thereafter. The renewal of registration fees for insurer stand at 10 per cent of 1 per cent of the Gross Direct Business Written in India or Rs. 50,000 (Fifty thousand only) subject to maximum of Rs. 5 crores. In case of re-insurer the fee is chargeable based on the facultative business written by the re-insurer in India. This follows amendment of regulation 20 of IRDA (Registration of India Insurance Companies) Regulations, 2000 w.e.f. February, 2003.

h) Calling for information from, undertaking inspection of, conducting enquiries and investigations including audit of the insurers, intermediaries, insurance intermediaries and other organizations connected with the insurance business

Sec 14 (2) (h) of the IRDA Act 1999 and Sec 110 C of the Insurance Act 1938 empowers the Authority to conduct Inspections and Investigations to ensure that there are no breaches / non compliance with the applicable Act / Regulations. Accordingly, the Authority has been conducting targeted inspections of insurers and intermediaries based on complaints/ information received.

Inspections of insurance companies would, in general cover assessment of the financial position of an insurer, compliance with solvency requirements, besides the company's adherence to accepted principles of market conduct, corporate governance and internal control, etc. These inspections could be either annually or at such periodicity as may become necessary. The Authority would endeavor to gradually move towards meeting the above objectives of comprehensive inspections. The detailed coverage of 32 insurance companies operating in India periodically requires strengthening of the human resources with the Authority. While steps have been initiated in this regard, the Authority has in the mean time carried out focused inspections of certain portfolios of Insurance companies. The inspections were also conducted consistent with the contemporary regulatory initiatives such as detariffing, AML guidelines etc to ensure that there are no breaches and the transition is smooth.

With the above limited objective in view, the inspection department undertook the following types of targeted / focused inspections from January, 2007.

1. Underwriting Inspections: The general insurance industry was deregulated in a phased manner from rates prescribed by Tariff Advisory Committee with effect from 1st January 2007. The focus in the first phase of inspections was on the processes and internal controls put in place by insurers on underwriting. Inspecting teams, assessed the efficacy of the overall systems evolved by the companies in the de-tariff regime, the internal controls put in place etc. Based on the findings modifications of the file and use guidelines were issued to facilitate smooth change to the new approach.
2. AML Guidelines: The Government of India has introduced the Prevention of Money Laundering Act in 2002. The Act has come into force from 1st July 2005. Accordingly, the Authority has issued AML guidelines on 31st March 2006 to all Insurance companies and has advised strict implementation of the same to cover new business and existing policies (to a limited extent). The inspecting teams conducted inspection of all life insurance companies to check compliance with AML guidelines issued by the Authority. Although, there was significant level of awareness of the new requirement and compliance with AML guidelines by the life insurance companies, certain deficiencies were noticed which are being addressed.
3. Rural and Social Sector obligations of Insurers: The inspecting teams conducted inspection of the four public sector non-life insurers to check compliance with regard to regulations on Rural and Social Sector obligations. Inaccuracy in compilation of data at the operational level and processing deficiencies has been observed.
4. Inspection of Brokers :
 - a. Compliance of Regulation 20: The broking companies who have been promoted by some of the major business houses were inspected to check the compliance with regulation 20 of the Broker Regulations, which stipulates a cap on the maximum business from a single client. Non-compliances are being taken up for rectification.
 - b. Comprehensive inspection of Brokers: The Authority has recently taken up comprehensive inspection of Insurance Brokers covering all aspects.
5. Market Conduct Inspection of Life Insurance Companies: The Authority has recently commenced full scale market conduct inspection of life insurance companies.

The Reports submitted by the inspection department are being followed up by the respective departments for necessary action at their end.

i) Control and regulation of rates, advantages, terms and conditions that may be offered by the insurers in respect of general insurance business not so controlled and regulated by the Tariff Advisory Committee under Section 64 U of the Insurance Act 1938 (4 of 1938)

The Authority's directed on 4th December 2006 for de-tariffing of all classes of general insurance business except third party motor insurance with effect from 1.1.2007. The Authority has also prescribed a schedule of premium rates applicable to Third Party insurance, which is mandatory. The general insurers would be charging third party premium rates as per this schedule. The pool came into operation from 1st January 2007 and would be administered through the General Insurance Corporation.

j) Specifying the form and manner in which books of accounts shall be maintained and statements of accounts shall be rendered by Insurers and other Insurance Intermediaries.

The Authority issued regulations for preparation of financial statements and Auditor's Report of insurance companies in the year 2000. Incorporating various classifications issued on the same from time to time, the regulations were modified in March, 2002. The Authority had taken the following measures to improve the transparency and disclosures in reporting the financial statements. (i) Prudential norms for Income Recognition, asset classification and provisioning and other related matters: While insurers have already adopted the RBI guidelines in this regard as stipulated, keeping in view the specific requirements of the insurance industry, the

Authority formalized the norms for income recognition, asset classification and provisioning and other related matters in respect of debt portfolio. The norms are effective financial year 2006-07. (ii) Unit Linked Disclosure norms : The format of reporting under the IRDA (Preparation of Financial Statements and Auditor's report of Insurance Companies) Regulations, 2002 has been modified to ensure transparency and consistency in the disclosures across the industry. The regulations require life insurance companies to file segment wise information. The reporting format requires insurance companies to segregate the unit linked revenue into (i) Non-Unit Funds and (ii) Unit Fund.

The additional reports form Addendum to the Form A-RA). Formats of reporting through the schedules have also been prescribed to capture information on the operations of the various funds. The disclosure requirements were effective from 2006-07, and have been complied with by all insurers.

k) Regulating investment of funds by insurance companies

The Authority closely monitors timely submission of returns by the insurers including e-submission. The returns provide useful data on the quantum of investments of the sector by way of various instruments and the direction of investments. The Authority had set up a Working Group to examine the various aspects of investment regulations in the light of scrutiny and the overall developments in the financial sector.

l) Regulating maintenance of margin of solvency

Every insurer is required to maintain a required Solvency Margin as per the Section 64 VA of the Insurance Act 1938. Every insurer shall maintain an excess of the value of assets over the liabilities. This excess prescribed by the IRDA, is referred to as Required Solvency Margin. The IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000 describe in detail the method of computation of the Required Solvency Margin. This ratio was monitored on annual basis. Considering the importance of monitoring this ratio on a continuous basis, the Authority has now asked the insurers to submit quarterly returns on solvency margins.

m) Adjudication of disputes between Insurers and Intermediaries or Insurance Intermediaries

IRDA does not carryout any adjudication in case of disputes between insurers and intermediaries or insurance intermediaries. Insurers were advised to approach the available quasi-judicial or judicial channels like Insurance Ombudsmen. In case of any disputes between insurers and intermediaries the Authority seeks clarifications from the concerned.

n) Supervising the functioning of the Tariff Advisory Committee

In December 2006, it was decided that the rates, terms, conditions and regulations applicable to Fire, Engineering, Motor, Workmen's Compensation and other tariff classes of business shall be withdrawn effective from 1st January 2007.

Accordingly the Authority, by virtue of power vested under section 14(2)(i) of the IRDA Act, 1999 notified that the Tariff general regulations (other than those relating to rating) terms, conditions, clauses, warranties, policy and endorsement wordings applicable to the above mentioned classes of business as well as Marine Hull business shall continued to be followed until further orders. The rates of premium may be varied subject to compliance with the Guidelines on 'File and Use' of General Insurance products notified on 28th September 2006. Insurers were also advised to maintain proper underwriting standards after the tariffs are withdrawn.

The TAC maintains a Web enabled declined lives database for exclusive use of life insurers. This database has incorporated the suggestions of Life Council and enlarged its scope of use. Further TAC is maintaining a database on motor insurance statistics collected from the general insurers and health insurance statistics collected from the TPAs. Aggregate tables of these statistics were put on the Website.

o) Specifying the percentage of the premium income of the insurer to finance schemes for promoting and regulating professional organizations referred to in clause (f)

The Authority has not prescribed any percentage of the premium income of the insurer to finance schemes for

EFFECT OF DETARIFFING ON NON-LIFE INSURANCE SECTOR

1. Detariffing has been the eagerly awaited reform in the general insurance industry ever since the Malhotra Committee recommended gradual removal of tariffs in the non-life insurance sector. Since then, tariffs on quite a few portfolios such as Marine Cargo, Personal Accident, and Bankers' Indemnity were withdrawn in the 1990s. The detariffing of Marine Cargo business in 1994 especially left in its wake certain valuable lessons on the pitfalls that a general insurance market could face when tariffs are withdrawn without proper regulatory guidance.

2. With the entry of private players in the non-life sector, there was a clamour for free pricing from the intermediaries and the insurance companies. The Authority went about the imminent process of detariffing with a sense of urgency coupled with caution with a view to ensuring that the transition to a tariff free regime was smooth. The thrust was to make the Insurers responsible for their action, and towards this end to put in place certain internal capabilities, procedures and controls. In other words, the emphasis was on more effective self regulatory and corporate governance norms. The most important concern of the Authority was to ensure that the insurers equip themselves adequately and set up the systems to do technically sound underwriting and to cope with competition in the absence of tariffs. The Authority issued a road-map in September 2005 for ushering in a tariff free regime, followed by series of discussions to ascertain the pulse of the insurance industry's state of preparedness. The following core areas were identified as the barometers of the insurance companies' state of preparedness.

- H Existence of a broad corporate underwriting philosophy for each line of business;
 - H Identification of the responsibilities of the Board of Directors and the Senior Management of the company;
 - H Accountability – not only to the Regulator, but the policyholders as well by way of disclosures and transparency;
 - H Identification of Reporting Channels and putting them in place to ensure that the Board gets timely and accurate information;
 - H Board approved philosophy for Reinsurance programme.
 - H Existence of a strong internal audit machinery to ensure that the underwriting remained on a technically sound footing.
 - H Role of Appointed Actuary, Moderator and Compliance Officer of the company for designing and proper pricing of products.
 - H Establishing an IT system capable of capturing data on every policy, endorsement, claim and risk factors for rating of products.
3. The Authority's circular on File & Use guidelines specified that the report to the Board should cover the following points:
- i) The underwriting philosophy and the underwriting profit expectation;
 - ii) Whether each product should be self-supporting or cross subsidy will be acceptable;
 - iii) If the insurer will write any business on a planned underwriting loss, how will the loss be funded;
 - iv) The margins to be built into the rates to cover acquisition costs, promotional expenses, expenses of management, catastrophic reserve and profit. Whether credit will be taken for investment income in rating;

- v) The list of products that will be class rated, individually rated or rated by reference to reinsurance support;
- vi) The delegation of authority for quoting rates and terms and for underwriting to various levels of management;
- vii) The Appointed Actuary or Chief Financial Officer or other senior officer not having business development responsibility who will act as moderator of very thin rates;
- viii) Involvement of the Appointed Actuary in the review of statistics to determine rates, terms and conditions of cover for class-rated risks;
- ix) Setting up of the Internal Technical Audit machinery to ensure quality in underwriting and compliance with corporate underwriting policy; and
- x) The procedure for reporting to the Board on the performance of the management in underwriting the business.

4. The detariffing exercise has two components (stages). The first component is the withdrawal of tariff premium rates. The second component is permitting changes in the existing policy coverage wordings, terms and conditions. When the tariffs were withdrawn in the Fire, Engineering and Workmen's Compensation businesses with effect from 1st January, 2007, the Authority took the further step of moderating the reduction in rates so that the fall was not too steep in comparison to the tariff premiums keeping in view the incurred claims ratio at the tariff rates. The Inspection Team of the Authority had conducted countrywide inspections of all the non-life insurers and identified areas requiring the Authority's intervention. As was expected there were initial teething problems in the market, but this step of moderating the reduction in rates proved to be a blessing to keep the overall market in a balanced state.

5. The Authority however took the decision of regulating the rates relating to Motor Third Party business in exercise of its powers under Section 14 (2) (i) of the IRDA Act 1999. The main reasons for this decision were i) this class of insurance being mandatory under the Motor Vehicles Act and ii) the unviability of this class of business resulting in complaints of unavailability of statutory cover to the policyholders. The creation of Motor Insurance Pool for underwriting third party business for commercial vehicles also seem to have gone well with the insurers as the business seems to have soared with the collective participation.

6. The above proved useful in controlling the first stage of the transition. The next stage in the transition is to remove all price restraints again in a well regulated manner. The Authority may not put any restraints when reviewing the filed rates unless they appear untenable.

7. However as freedom comes with responsibility, the Authority will continue to monitor the self regulatory measures and corporate governance norms of the company. The Authority has asked the insurers to strengthen the corporate governance controls as a simultaneous measure to the further freeing of rate controls. The most important control being the reinforcement of the control of the Board of Directors on the company's underwriting policy. The insurers have been advised to put before their Boards a detailed statement of underwriting policy taking note of the developments so far and the concerns of the Authority expressed from time to time. A clear statement of the operating ratio that the insurer will work on has been sought along with the procedures and controls being put in place to ensure compliance with the underwriting policy. The Authority has specified the minimum extent of reporting that the management should place before their Boards on a periodical basis to enable the Board to discharge its corporate responsibility of overseeing the underwriting health of the insurer.

8. To remove the subsisting price controls what is required of the insurers is a demonstration of a satisfactory level of preparedness on the 'barometers' mentioned in para 2. This entails -

- H A clearly defined manual of delegation of underwriting authority to different levels of management or specific persons based on skills and responsibilities;
- H Establishing detailed underwriting manuals and distributing it to persons concerned the rating and risk inspection procedures;
- H Ensuring the ability of the Compliance Officer, Moderator and Appointed Actuary to discharge their responsibilities;
- H Establishing a good IT system with capability for rating support, analysis of experience, review of underwriting and management support;
- H Establishing an efficient internal technical audit department.

The insurers were also advised to submit proposals for changes in terms and conditions of cover and policy wordings which were to be allowed after 31st March 2008.

promoting and regulating professional organizations referred to in clause (f).

p) Specifying the percentage of life insurance business and general insurance business to be undertaken by the Insurers in the rural and social sector

The rural obligations in respect of life and non-life insurers were indicated as a per cent of number of policies underwritten and the gross premium underwritten respectively.

The social Sector obligations were indicated as the specified "no. of lives" to be underwritten in the said sector based on the year of operation of the respective life or non-life insurer.

Obligations of life insurers:

- (a) *Rural Sector Obligations:* All the sixteen life insurers, including the public sector insurer, LIC have fulfilled their obligations towards the rural sector. The number of policies underwritten by them in the rural sector as a per cent of the total policies underwritten in the year 2006-07 was as per the obligations applicable to them. LIC, in compliance with its obligations, underwrote a higher percent of policies in rural sector, than were underwritten in the year 2001-02.
- (b) *Social Sector Obligations:* Of the sixteen life insurers, fourteen have fulfilled their social sector obligations during 2006-07. The number of lives covered by them in the social sector was above the stipulated obligations. The LIC, in compliance with its social sector obligations covered a higher number of lives than was covered by it in 2001-02.

In case of two private sector companies which were non-compliant with their social sector obligations, the position is as under:

Bharti Axa Life Insurance Co. Ltd. which commenced its operations in August 2006 is compliant with the rural sector obligations but fell short of meeting its obligations in social sector. Against a proportionate obligation of coverage of 3333 lives in about 8 months of operations, they have covered 3067

lives. The shortfall has been waived as the insurer is in first year of operations and the shortfall is negligible.

Shriram Life Insurance Company Limited commenced its operation in February 2006. As the shortfall was observed for the second year in succession, a penalty of Rs.5 lakh has been imposed on the insurer. They have also been advised to cover the shortfall in the current year i.e., 2007-08. This company has submitted revised data and the Authority is examining the same.

Obligations of non-life insurers:

- (a) *Rural Sector Obligations:* All the eight private sector non-life insurers met their rural sector obligations in 2006-07. The gross direct premium underwritten by them in the said sector, as a percentage of total premium underwritten in 2006-07, was above the prescribed stipulations. All the four public sector insurers complied with the rural sector obligations for 2006-07. With respect to the public sector insurers, their obligations are indicated against the quantum of insurance business done by them in the accounting year ended 31st March, 2002.
- (b) *Social Sector Obligations:* All the eight private sector non-life insurers met their social sector obligations in 2006-07. The number of lives covered by them in the social sector was also higher than the regulatory stipulations. While, three public sector insurers complied with the social sector obligations for the year 2006-07, New India Assurance Co. Ltd. fell short of compliance towards the sector. With respect to the public sector insurers, their obligations are indicated against the quantum of insurance business done by them in the accounting year ended 31st March, 2002. In case of New India, a penalty of Rs.5 lakh has been imposed for non-compliance with its social sector obligations and it has been advised to fulfill the shortfall in 2007-08 and 2008-09.

q) Exercising such other powers as may be prescribed

The Authority had no occasion to exercise any powers under this function.

PART IV

ORGANISATIONAL MATTERS

i) Organization

Sri C. S. Rao continues to be the Chairman of the Authority as do whole-time Members, Shri C R Muralidharan and Shri K K Srinivasan. Sri G. Prabhakara joined the Authority as Member (Life) on 15th December, 2006. Before joining the Authority he was Zonal Manager, Life Insurance Corporation of India and brings with him long experience in the field of life insurance. Dr. R. Kannan also joined as Member (Actuary) of the Authority on 18th December, 2006 prior to which he had served the Reserve Bank of India and SBI Life Insurance at very senior levels. He brings rich experience to the Authority in the area of actuarial science.

Sri Vijay Mahajan, MD, BASIX continues to be part-time Member of IRDA. During the year Smt. Ela R. Bhatt, Founder of Self Employed Women's Association has joined as part-time Member with effect from 27th February, 2007. Dr. Sanjiv Misra, Secretary, Department of Expenditure, Ministry of Finance joined with effect from 2nd March, 2007 as a part-time Member in place of Sri Ashok Chawla representing Ministry of Finance, Government of India. Sri Sunil Talati replaced Sri T.N. Manoharan as part-time Member representing Institute of Chartered Accountants of India.

ii) Meetings of the Authority

During the period from April, 2006 to March, 2007 and May, 2007 to September, 2007 four and two meetings of the Authority have been held respectively.

iii) Human Resources

As an integral part of the growth of the Authority, development of human resources skills has been given due importance so as to perform its role more skillfully, efficiently and effectively. A new Inspection Wing has been setup by the Authority to inspect the various licensed insurance entities. To strengthen the inspection aspect, few officers have been borrowed both from life insurance and general insurance companies. In addition, augmentation to the existing resources is underway through the normal process of open recruitment.

The International Association of Insurance Supervisors (IAIS), established in 1994 has representatives from some 100 insurance supervisory authorities. IRDA is one of its members and is represented in its Executive committee, Technical committee, Insurance Accounting committee, Reinsurance committee and few others. It was formed to promote cooperation among insurance supervisory authorities, set international standards for insurance supervision and Regulation, provide training to members and co-ordinate work with regulators in other financial sectors and international financial institutions. IRDA Chairman and Members participate in its meetings regularly and the Authority is enriched by way of exchange of ideas and regulatory approaches amongst its members through their participation.

The Authority jointly with Andhra Pradesh Government set up an Institute of Insurance and risk Management (IIRM) at Hyderabad in 2002. IIRM aims to serve the learning and development needs of emerging markets in the context of their contemporary challenges. IIRM is overseen by a Board of Directors headed by Chairman of the Authority. It continues to cater to the needs of the industry by way of providing diversified range of courses, including Post Graduate Diploma in General Insurance, Life Insurance and Risk management. The IIRM courses are accredited by Chartered Insurance Institute, London. The International School for Actuarial Science (ISAS) has started functioning under the aegis of IIRM to enhance the availability of qualified skills resources to the insurance industry.

iv) Promotion of Official Language

A separate Hindi Section at IRDA ensures implementation of the constitutional provisions of Official Language Act and the Official Language Policy of the Government of India in promoting use of Hindi in Official Work. The Authority is encouraging the use of Hindi in its official work. IRDA has also chalked out a year long programme for promoting use of Hindi in its day to day work. Under this programme a 'word per day' is sent on intranet to all its employees. Online translation cum guidance facility is also provided to all

employees for implementation of Official Language Policy in letter and spirit. During the year under review, General Orders Notifications / Regulations / Administrative etc., were issued bilingually as required under section 3 (3) of the Official Languages Act, 1963. Hindi Week was celebrated by organizing Hindi competitions in Hindi essay writing etc. The monthly IRDA journal is not only in bilingual but also publishes some original articles on insurance in Hindi.

v) Status of Information Technology in IRDA

The Authority has taken consistent efforts in improving its IT Systems towards improved efficiency in its working environment. Some of the steps taken during this year are as follows:

Messaging System

Reliability and accuracy of information are essential for effective regulatory/monitoring environment. Towards this end, the Authority's messaging system was totally revamped and a new messaging system has been implemented under the domain irda.gov.in. The newly implemented anywhere-access messaging system has been made functional in a secured environment with 24X 7 availability and support. An E-mail gateway server with Antivirus / Spam filters has also been implemented in order to access the mails. Few training sessions were conducted to make the staff familiar with the new messaging environment.

Networking and other IT Infrastructures:

Strengthening and upgrading the present infrastructure is essential for an efficient working environment. Authority's IT systems are regularly upgraded. Additional desktops along with TFT monitors were procured for the new staff who have joined the Authority. The newly formed inspection team has been equipped with high-end light-weight laptops which will be handy during their inspections.

IRDA'S Website:

Authority has been taking regular steps to bring transparency in its functioning by placing the information to the extent possible in public domain. Regular changes are being made in the website to cater to the needs of the various stake holders

of Insurance Industry. On-line Grievances Management System is being implemented in a phased manner.

Connectivity between TAC & IRDA

As a part of Authority's effort in making the TAC as the Central Data Repository for Insurance data, dedicated 2Mbps data connectivity between TAC, Mumbai and IRDA was established as advised by the Standing Committee on Information Technology. Authority also established IP Sec 3 Des 128 Bit encryption for the transfer of data between the two offices under a secured environment. Using this facility, the databases / information available at TAC data servers have been made accessible to the Research Department on an ongoing basis.

Development of Web Enabled Applications & Central Database:

Development of web enabled applications is essential goal for e-governance. Therefore, all the applications are developed and implemented under web enabled environment. Efforts have been made to facilitate insurers/intermediaries to file the returns on-line and all the online applications implemented so far have been successful. Authority plans to implement more such applications in future.

Creation of comprehensive database on the subjects dealt by the various departments of the Authority is essential to monitor the growing insurance sector. Authority is taking continuous efforts to achieve this objective.

vi) Accounts

The Accounts of the Authority for 2006-07 have been audited by the Comptroller and Auditor General of India (C&AG). Pursuant to the provisions of Section 17 of IRDA Act, 1999, the Audited accounts along with the Audit Report have been forwarded to the Government of India to be placed in both the Houses of Parliament. A copy of the accounts for 2006-07 together with Audit Certificate from C&AG is placed at Annexure X.

vii) ISO 2000 Registration

Once again the Authority has again been certified by AQA International for a further period of three years. The Authority

has established a quality management system as compliance to internal quality system standard ISO 9001-2000.

viii) IRDA Journal

The IRDA Journal has completed almost five years of existence and during this period, it evolved as a strong medium of communication to all concerned. The Journal helps researchers, insurers and analysts for conducting meaningful studies about the industry and the changes occurring therein. The reporting of the statistics – on a monthly basis as well as at quarterly intervals - have been well-received by the industry and the media.

It has been the endeavour of the Authority to ensure that the topics selected for the Journal are contemporary in nature so that readers can get the best information about the happenings in the market. This attempt of IRDA has been well-appreciated by all the readers. Some very pertinent topics that have been highlighted in the Journal during the year are: Customer Grievances and Redressal; Liability Insurance; Simplicity of Contract Wordings; Catastrophe Insurance; Risk Management

for Insurers; Solvency and Reserving; Insurance Education and Awareness; Monitoring and Supervision in Insurance; Reinsurance; Insurance Legislation etc.

ix) Acknowledgements

The Authority would like to place on record its appreciation and sincere thanks to the Members of the Insurance Advisory Committee, the Reinsurance Advisory Committee, Insurance Division (Ministry of Finance), all insurers and intermediaries for their invaluable guidance and co-operation in its proper functioning and to the compact team of officers and employees of the Authority for efficient discharge of their duties. The Authority expresses its deep appreciation for the contributions made so far by Shri CNS Shastri in designing and implementing various policy initiatives taken by the Authority so far and hopes to continue to benefit from his guidance and advice. The Authority also records its special thanks to the members of the public, the press, all the professional bodies and international agencies connected with the insurance profession for their valuable contribution from time to time.

STATEMENTS AND ANNEX

FINANCIAL SAVING OF THE HOUSEHOLD SECTOR (GROSS)

(Per cent)

| Item | 2006-07# | 2005-06P | 2004-05P | 2003-04 | 2002-03 |
|--|---------------|---------------|---------------|---------------|---------------|
| | (1) | (2) | (3) | (4) | (5) |
| Financial Saving (Gross) | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | (18.4) | (16.7) | (13.9) | (13.8) | (13.1) |
| a) Currency | 8.6 | 8.7 | 8.5 | 11.2 | 8.9 |
| | (1.6) | (1.5) | (1.2) | (1.5) | (1.2) |
| b) Deposits | 55.7 | 47.1 | 37.2 | 38.3 | 40.9 |
| | (10.2) | (7.9) | (5.2) | (5.3) | (5.4) |
| i) With banks | 55.6 | 46.2 | 36.5 | 37.4 | 35.5 |
| ii) With non-banking companies | 0.1 | 1.0 | 0.8 | 1.0 | 2.7 |
| iii) With co-operative banks and societies | 0.0 | 0.0 | 0.0 | 0.0 | 2.8 |
| iv) Trade debt (net) | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 |
| c) Shares and debentures | 6.3 | 4.9 | 1.1 | 0.1 | 1.7 |
| | (1.2) | (0.8) | (0.2) | 0.0 | (0.2) |
| i) Private corporate business | 1.4 | 1.3 | 1.4 | 1.1 | 0.8 |
| ii) Banking | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 |
| iii) Units of Unit Trust of India | 0.0 | -0.1 | -0.7 | -2.3 | -0.5 |
| iv) Bonds of public sector undertakings | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| v) Mutual fund (other than UTI) | 4.8 | 3.6 | 0.4 | 1.2 | 1.3 |
| d) Claims on government | 5.2 | 14.6 | 24.5 | 23.0 | 17.4 |
| | (1.0) | (2.4) | (3.4) | (3.2) | (2.3) |
| i) Investment in government securities | 0.2 | 2.4 | 4.9 | 7.5 | 2.5 |
| ii) Investment in small savings, etc | 4.9 | 12.2 | 19.6 | 15.5 | 14.9 |
| e) Insurance funds | 15.0 | 14.0 | 15.7 | 13.7 | 16.1 |
| | (2.8) | (2.3) | (2.2) | (1.9) | (2.1) |
| i) Life insurance funds | 14.6 | 13.4 | 15.1 | 13.0 | 15.5 |
| ii) Postal insurance | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| iii) State insurance | 0.2 | 0.3 | 0.2 | 0.5 | 0.4 |
| f) Provident and pension funds | 9.2 | 10.5 | 13.0 | 13.6 | 15.0 |
| | (1.7) | (1.8) | (1.8) | (1.9) | (2.0) |

P : Provisional. # : Preliminary estimates.

Source : The Reserve Bank of India Annual Report 2006-07

Notes : 1. Figures in brackets are percentage at GDP at current market prices.

2. Components may not add up to the totals due to rounding off.

INTERNATIONAL COMPARISON OF INSURANCE PENETRATION*

| Continent/Country | 2004** | | | 2005** | | | 2006** | | |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Life | Non-Life | Total | Life | Non-Life | Total | Life | Non-Life |
| North America | 9.17 | 4.12 | 5.05 | 8.97 | 4.05 | 4.92 | 8.70 | 3.90 | 4.70 |
| United States | 9.36 | 4.22 | 5.14 | 9.15 | 4.14 | 5.01 | 8.80 | 4.00 | 4.80 |
| Canada | 7.02 | 2.97 | 4.05 | 6.97 | 3.05 | 3.92 | 7.00 | 3.10 | 3.90 |
| Latin America and Caribbean | 2.47 | 1.01 | 1.46 | 2.35 | 0.93 | 1.42 | 2.40 | 1.00 | 1.40 |
| Bahamas | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Barbados | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Trinidad and Tobago | 7.85 | 5.77 | 2.08 | 7.63 | 5.61 | 2.02 | 7.60 | 5.60 | 2.00 |
| Chile | 3.93 | 2.55 | 1.38 | 3.60 | 2.24 | 1.36 | 3.30 | 2.00 | 1.30 |
| Jamaica | 5.00 | 1.88 | 3.11 | 4.82 | 1.82 | 3.01 | 4.80 | 1.80 | 3.00 |
| Panama | 3.07 | 1.12 | 1.96 | 2.80 | 1.00 | 1.81 | 2.70 | 1.00 | 1.80 |
| Honduras | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Argentina | 2.68 | 0.88 | 1.80 | 2.52 | 0.76 | 1.76 | 2.60 | 0.80 | 1.80 |
| Colombia | 2.51 | 0.69 | 1.82 | 2.23 | 0.62 | 1.61 | 2.40 | 0.70 | 1.70 |
| Venezuela | 2.55 | 0.08 | 2.47 | 2.47 | 0.07 | 2.40 | 2.70 | 0.10 | 2.60 |
| Dominican Republic | 2.05 | 0.18 | 1.86 | 1.62 | 0.21 | 1.41 | 1.60 | 0.20 | 1.40 |
| Brazil | 2.98 | 1.36 | 1.63 | 3.01 | 1.33 | 1.68 | 2.80 | 1.30 | 1.60 |
| Costa Rica | 1.87 | 0.15 | 1.72 | 1.88 | 0.15 | 1.73 | 1.90 | 0.10 | 1.70 |
| Uruguay | N/A | N/A | N/A | 1.86 | 0.31 | 1.55 | 1.73 | 0.30 | 1.43 |
| El Salvador | 2.28 | 0.68 | 1.60 | 2.08 | 0.61 | 1.46 | 2.10 | 0.60 | 1.50 |
| Mexico | 1.86 | 0.79 | 1.06 | 1.66 | 0.68 | 0.98 | 1.80 | 0.80 | 1.00 |
| Ecuador | 1.68 | 0.20 | 1.48 | 1.70 | 0.22 | 1.47 | 1.60 | 0.20 | 1.30 |
| Peru | 1.31 | 0.59 | 0.72 | 1.28 | 0.70 | 0.59 | 1.20 | 0.50 | 0.60 |
| Guatemala | 1.09 | 0.17 | 0.92 | 1.02 | 0.17 | 0.85 | N/A | N/A | N/A |
| Europe | 7.89 | 4.68 | 3.20 | 7.78 | 4.69 | 3.10 | 8.30 | 5.30 | 3.00 |
| United Kingdom | 12.60 | 8.92 | 3.68 | 12.45 | 8.90 | 3.55 | 16.50 | 13.10 | 3.40 |
| Switzerland | 11.75 | 6.73 | 5.02 | 11.19 | 6.20 | 4.99 | 11.00 | 6.20 | 4.90 |
| Netherlands | 10.10 | 5.43 | 4.67 | 9.79 | 5.12 | 4.67 | 9.40 | 5.10 | 4.30 |
| Ireland | 8.97 | 5.74 | 3.23 | 8.56 | 5.65 | 2.90 | 10.40 | 7.90 | 2.50 |
| Finland | 8.77 | 6.89 | 1.88 | 9.18 | 7.33 | 1.85 | 9.10 | 7.20 | 1.90 |
| France | 9.52 | 6.38 | 3.14 | 10.21 | 7.08 | 3.13 | 11.00 | 7.90 | 3.10 |
| Belgium | 9.62 | 6.73 | 2.89 | 11.15 | 8.36 | 2.79 | 9.20 | 6.50 | 2.70 |
| Sweden | 6.96 | 4.56 | 2.39 | 7.82 | 5.32 | 2.50 | 7.60 | 5.20 | 2.40 |
| Denmark | 8.07 | 5.15 | 2.92 | 8.07 | 5.19 | 2.89 | 8.50 | 5.60 | 2.80 |
| Germany | 6.97 | 3.11 | 3.86 | 6.79 | 3.06 | 3.73 | 6.70 | 3.10 | 3.60 |
| Italy | 7.60 | 4.86 | 2.74 | 7.59 | 4.86 | 2.73 | 7.20 | 4.70 | 2.50 |
| Spain | 5.63 | 2.38 | 3.25 | 5.36 | 2.27 | 3.09 | 5.40 | 2.30 | 3.10 |
| Austria | 5.95 | 2.63 | 3.32 | 6.17 | 2.88 | 3.28 | 6.10 | 2.80 | 3.30 |
| Portugal | 7.85 | 4.66 | 3.19 | 9.07 | 6.20 | 2.87 | 9.00 | 6.10 | 2.90 |
| Slovenia | 5.61 | 1.65 | 3.96 | 5.65 | 1.69 | 3.96 | 5.80 | 1.80 | 4.00 |
| Cyprus | 4.39 | 2.31 | 2.08 | 4.23 | 2.08 | 2.15 | 4.30 | 1.90 | 2.30 |
| Norway | 5.20 | 3.14 | 2.06 | 5.30 | 3.28 | 2.02 | 4.60 | 2.80 | 1.70 |
| Malta | 5.61 | 2.84 | 2.78 | 5.89 | 3.15 | 2.74 | N/A | N/A | N/A |
| Czech Republic | 4.15 | 1.63 | 2.53 | 3.98 | 1.53 | 2.45 | 3.80 | 1.50 | 2.30 |
| Luxembourg | 3.64 | 1.43 | 2.21 | 3.76 | 1.52 | 2.24 | 3.90 | 1.80 | 2.10 |
| Slovakia | 3.61 | 1.46 | 2.15 | 3.66 | 1.36 | 2.30 | 3.40 | 1.30 | 2.10 |
| Iceland | 3.01 | 0.29 | 2.72 | 2.84 | 0.30 | 2.54 | 2.60 | 0.30 | 2.30 |
| Poland | 3.07 | 1.17 | 1.90 | 3.16 | 1.31 | 1.84 | 3.50 | 1.70 | 1.80 |
| Russia | 2.83 | 0.61 | 2.21 | 2.27 | 0.12 | 2.15 | 2.30 | 0.10 | 2.30 |
| Croatia | 3.20 | 0.76 | 2.44 | 3.25 | 0.84 | 2.41 | 3.30 | 0.90 | 2.50 |
| Hungary | 2.83 | 1.15 | 1.67 | 3.08 | 1.37 | 1.71 | 3.40 | 1.70 | 1.70 |
| Yugoslavia | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Greece | 2.10 | 0.93 | 1.17 | 2.17 | 1.03 | 1.13 | 1.80 | 0.90 | 0.80 |
| Bulgaria | 1.92 | 0.26 | 1.65 | 2.55 | 0.32 | 2.23 | 2.60 | 0.30 | 2.20 |

Contd...

| Continent/Country | 2004** | | | 2005** | | | 2006** | | |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Total | Life | Non-Life | Total | Life | Non-Life | Total | Life | Non-Life |
| Ukraine | 4.82 | 0.05 | 4.77 | 3.02 | 0.08 | 2.95 | 2.80 | 0.10 | 2.70 |
| Turkey | 1.54 | 0.29 | 1.25 | 1.55 | 0.25 | 1.30 | 1.60 | 0.20 | 1.40 |
| Romania | 1.51 | 0.35 | 1.15 | 1.53 | 0.32 | 1.21 | 1.70 | 0.30 | 1.40 |
| Serbia Montenegro | 2.20 | 0.16 | 2.04 | 2.23 | 0.19 | 2.04 | 1.80 | 0.20 | 1.60 |
| Latvia | N/A | N/A | N/A | N/A | N/A | N/A | 2.00 | 0.20 | 1.80 |
| Lithuania | 1.48 | 0.38 | 1.10 | 1.47 | 0.41 | 1.07 | 1.80 | 0.60 | 1.20 |
| Asia | 7.37 | 5.58 | 1.79 | 6.83 | 5.16 | 1.67 | 6.60 | 5.00 | 1.60 |
| South Korea | 9.52 | 6.75 | 2.77 | 10.25 | 7.27 | 2.98 | 11.10 | 7.90 | 3.20 |
| Japan | 10.51 | 8.26 | 2.25 | 10.54 | 8.32 | 2.22 | 10.50 | 8.30 | 2.20 |
| Taiwan | 14.13 | 11.06 | 3.07 | 14.11 | 11.17 | 2.93 | 14.50 | 11.60 | 2.90 |
| Hong Kong | 9.27 | 7.88 | 1.39 | 9.93 | 8.63 | 1.29 | 10.50 | 9.20 | 1.20 |
| Israel | 6.16 | 2.76 | 3.40 | 5.96 | 2.75 | 3.21 | 5.50 | 2.60 | 2.90 |
| Malaysia | 5.40 | 3.52 | 1.88 | 5.42 | 3.60 | 1.82 | 4.90 | 3.20 | 1.70 |
| Singapore | 7.50 | 6.02 | 1.48 | 7.47 | 6.00 | 1.48 | 6.50 | 5.40 | 1.10 |
| Thailand | 3.52 | 1.94 | 1.58 | 3.61 | 1.99 | 1.62 | 3.50 | 1.90 | 1.60 |
| India | 3.17 | 2.53 | 0.65 | 3.14 | 2.53 | 0.61 | 4.80 | 4.10 | 0.60 |
| Lebanon | 3.06 | 0.95 | 2.10 | 3.15 | 0.95 | 2.19 | 3.00 | 0.90 | 2.00 |
| PR China | 3.26 | 2.21 | 1.05 | 2.70 | 1.78 | 0.92 | 2.70 | 1.70 | 1.00 |
| Bahrain | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Jordan | 2.67 | 0.31 | 2.36 | 2.59 | 0.27 | 2.32 | 2.40 | 0.30 | 2.20 |
| Phillipines | 1.49 | 0.91 | 0.59 | 1.48 | 0.91 | 0.57 | 1.50 | 0.90 | 0.50 |
| UAE | 1.65 | 0.28 | 1.37 | 1.53 | 0.28 | 1.25 | 1.70 | 0.30 | 1.40 |
| Sri Lanka | 1.37 | 0.60 | 0.77 | 1.46 | 0.62 | 0.84 | 1.60 | 0.60 | 0.90 |
| Indonesia | 1.31 | 0.63 | 0.68 | 1.52 | 0.82 | 0.70 | 1.30 | 0.80 | 0.60 |
| Oman | 1.28 | 0.18 | 1.10 | 1.14 | 0.17 | 0.97 | 1.00 | 0.10 | 0.90 |
| Vietnam | 2.02 | 1.35 | 0.68 | 1.62 | 0.97 | 0.65 | 1.50 | 0.90 | 0.70 |
| Iran | 1.15 | 0.09 | 1.06 | 1.23 | 0.08 | 1.15 | 1.30 | 0.10 | 1.20 |
| Kuwait | 0.93 | 0.22 | 0.70 | 0.79 | 0.15 | 0.64 | 0.70 | 0.10 | 0.50 |
| Pakistan | 0.71 | 0.28 | 0.43 | 0.67 | 0.27 | 0.40 | 0.80 | 0.30 | 0.50 |
| Saudia Arabia | 0.48 | 0.02 | 0.46 | 0.46 | 0.01 | 0.45 | 0.50 | 0.00 | 0.50 |
| Bangladesh | 0.57 | 0.37 | 0.20 | 0.61 | 0.42 | 0.20 | 0.60 | 0.40 | 0.20 |
| Africa | 4.89 | 3.41 | 1.48 | 4.80 | 3.33 | 1.47 | 4.80 | 3.40 | 1.40 |
| South Africa | 14.38 | 11.43 | 2.95 | 13.87 | 10.84 | 3.03 | 16.00 | 13.00 | 3.00 |
| Mauritius | 4.61 | 2.78 | 1.83 | 4.36 | 2.62 | 1.74 | N/A | N/A | N/A |
| Zimbabwe | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Morocco | 2.70 | 0.64 | 2.06 | 2.87 | 0.71 | 2.16 | 2.90 | 0.80 | 2.10 |
| Kenya | 2.81 | 0.82 | 1.99 | 2.56 | 0.78 | 1.78 | 2.50 | 0.80 | 1.70 |
| Ivory Coast | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Tunisia | 2.01 | 0.16 | 1.86 | 2.07 | 0.17 | 1.90 | 2.00 | 0.20 | 1.80 |
| Nigeria | 0.94 | 0.17 | 0.76 | 0.70 | 0.09 | 0.62 | 0.60 | 0.10 | 0.50 |
| Egypt | 0.79 | 0.27 | 0.52 | 0.85 | 0.34 | 0.52 | 0.80 | 0.30 | 0.50 |
| Algeria | 0.58 | 0.03 | 0.55 | 0.56 | 0.03 | 0.53 | 0.50 | 0.00 | 0.50 |
| Oceania | 7.65 | 3.75 | 3.90 | 6.38 | 3.16 | 3.22 | 6.70 | 3.40 | 3.30 |
| Australia | 8.02 | 4.17 | 3.85 | 6.60 | 3.51 | 3.09 | 7.00 | 3.80 | 3.20 |
| New Zealand | 5.74 | 1.32 | 4.42 | 5.20 | 0.81 | 4.39 | 5.30 | 0.80 | 4.50 |
| World | 7.99 | 4.55 | 3.43 | 7.52 | 4.34 | 3.18 | 7.50 | 4.50 | 3.00 |

Source : Swiss Re, Sigma volumes 3/2004, 2/2005, 5/2006 and 4/2007

* Insurance penetration is measured as ratio (in Per Cent) of premium to GDP

** Data relates to Calender years

INTERNATIONAL COMPARISON OF INSURANCE DENSITY*

| Continent/Country | 2004** | | | 2005** | | | 2006** | | |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Total | Life | Non-Life | Total | Life | Non-Life | Total | Life | Non-Life |
| North America | 3601.1 | 1617.2 | 1984.0 | 3735.1 | 1686.3 | 2048.8 | 3804.0 | 1731.8 | 2072.2 |
| United States | 3755.1 | 1692.5 | 2062.6 | 3875.2 | 1753.2 | 2122.0 | 3923.7 | 1789.5 | 2134.2 |
| Canada | 2188.7 | 926.1 | 1262.6 | 2449.0 | 1071.9 | 1377.1 | 2708.3 | 1204.1 | 1504.3 |
| Latin America and caribbean | 90.9 | 37.2 | 53.7 | 105.7 | 42.0 | 63.8 | 126.7 | 51.3 | 75.4 |
| Bahamas | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Barbados | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Trinidad and Tobago | 659.3 | 484.5 | 174.8 | 810.2 | 595.4 | 214.8 | 958.2 | 704.1 | 254.1 |
| Chile | 253.1 | 164.5 | 88.6 | 281.5 | 174.9 | 106.6 | 285.7 | 176.0 | 109.7 |
| Jamaica | 161.6 | 60.8 | 100.7 | 179.4 | 67.6 | 111.8 | 185.7 | 69.9 | 115.8 |
| Panama | 139.3 | 50.6 | 88.7 | 133.0 | 47.2 | 85.8 | 144.3 | 51.2 | 93.1 |
| Honduras | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Argentina | 105.1 | 34.5 | 70.6 | 118.0 | 35.4 | 82.7 | 143.9 | 43.8 | 100.1 |
| Colombia | 51.9 | 14.3 | 37.6 | 60.3 | 16.8 | 43.6 | 69.1 | 20.5 | 48.7 |
| Venezuela | 101.1 | 3.1 | 98.0 | 125.3 | 3.6 | 121.7 | 179.5 | 6.0 | 173.6 |
| Dominican Republic | 41.3 | 3.7 | 37.6 | 52.5 | 6.7 | 45.7 | 55.4 | 7.4 | 47.9 |
| Brazil | 101.1 | 45.9 | 55.2 | 128.9 | 56.8 | 72.1 | 160.9 | 72.5 | 88.4 |
| Costa Rica | 85.7 | 6.8 | 78.8 | 80.3 | 6.4 | 73.9 | 96.2 | 7.7 | 88.6 |
| Uruguay | N/A | N/A | N/A | 92.3 | 15.5 | 76.8 | 96.4 | 16.6 | 79.8 |
| El Salvador | 52.7 | 15.8 | 36.9 | 50.8 | 15.0 | 35.8 | 55.1 | 16.5 | 38.6 |
| Mexico | 117.8 | 50.2 | 67.6 | 121.3 | 49.9 | 71.4 | 139.1 | 62.9 | 76.2 |
| Ecuador | 37.1 | 4.5 | 32.6 | 41.0 | 5.4 | 35.7 | 45.9 | 6.4 | 39.5 |
| Peru | 32.1 | 14.5 | 17.5 | 34.8 | 18.9 | 15.9 | 38.1 | 17.1 | 21.1 |
| Guatemala | 23.0 | 3.5 | 19.5 | 25.5 | 4.1 | 21.3 | N/A | N/A | N/A |
| Europe | 1427.9 | 848.1 | 579.8 | 1513.8 | 911.8 | 601.9 | 1745.7 | 1119.6 | 626.0 |
| United Kingdom | 4508.4 | 3190.4 | 1318.0 | 4599.0 | 3287.1 | 1311.9 | 6466.7 | 5139.6 | 1327.1 |
| Switzerland | 5716.4 | 3275.1 | 2441.2 | 5558.4 | 3078.1 | 2480.3 | 5561.9 | 3111.8 | 2450.1 |
| Netherlands | 3599.6 | 1936.5 | 1663.1 | 3739.7 | 1954.2 | 1785.5 | 3828.8 | 2071.6 | 1757.3 |
| Ireland | 4091.2 | 2617.4 | 1473.8 | 4177.0 | 2759.7 | 1417.4 | 5564.7 | 4203.8 | 1360.9 |
| Finland | 3134.1 | 2461.0 | 673.1 | 3389.3 | 2707.8 | 681.4 | 3681.2 | 2903.1 | 778.0 |
| France | 3207.9 | 2150.2 | 1057.7 | 3568.5 | 2474.6 | 1093.9 | 4075.4 | 2922.5 | 1152.9 |
| Belgium | 3275.6 | 2291.2 | 984.4 | 3985.6 | 2988.7 | 996.9 | 3442.5 | 2427.7 | 1014.8 |
| Sweden | 2690.0 | 1764.3 | 925.7 | 3092.1 | 2105.2 | 986.8 | 3226.2 | 2214.6 | 1011.6 |
| Denmark | 3620.4 | 2310.5 | 1309.9 | 3876.2 | 2489.9 | 1386.3 | 4271.4 | 2840.8 | 1430.6 |
| Germany | 2286.6 | 1021.3 | 1265.3 | 2310.5 | 1042.1 | 1268.4 | 2436.8 | 1136.1 | 1300.7 |
| Italy | 2217.9 | 1417.2 | 800.7 | 2263.9 | 1449.8 | 814.1 | 2302.2 | 1492.8 | 809.5 |
| Spain | 1355.2 | 571.9 | 783.3 | 1454.5 | 615.8 | 838.7 | 1514.6 | 651.0 | 863.7 |
| Austria | 2159.7 | 955.3 | 1204.4 | 2342.8 | 1095.1 | 1247.7 | 2396.7 | 1104.6 | 1292.1 |
| Portugal | 1293.5 | 768.1 | 525.4 | 1628.0 | 1113.7 | 514.4 | 1663.8 | 1131.5 | 532.3 |
| Slovenia | 919.6 | 270.0 | 649.5 | 978.1 | 292.6 | 685.5 | 1100.9 | 345.0 | 755.9 |
| Cyprus | 861.5 | 453.3 | 408.2 | 840.7 | 412.6 | 428.1 | 906.6 | 408.6 | 498.0 |
| Norway | 2842.2 | 1714.4 | 1127.8 | 3302.3 | 2043.1 | 1259.2 | 3229.0 | 2016.0 | 1213.0 |
| Malta | 728.6 | 368.2 | 360.4 | 813.8 | 435.4 | 378.5 | N/A | N/A | N/A |
| Czech Republic | 430.5 | 168.6 | 261.9 | 477.8 | 183.6 | 294.2 | 519.6 | 204.1 | 315.5 |
| Luxembourg | 2562.9 | 1007.1 | 1555.8 | 2756.3 | 1112.5 | 1643.8 | 3366.3 | 1548.4 | 1817.9 |
| Slovakia | 276.0 | 111.8 | 164.2 | 314.7 | 116.8 | 197.9 | 336.9 | 130.3 | 206.5 |
| Iceland | 1310.2 | 126.9 | 1183.3 | 1438.1 | 153.9 | 1284.1 | 1360.0 | 148.2 | 1211.9 |
| Poland | 192.7 | 73.3 | 119.4 | 245.1 | 101.9 | 143.2 | 310.3 | 150.5 | 159.8 |
| Russia | 114.4 | 24.8 | 89.6 | 122.8 | 6.3 | 116.5 | 150.9 | 4.0 | 146.9 |
| Croatia | 247.9 | 58.7 | 189.2 | 274.7 | 70.9 | 203.9 | 307.9 | 81.8 | 226.1 |
| Hungary | 287.3 | 117.3 | 170.0 | 334.1 | 148.2 | 185.9 | 376.2 | 192.3 | 183.9 |
| Yugoslavia | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Contd...

ANNUAL REPORT 2006-07

| Continent/Country | 2004** | | | 2005** | | | 2006** | | |
|-------------------|---------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|--------------|
| | Total | Life | Non-Life | Total | Life | Non-Life | Total | Life | Non-Life |
| Greece | 402.1 | 177.9 | 224.1 | 446.7 | 213.1 | 233.6 | 489.3 | 256.7 | 232.6 |
| Bulgaria | 59.4 | 8.2 | 51.2 | 87.9 | 11.1 | 76.8 | 100.9 | 13.2 | 87.7 |
| Ukraine | 60.9 | 0.6 | 60.3 | 53.1 | 1.3 | 51.7 | 59.6 | 1.9 | 57.6 |
| Turkey | 64.5 | 12.0 | 52.6 | 78.6 | 12.7 | 65.9 | 89.2 | 13.1 | 76.1 |
| Romania | 48.2 | 11.3 | 36.9 | 69.5 | 14.6 | 54.9 | 94.5 | 18.7 | 75.7 |
| Serbia Montenegro | 44.7 | 3.2 | 41.5 | 48.7 | 4.2 | 44.5 | 77.1 | 7.7 | 69.4 |
| Latvia | N/A | N/A | N/A | N/A | N/A | N/A | 156.9 | 12.4 | 144.6 |
| Lithuania | 95.7 | 24.6 | 71.1 | 109.6 | 30.4 | 79.3 | 154.0 | 48.1 | 105.8 |
| Asia | 194.3 | 147.2 | 47.1 | 197.9 | 149.6 | 48.3 | 205.0 | 154.6 | 50.4 |
| South Korea | 1419.3 | 1006.8 | 412.5 | 1706.1 | 1210.6 | 495.5 | 2071.3 | 1480.0 | 591.2 |
| Japan | 3874.8 | 3044.0 | 830.8 | 3746.7 | 2956.3 | 790.4 | 3589.6 | 2829.3 | 760.4 |
| Taiwan | 1909.0 | 1494.6 | 414.4 | 2145.5 | 1699.1 | 446.4 | 2250.2 | 1800.0 | 450.3 |
| Hong Kong | 2217.2 | 1884.3 | 332.9 | 2544.9 | 2213.2 | 331.7 | 2787.6 | 2456.0 | 331.6 |
| Israel | 1043.4 | 467.4 | 576.0 | 1104.5 | 510.2 | 594.4 | 1132.5 | 532.6 | 599.9 |
| Malaysia | 256.5 | 167.3 | 89.3 | 283.3 | 188.0 | 95.3 | 292.2 | 189.2 | 103.0 |
| Singapore | 1849.3 | 1483.9 | 365.5 | 1983.4 | 1591.4 | 392.0 | 1957.7 | 1616.5 | 341.2 |
| Thailand | 92.1 | 50.8 | 41.4 | 99.0 | 54.6 | 44.4 | 110.1 | 60.0 | 50.0 |
| India | 19.7 | 15.7 | 4.0 | 22.7 | 18.3 | 4.4 | 38.4 | 33.2 | 5.2 |
| Lebanon | 126.7 | 39.6 | 87.2 | 185.6 | 56.3 | 129.3 | 181.5 | 57.9 | 123.6 |
| PR China | 40.2 | 27.3 | 12.9 | 46.3 | 30.5 | 15.8 | 53.5 | 34.1 | 19.4 |
| Bahrain | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Jordan | 52.1 | 6.0 | 46.2 | 54.2 | 5.7 | 48.6 | 59.5 | 6.2 | 53.2 |
| Phillipines | 15.6 | 9.4 | 6.1 | 17.2 | 10.6 | 6.7 | 20.7 | 13.1 | 7.6 |
| UAE | 350.2 | 59.7 | 290.6 | 414.2 | 74.7 | 339.5 | 585.4 | 89.8 | 495.6 |
| Sri Lanka | 14.1 | 6.2 | 7.9 | 16.3 | 6.9 | 9.4 | 21.3 | 8.5 | 12.8 |
| Indonesia | 15.5 | 7.5 | 8.1 | 19.4 | 10.5 | 8.9 | 21.5 | 12.5 | 9.0 |
| Oman | 103.1 | 14.2 | 88.9 | 113.7 | 17.3 | 96.3 | 133.7 | 14.3 | 119.4 |
| Vietnam | 11.0 | 7.3 | 3.7 | 10.1 | 6.1 | 4.1 | 11.0 | 6.1 | 4.9 |
| Iran | 27.9 | 2.3 | 25.7 | 35.1 | 2.2 | 33.0 | 40.1 | 2.6 | 37.4 |
| Kuwait | 161.2 | 39.1 | 122.2 | 185.5 | 35.7 | 149.8 | 227.2 | 40.9 | 186.3 |
| Pakistan | 3.7 | 1.5 | 2.2 | 4.6 | 1.9 | 2.8 | 5.9 | 2.3 | 3.6 |
| Saudia Arabia | 51.4 | 2.1 | 49.3 | 57.1 | 0.7 | 56.4 | 63.1 | 0.8 | 62.4 |
| Bangladesh | 2.3 | 1.5 | 0.8 | 2.5 | 1.7 | 0.8 | 2.6 | 1.8 | 0.8 |
| Africa | 43.4 | 30.3 | 13.1 | 44.2 | 30.7 | 13.5 | 53.6 | 38.3 | 15.3 |
| South Africa | 686.5 | 545.5 | 141.0 | 714.6 | 558.3 | 156.2 | 855.8 | 695.6 | 160.2 |
| Mauritius | 220.8 | 133.1 | 87.7 | 226.5 | 136.1 | 90.4 | N/A | N/A | N/A |
| Zimbabwe | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Morocco | 44.9 | 10.6 | 34.3 | 47.0 | 11.7 | 35.3 | 52.4 | 14.7 | 37.8 |
| Kenya | 12.6 | 3.7 | 8.9 | 14.6 | 4.5 | 10.2 | 16.8 | 5.3 | 11.6 |
| Ivory Coast | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Tunisia | 55.3 | 4.3 | 51.0 | 58.7 | 4.8 | 53.9 | 59.2 | 5.3 | 53.9 |
| Nigeria | 4.0 | 0.7 | 3.3 | 4.3 | 0.5 | 3.7 | 5.3 | 0.8 | 4.5 |
| Egypt | 8.9 | 3.1 | 5.8 | 10.3 | 4.0 | 6.2 | 11.2 | 4.7 | 6.5 |
| Algeria | 14.8 | 0.8 | 14.0 | 17.4 | 0.9 | 16.5 | 18.7 | 1.2 | 17.6 |
| Oceania | 1736.9 | 851.0 | 885.9 | 1789.3 | 885.0 | 904.3 | 1787.3 | 896.3 | 891.0 |
| Australia | 2471.4 | 1285.1 | 1186.3 | 2569.9 | 1366.7 | 1203.2 | 2580.8 | 1389.0 | 1191.9 |
| New Zealand | 1382.2 | 318.0 | 1064.2 | 1408.5 | 219.7 | 1188.8 | 1370.9 | 215.0 | 1155.9 |
| World | 511.5 | 291.5 | 220.0 | 518.5 | 299.5 | 219.0 | 554.8 | 330.6 | 224.2 |

Source: Swiss Re, Sigma volumes 3/2004, 2/2005, 5/2006 and 4/2007

* Insurance density is measured as ratio (in Per Cent) of premium to total population

** Data relates to Calendar years

POLICY HOLDERS ACCOUNT : ALL LIFE INSURERS

| Particulars | BSLI | | ICICI PRU | | ING VVSYA | | L.I.C. | | HDFC STD LIFE | | MNVL | | RELIANCE LIFE \$ | | BAJAJ ALLIANZ LIFE | |
|---|---------------|---------------|---------------|---------------|--------------|--------------|-----------------|-----------------|---------------|---------------|---------------|--------------|------------------|--------------|--------------------|---------------|
| | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 |
| Premiums earned - net | | | | | | | | | | | | | | | | |
| (a) Premium @ | 176617 | 125566 | 791299 | 426105 | 70720 | 42538 | 12782284 | 9079222 | 285587 | 156991 | 150028 | 78813 | 100466 | 22421 | 531000 | 313358 |
| (b) Reinsurance ceded | (3101) | (2184) | (1617) | (684) | (318) | (251) | (4167) | (3454) | (3324) | (2296) | (1486) | (841) | (414) | (200) | (926) | (536) |
| (c) Reinsurance accepted | | | | | | | 109 | 151 | | | | | | | | |
| Income from Investments | | | | | | | | | | | | | | | | |
| (a) Interest, Dividends & Rent-Gross | 15771 | 8880 | 38054 | 20293 | 4019 | 2012 | 4057240 | 3547864 | 15895 | 6897 | 7028 | 3852 | 1390 | 731 | 11533 | 2111 |
| (b) Profit on sale/redemption of investments | 22877 | 8395 | 54231 | 23161 | 3878 | 481 | 767174 | 610719 | 10434 | 9449 | 1974 | 331 | 7499 | 937 | 37146 | 1066 |
| (c) (Loss on sale/ redemption of investments) | (5541) | (2314) | (13857) | (6271) | (1069) | (83) | (145943) | (153943) | (4119) | (150) | (460) | (47) | (3034) | (140) | (10550) | (53) |
| (d) Transfer/Gain on revaluation/change in fair value | (13550) | 17660 | 17386 | 105135 | (592) | 2380 | (110232) | 1014 | 21590 | 842 | 2260 | | (2562) | 3014 | (10366) | |
| (e) Amortization of Premium/ | | | | | | | | | | | | | | | | |
| Discount on Investments | (63) | (75) | | | | | | | (658) | (602) | (76) | (152) | (9) | (100) | | |
| (f) Appropriation/Expropriation Adjustment Account | | | 3092 | | | | | | | | | | | | | |
| Other Income | 2991 | 1610 | 16 | 47 | 50 | 39 | 96011 | 134128 | 2330 | 2327 | 99 | 123 | 131 | 73 | 7252 | 2902 |
| Transfer from Shareholders' Account | 15473 | 7019 | 75800 | 23067 | 18867 | 12624 | | | 14504 | 13970 | 7419 | 6516 | 32922 | 10494 | 9724 | 10855 |
| TOTAL(A) | 211473 | 164557 | 964403 | 590854 | 95555 | 59739 | 17442476 | 13214688 | 321662 | 208176 | 165368 | 90856 | 136389 | 37229 | 574812 | 329704 |
| Commission | 20138 | 15964 | 52551 | 28339 | 9417 | 6913 | 916907 | 709492 | 20993 | 12033 | 22852 | 13447 | 9877 | 1433 | 94668 | 34187 |
| Operating Expenses related to Insurance Business | 40261 | 24393 | 152296 | 72500 | 30353 | 21083 | 708086 | 604156 | 57674 | 39949 | 51370 | 33932 | 42904 | 11593 | 107302 | 48681 |
| Provision for doubtful debts | | | | | | | 41167 | 20976 | | | 58 | 9 | | | | |
| Bad debts written off | | | | | | | | | | | 0 | 5 | | | | |
| Provision for Tax | 237 | 214 | 1226 | 610 | 271 | 242 | 467080 | 396775 | 358 | 288 | 311 | 256 | 161 | 126 | 731 | 410 |
| Provisions (other than taxation) | | | | | | | 12233 | 4036 | | | | | | | | |
| (a) For diminution in the value of investments (Net) | | | | | | | (5851) | 5110 | | | | | | | | |
| (b) Others | | | | | | | | | | | | | | | | |
| TOTAL(B) | 60635 | 40571 | 206073 | 101450 | 40042 | 28238 | 2139621 | 1740546 | 79025 | 52150 | 74593 | 47650 | 52942 | 13152 | 202701 | 83278 |
| Benefits Paid (Net) | 12484 | 7379 | 72750 | 20947 | 5051 | 3034 | 5328646 | 3392711 | 17454 | 4483 | 8337 | 4254 | 7891 | 3279 | 69854 | 65348 |
| Interim Bonuses Paid | | | | | 3 | 0 | 139571 | 29724 | 3 | 4 | | | 3 | 1 | 20 | 12 |
| Change in valuation of liability in respect of life policies | | | | | | | | | | | | | | | | |
| (a) Gross* | 139681 | 117714 | 671979 | 467452 | 50463 | 28507 | 7394339 | 6926623 | 226253 | 152476 | 82385 | 38605 | 75552 | 20797 | 26699 | 19123 |
| (b) Amount ceded in Reinsurance | (1326) | (1107) | | | (4) | (41) | | | (1411) | (1192) | (100) | (212) | | | | |
| (c) Amount accepted in Reinsurance | | | | | | | | | | | | | | | | |
| (d) Transfer to Linked Fund | | | | | | | 2364517 | 1062908 | | | | | | | 261752 | 155761 |
| TOTAL (C) | 150838 | 123986 | 744729 | 488398 | 55514 | 31501 | 15227074 | 11411965 | 242299 | 155772 | 90623 | 42646 | 83446 | 24077 | 358324 | 240244 |
| SURPLUS/(DEFICIT) (D) = (A)-(B)-(C) | | | 13601 | 1006 | | | 75781 | 62177 | 339 | 255 | 153 | 560 | 83446 | 24077 | 13788 | 6182 |
| Prior Period Items | | | | | | | | | | | | | | | | |
| Balance at the beginning of the year | | | | | | | | | | | | | | | | |
| Transfer from Linked Fund (Lapsed Policies) | | | | | | | | | | | | | | | | |
| Surplus available for appropriations | | | 13601 | 1006 | | | 75781 | 62177 | 339 | 255 | 153 | 560 | 83446 | 24077 | 19433 | 6822 |
| APPROPRIATIONS | | | | | | | | | | | | | | | | |
| Transfer to Shareholders' Account | | | 3461 | 759 | | | 75781 | 62177 | | | 12 | 6 | | | 313 | |
| Transfer to Other Reserves (Reserve for lapsed unit linked policies unlikely to be revived) | | | | | | | | | | | | | | | 12411 | 1177 |
| Balance being funds for future appropriations-Policyholders | | | 10141 | 248 | | | | | 339 | 255 | 127 | 499 | | | 6709 | 5645 |
| Balance being funds for future appropriations-Shareholders | | | | | | | | | | | 14 | 55 | | | | |
| Balance transferred to Balance Sheet | | | | | | | | | | | | | | | | |
| TOTAL(D) | | | 13602 | 1006 | | | 75781 | 62177 | 339 | 255 | 153 | 560 | 83446 | 24077 | 19433 | 6822 |

Note : * represents mathematical reserves after allocation of bonus
Insurer commenced operations during 2005-06
! Insurer commenced operations during 2006-07
Figures in brackets represents negative values
\$ formerly known as AMP Sanmar

POLICY HOLDERS ACCOUNT : ALL LIFE INSURERS

| Particulars | SBI-LIFE | | KOTAK MAHINDRA | | TATA-AG LIFE | | MET-LIFE | | ANVA | | SAHARA | | SHRI RAM | | BHARTI AXA | | TOTAL | | |
|---|---------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|---------------|--------------|-------------|-------------|--------------|-------------|-------------|-----------------|-----------------|---------|---------|
| | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 |
| Premiums earned – net | | | | | | | | | | | | | | | | | | | |
| (a) Premium @ | 292849 | 107632 | 97151 | 62185 | 136718 | 88019 | 49271 | 20699 | 114723 | 60027 | 5100 | 2766 | 18417 | 1033 | 778 | 15603007 | 10587174 | (20172) | (13616) |
| (b) Reinsurance ceded | (605) | (223) | (2018) | (1115) | (1123) | (1305) | (439) | (194) | (717) | (334) | (1) | (0) | (14) | (1) | (2) | (108) | 151 | | |
| (c) Reinsurance accepted | | | | | | | | | | | | | | | | | | | |
| Income from Investments | | | | | | | | | | | | | | | | | | | |
| (a) Interest, Dividends & Rent – Gross | 12603 | 5760 | 6158 | 3514 | 7664 | 3735 | 1656 | 643 | 4733 | 1916 | 266 | 87 | 42 | 1 | 3 | 4184055 | 3608296 | | |
| (b) Profit on sale/redemption of investments | 8928 | 5124 | 10336 | 2000 | 6400 | 1506 | 252 | 98 | 554 | 576 | 130 | | | | 1 | 931814 | 663843 | | |
| (c) Loss on sale/redemption of investments | (1894) | (76) | (2779) | (446) | (63) | (12) | (239) | (17) | (239) | (17) | (1) | | | | (0) | (189550) | (163552) | | |
| (d) Transfer/Gain on revaluation/change in fair value | 2330 | 2266 | (1776) | 7415 | 1040 | 7036 | 908 | 797 | 3442 | 7421 | (4) | | | | (5) | (112125) | 176974 | | |
| (e) Amortization of Premium/Discount on Investments | | | | | | | | | | | | | | | | | (806) | (929) | |
| (f) Appropriation/E xpropriation Adjustment Account | | | | | | | | | | | | | | | | | 3092 | | |
| Other Income | 173 | 87 | 70 | 24 | 441 | 379 | 69 | 1 | | | 5 | 16 | 137 | | 73 | 109848 | 141756 | | |
| Transfer from Shareholders' Account | 4375 | 4559 | 11799 | 4998 | 10434 | 7608 | 2279 | 8658 | 14916 | 15095 | 1054 | 922 | | | 8467 | 228030 | 126385 | | |
| TOTAL(A) | 318858 | 125030 | 118941 | 78574 | 161511 | 106966 | 53996 | 30603 | 137412 | 84684 | 6550 | 3791 | 18580 | 1032 | 9314 | 20737302 | 15126483 | | |
| Commission | 20281 | 6969 | 8020 | 5912 | 19124 | 13755 | 10505 | 4050 | 17886 | 10317 | 668 | 379 | 3604 | 358 | 56 | 1227548 | 863548 | | |
| Operating Expenses related to Insurance Business | 31555 | 18996 | 24031 | 13408 | 35702 | 29078 | 23197 | 16157 | 42749 | 25498 | 1542 | 1121 | 2462 | 659 | 8607 | 1360091 | 961105 | | |
| Provision for doubtful debts | | | | | 73 | 27 | | | | | | | | | | 41298 | 21012 | | |
| Bad debts written off | | | | | | | | | | | | | | | | 0 | 5 | | |
| Provision for Tax | 228 | 180 | 189 | 107 | 274 | 310 | 165 | 201 | 417 | 272 | 5 | | 87 | | 27 | 471765 | 399971 | | |
| Provisions (other than taxation) | | | | | | | | | | | | | | | | | 12233 | 4036 | |
| (a) For diminution in the value of investments (Net) | | | | | | | | | | | | | | | | | | | |
| (b) Others | | | | | | | | | | | | | | | | | | | |
| TOTAL(B) | 52064 | 26145 | 32239 | 19427 | 55173 | 43171 | 33867 | 20407 | 61052 | 36087 | 2215 | 1500 | 6153 | 1017 | 8690 | 3107085 | 2254787 | | |
| Benefits Paid (Net) | 14006 | 8243 | 17317 | 4197 | 8209 | 4738 | 2077 | 597 | 7092 | 1755 | 157 | 22 | 176 | | | 5571501 | 3520986 | | |
| Interim Bonuses Paid | | | | | | | | | 27 | 5 | | | | | | 139627 | 29746 | | |
| Change in valuation of liability in respect of life policies | | | | | | | | | | | | | | | | | | | |
| (a) Gross* | 253083 | 90754 | 12081 | 12468 | 38962 | 28188 | 40236 | 13361 | 68796 | 45193 | 1232 | 502 | 1169 | 27 | 624 | 9083534 | 7961790 | | |
| (b) Amount ceded in Reinsurance | (296) | (111) | | | (96) | (102) | (74) | (161) | (177) | (89) | (1) | (0) | | | | (3483) | (3017) | | |
| (c) Amount accepted in Reinsurance | | | | | | | | | | | | | | | | | | | |
| (d) Transfer to Linked Fund | 50803 | | 42217 | | 52159 | 29716 | | | 2942 | 1739 | 1120 | | | | | 2743293 | 1292341 | | |
| TOTAL (C) | 266794 | 98885 | 80201 | 58882 | 99234 | 62541 | 42240 | 13797 | 75738 | 46864 | 4331 | 2263 | 12465 | 27 | 624 | 17534472 | 12801847 | | |
| SURPLUS/(DEFICT) (D) = (A)-(B)-(C) | 6501 | 265 | 265 | 7104 | 1254 | 1254 | (22111) | (3601) | 622 | 1733 | 4 | 29 | (37) | (12) | (0) | 95744 | 69848 | | |
| Prior Period Items | | | | | | | | | | | | | | | | | | | |
| Balance at the beginning of the year | | | | | | | | | | | | | | | | | | | |
| Transfer from Linked Fund (Lapsed Policies) | (4848) | | (4848) | | 820 | 424 | (7724) | 1834 | (5957) | | | | (12) | | | (6839) | (10284) | | |
| Surplus available for appropriations | 1653 | (4702) | 1653 | (4702) | 7924 | 1678 | (29835) | (7724) | 622 | 1733 | 4 | 29 | (49) | (12) | (0) | 89625 | 61822 | | |
| APPROPRIATIONS | | | | | | | | | | | | | | | | | | | |
| Transfer to Shareholders' Account | 143 | | 143 | | 1471 | 351 | | | 39 | 26 | | | 25 | | | 81205 | 63293 | | |
| Transfer to Other Reserves (Reserve for lapsed unit linked policies unlikely to be revived) | | | | | | | | | | | | | | | | 12450 | 1203 | | |
| Balance being funds for future appropriations-Policyholders | 1146 | 147 | | | | 244 | | | 583 | 1707 | 4 | 29 | (74) | (12) | | 19218 | 8517 | | |
| Balance being funds for future appropriations-Shareholders | 363 | (4848) | | | 6453 | 1327 | (30079) | (7724) | | | | | | | | 14 | 55 | | |
| Balance transferred to Balance Sheet | | | | | | | | | | | | | | | | (23263) | (11245) | | |
| TOTAL(D) | 1653 | (4702) | 1653 | (4702) | 7924 | 1678 | (29835) | (7724) | 622 | 1733 | 4 | 29 | (49) | (12) | (0) | 89625 | 61823 | | |

Note : Figures in brackets represents negative values
* represents mathematical reserves after allocation of bonus
Insurer commenced operations during 2005-06
! Insurer commenced operations during 2006-07
\$ formerly known as AMP Sammar

SHARE HOLDERS ACCOUNT : ALL LIFE INSURERS

| PARTICULARS | BSLI | | ICICI PRU | | INGVYSYA | | L.I.C. | | HDFC STD LIFE | | MNVL | | RELIANCE LIFE | | BAJAJ ALLIANZ LIFE | |
|---|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|-------------|-------------|--------------|---------------|--------------|--------------------|-------------|
| | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 |
| Amounts transferred from the Policy holders Account (Technical Account) | | | 3461 | 759 | | | 75781 | 62177 | | | 12 | 6 | | | | 313 |
| Income From Investments: | | | | | | | | | | | | | | | | |
| (a) Interest, Dividends & Rent – Gross | 1571 | 1073 | 2671 | 1658 | 1083 | 1092 | 1585 | 995 | 1268 | 1385 | 1131 | 640 | 1338 | 834 | 2731 | 1136 |
| (b) Profit on sale/redemption of investments | 83 | 36 | 1007 | 369 | 79 | 36 | | | 1142 | 80 | 270 | 90 | 388 | 133 | 238 | 72 |
| (c) (Loss on sale/ redemption of investments) | (8) | (16) | (359) | (16) | (29) | (25) | (4) | | (125) | (69) | (22) | (0) | (165) | (20) | (198) | (139) |
| (d) Transfer/gain on revaluation/ Change in Fair value | | | | | | | | | (239) | (66) | | | | | | |
| (e) Amortisation of Premium/ Discount on Investments | (107) | (156) | | | | | | | (24) | (89) | 32 | 45 | (58) | (189) | | |
| Other Income | | | | 23 | 1 | 5 | | | 8 | 37 | 407 | 0 | | | | |
| TOTAL (A) | 1538 | 936 | 6779 | 2792 | 1133 | 1108 | 77362 | 63172 | 2030 | 1278 | 1831 | 781 | 1503 | 758 | 3084 | 1069 |
| Expenses other than those directly related to the insurance business | 39 | 29 | 146 | 59 | 21 | 883 | | 14 | 83 | 183 | 459 | 271 | 92 | 104 | 531 | 67 |
| Bad debts written off | | | | | | | | | | | | | | | | |
| Provisions (Other than taxation) | | | | | | | | | | | | | | | | |
| (a) For diminution in the value of investments (Net) | | | | | | | | | | | | | | | | |
| (b) Provision for doubtful debts | | | | | | | | | | | | | | | | |
| (c) Others | | | | | | | | | | | | | | | | |
| Contribution to Policyholders Account | 15473 | 7019 | 75800 | 23067 | 18867 | 12624 | | | 14504 | 13970 | 7419 | 6516 | 32922 | 10494 | 9724 | 10855 |
| TOTAL (B) | 15512 | 7049 | 75946 | 23125 | 18888 | 13506 | 14 | 14586 | 14153 | 7878 | 6787 | 33013 | 10598 | 10254 | 10923 | |
| Profit/ (Loss) before tax | (13974) | (6113) | (69167) | (20333) | (17754) | (12398) | 77362 | 63158 | (12556) | (12875) | (6047) | (6006) | (31511) | (9840) | (7170) | (9854) |
| Provision for Taxation | | | 4276 | 1545 | 3 | 2 | | | | | | | | | | |
| Profit / (Loss) after tax | (13974) | (6113) | (64891) | (18788) | (17757) | (12400) | 77362 | 63158 | (12556) | (12875) | (6047) | (6006) | (31511) | (9840) | (7170) | (9854) |
| Prior Period Items | | | | | | | | | | | | | | | | |
| APPROPRIATIONS | | | | | | | | | | | | | | | | |
| (a) Balance at the beginning of the year | (30486) | (24373) | (95279) | (68570) | (34956) | (22555) | | | (31657) | (18782) | (39234) | (33228) | (22200) | (12360) | (20431) | (10577) |
| (b) Interim dividends paid during the year | | | | | | | | | | | | | | | | |
| (c) Proposed final dividend | | | | | | | | | | | | | | | | |
| (d) Dividend distribution on tax | | | | | | | 75781 | 62177 | | | | | | | | |
| (e) Transfer to reserves/ other accounts | | | | (7922) | | | 1581 | 981 | | | | | | | | |
| Profit carried to the Balance Sheet | (4459) | (3086) | (160170) | (95279) | (52713) | (34956) | - | (0) | (44213) | (31657) | (45281) | (39234) | (53710) | (22200) | (27601) | (20431) |

STATEMENT 5
(Rs. lakh)

| SBI-LIFE | | KOTAK MAHINDRA | | TATA-AIG LIFE | | MET-LIFE | | AVIVA | | SAHARA | | SHRIRAM | | BHARTIAXA | TOTAL | |
|-------------|-------------|----------------|-------------|---------------|-------------|-------------|-------------|--------------|--------------|-------------|-------------|-------------|------------|-------------|---------------|---------------|
| 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2006-07 | 2005-06 |
| | | 143 | | 1471 | 351 | | | 39 | 26 | | | 25 | | | 81245 | 63319 |
| 3074 | 1950 | 964 | 656 | 1783 | 1194 | 800 | 626 | 1831 | 809 | 788 | 813 | 1001 | 347 | 565 | 24183 | 15207 |
| 1836 | 2855 | 160 | 25 | 0 | 767 | 106 | 30 | 70 | 36 | 261 | 62 | 79 | 14 | 25 | 5744 | 4605 |
| (103) | (2) | (408) | (39) | (6) | (30) | | | (5) | (0) | (22) | (164) | | | (9) | (1462) | (522) |
| | | | | | | | | | | | | | | | (239) | (66) |
| | | | | | | 176 | 63 | | | | | | | | 19 | (326) |
| | | | | | | | | | | 1 | 0 | 12 | 2 | | 428 | 67 |
| 4807 | 4802 | 860 | 643 | 3248 | 2283 | 1082 | 719 | 1935 | 870 | 1028 | 711 | 1117 | 363 | 580 | 109917 | 82284 |
| 49 | 40 | 24 | 4 | 51 | 66 | | | 195 | 162 | 26 | 580 | 28 | 114 | 156 | 1897 | 2575 |
| 4375 | 4559 | 11799 | 4998 | 10434 | 7608 | 2279 | 8658 | 14916 | 15095 | 1054 | 922 | | | 8467 | 228030 | 126385 |
| 4423 | 4599 | 11823 | 5002 | 10484 | 7674 | 2279 | 8658 | 15111 | 15256 | 1079 | 1503 | 28 | 114 | 8623 | 229927 | 128960 |
| 384 | 203 | (10964) | (4360) | (7236) | (5391) | (1197) | (7940) | (13175) | (14387) | (51) | (791) | 1089 | 250 | (8043) | (120010) | (46676) |
| 1 | 1 | 83 | 83 | | | | | | | | 7 | 139 | 32 | | 4502 | 1670 |
| 383 | 202 | (11047) | (4442) | (7236) | (5391) | (1197) | (7940) | (13175) | (14387) | (51) | (784) | 950 | 218 | (8043) | (115960) | (45242) |
| | | | | | | | (1834) | | | | | | | | | (1834) |
| (3349) | (3550) | (15634) | (11099) | (23331) | (17940) | (15348) | (5574) | (33325) | (18939) | | | | | | (365229) | (247547) |
| | | | | | | | | | | | | | | | 75781 | 62177 |
| | | | | | | | | | | | | | | | 1581 | (6941) |
| (2966) | (3349) | (26681) | (15541) | (30567) | (23331) | (16545) | (15348) | (46501) | (33325) | (51) | (784) | 950 | 218 | (8043) | (558551) | (349860) |

BALANCE SHEET : ALL LIFE INSURERS (AS AT 31ST MARCH)

| | BSLI | | ICICI PRU | | ING VVSYA | | L.I.C. | | HDFC STD | | MNVL | | RELIANCE LIFE | | BAJAJ ALLIANZ LIFE | |
|---|---------------|---------------|----------------|----------------|---------------|---------------|-----------------|-----------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------------|---------------|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| SOURCES OF FUNDS | | | | | | | | | | | | | | | | |
| <i>SHAREHOLDERS' FUNDS</i> | | | | | | | | | | | | | | | | |
| SHARE CAPITAL | 67150 | 46000 | 131230 | 118500 | 69000 | 49000 | 500 | 500 | 80071 | 61927 | 73243 | 55743 | 66400 | 33100 | 15037 | 15023 |
| ADVANCE AGAINST SHARE CAPITAL | | | | | | | | | 2874 | | | | | | | |
| SHARE APPLICATION MONEY | | | | | | | | | | | | | | | | |
| PENDING ALLOTMENT | | | | | | | | | | | | | | | | |
| EMPLOYEES STOCK | | | | | | | | | | | | | | | | |
| OPTION OUTSTANDING | | | 194 | 524 | | | | | | | | | | | | |
| RESERVES AND SURPLUS | | | 75938 | | | | 28781 | 17200 | 659 | 659 | 800 | 570 | | | 55016 | 34953 |
| CREDIT/(DEBIT) FAIR VALUE | | | | | | | | | | | | | | | | |
| CHANGE ACCOUNT | 3 | 1 | 2910 | 1803 | 4 | 2 | | | 731 | 347 | 8 | 14 | 190 | 1 | 7 | |
| Sub-Total | 67153 | 46001 | 210273 | 120827 | 69004 | 49002 | 29281 | 17700 | 83604 | 63317 | 74390 | 56321 | 66414 | 33290 | 70054 | 49984 |
| <i>BORROWINGS</i> | | | | | | | | | | | | | | | | |
| <i>POLICYHOLDERS' FUNDS:</i> | | | | | | | | | | | | | | | | |
| CREDIT/(DEBIT) FAIR VALUE | | | | | 41 | 111 | | | | | | | | | 1 | |
| CHANGE ACCOUNT | 6 | 3 | 10150 | 12467 | 1120 | 1073 | 6205110 | 6522245 | 912 | 2096 | | | 36 | 102 | 154 | 130 |
| REVALUATION RESERVE- | | | | | | | | | | | | | | | | |
| INVESTMENT PROPERTY | | | 3163 | | | | | | | | | | | | | |
| POLICY LIABILITIES | 11769 | 7720 | 176562 | 112248 | 48429 | 30478 | 52480868 | 44960307 | 173915 | 114880 | 91250 | 56628 | 13500 | 6568 | 67129 | 40430 |
| INSURANCE RESERVES | | | | | | | 280675 | 284328 | | | | | | | | |
| PROVISION FOR LINKED | 364420 | 230114 | 1307627 | 699963 | 60839 | 28331 | 3599764 | 1351731 | 285168 | 119361 | 65460 | 17796 | 92119 | 23500 | 518684 | 256932 |
| LIABILITIES | | | | | | | | | | | | | | | | |
| Sub-Total | 376195 | 237837 | 1497502 | 824678 | 110388 | 59882 | 62566418 | 53118612 | 459995 | 236337 | 156709 | 74424 | 105655 | 30169 | 585968 | 297492 |
| DEFERRED TAX LIABILITY | | | | | | | | | | | | | | | | |
| FUNDS FOR FUTURE | 3 | 3 | 21485 | 11344 | | | | 2724 | 595 | 255 | 695 | 554 | | | 20297 | 6823 |
| APPROPRIATIONS | | | | | | | | | | | | | | | | |
| TOTAL | 443351 | 283841 | 1729260 | 956849 | 179432 | 108994 | 62595699 | 53139035 | 544195 | 299909 | 231794 | 131299 | 172069 | 63460 | 676319 | 354299 |
| APPLICATION OF FUNDS | | | | | | | | | | | | | | | | |
| <i>INVESTMENTS</i> | | | | | | | | | | | | | | | | |
| Shareholders' | 27444 | 18170 | 15672 | 44847 | 24787 | 16704 | 27945 | 16640 | 15297 | 13809 | 27097 | 14083 | 14640 | 9864 | 65365 | 27809 |
| Policyholders' | 10141 | 7199 | 234211 | 125146 | 45909 | 27265 | 51111283 | 45278642 | 177829 | 116950 | 91936 | 57399 | 14212 | 6826 | 90508 | 47661 |
| ASSETS HELD TO COVER | | | | | | | | | | | | | | | | |
| LINKED LIABILITIES | 364420 | 230114 | 1325232 | 707885 | 60839 | 28331 | 3603060 | 1231528 | 285168 | 119361 | 65460 | 17796 | 92119 | 23500 | 518684 | 256932 |
| LOANS | 816 | 202 | 404 | 142 | 102 | 42 | 6308152 | 5512438 | 126 | 294 | | | 123 | 188 | 186 | 34 |
| FIXED ASSETS | 5688 | 3904 | 21944 | 6105 | 4018 | 4690 | 140356 | 126214 | 7361 | 6013 | 9011 | 6839 | 5736 | 1445 | 5357 | 3646 |
| INCIDENTAL EXPENSES | | | | | | | | | | | | | | | | |
| PENDING CAPITALISATION | | | | | | | | | | | | | | | | |
| DEFERRED TAX ASSET | | | 6900 | 2624 | | | | | | | | | | | | |
| <i>CURRENT ASSETS</i> | | | | | | | | | | | | | | | | |
| Cash and Bank Balances | 18381 | 8269 | 48238 | 24590 | 8128 | 8664 | 1329807 | 1280202 | 33636 | 28796 | 3969 | 2212 | 14672 | 5101 | 41980 | 29585 |
| Advances and Other Assets | 5802 | 3777 | 23593 | 11211 | 6945 | 6291 | 2101767 | 1824126 | 19620 | 9901 | 15164 | 8226 | 5621 | 1799 | 8545 | 7629 |
| Sub-Total (A) | 24183 | 12046 | 71831 | 35800 | 15074 | 14955 | 3431574 | 3104328 | 53255 | 38697 | 19132 | 10438 | 20292 | 6900 | 50525 | 37214 |
| <i>CURRENT LIABILITIES</i> | 30899 | 16071 | 100611 | 59349 | 23283 | 17386 | 456585 | 574273 | 38747 | 26586 | 26431 | 14676 | 28567 | 7390 | 80930 | 38905 |
| Provisions | 2902 | 2209 | 6493 | 1631 | 726 | 563 | 1570086 | 1556483 | 308 | 287 | 189 | 185 | 197 | 72 | 977 | 524 |
| Sub-Total (B) | 33800 | 18281 | 107103 | 60980 | 24009 | 17949 | 2026671 | 2130756 | 39055 | 26873 | 26620 | 14861 | 28764 | 7462 | 81908 | 39429 |
| NET CURRENT | | | | | | | | | | | | | | | | |
| ASSETS(C)=(A-B) | (9618) | (6235) | (35272) | (25180) | (8935) | (2994) | 1404902 | 973572 | 14200 | 11824 | (7488) | (4423) | (8471) | (562) | (31383) | (2215) |
| <i>MISCELLANEOUS EXPENDITURE</i> | | | | | | | | | | | | | | | | |
| (to the extent not written off or adjusted) | | | | | | | | | | | 498 | 371 | | | | |
| DEBIT BALANCE IN | | | | | | | | | | | | | | | | |
| PROFIT & LOSS ACCOUNT | | | | | | | | | | | | | | | | |
| (Shareholders' Account) | 44460 | 30486 | 160170 | 95279 | 52713 | 34956 | | | 44214 | 31658 | 45281 | 39234 | 53710 | 22199 | 27601 | 20431 |
| Debit Balance in Policyholders' A/c | | | | | | | | | | | | | | | | |
| TOTAL | 443351 | 283841 | 1729260 | 956849 | 179432 | 108994 | 62595699 | 53139035 | 544195 | 299909 | 231794 | 131299 | 172069 | 63460 | 676319 | 354299 |

Note: Figure in brackets represents negative values

ANNUAL REPORT 2006-07

STATEMENT 6
(Rs. lakh)

| SBI-LIFE | | KOTAK MAHINDRA | | TATA-AIG LIFE | | MET-LIFE | | AVIVA | | SAHARA | | SHRIRAM | | BHARTI AXA | | TOTAL | |
|----------|--------|----------------|--------|---------------|--------|----------|--------|--------|--------|--------|-------|---------|-------|------------|------|----------|----------|
| 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| 50000 | 42500 | 33035 | 24437 | 54700 | 44700 | 53000 | 23500 | 75820 | 45870 | 15675 | 15662 | 12500 | 12500 | 15000 | 110 | 812361 | 589073 |
| | | | | | | 9100 | 9000 | | | | | | | | | 11974 | 900 |
| | | | | | | | | | | | | | | 3800 | 868 | 3800 | 868 |
| | | | | | | | | | | | | 1168 | 218 | | | 194 | 524 |
| (936) | 704 | 5204 | 5204 | | | 48 | 48 | | | 88 | 22 | 39 | 0 | (7) | | 7715 | 8719 |
| 49064 | 43204 | 38238 | 29641 | 54700 | 44700 | 62148 | 32548 | 75820 | 45870 | 15763 | 15683 | 13707 | 12718 | 18793 | 978 | 998405 | 661783 |
| | | | | | | 820 | 704 | | | | | | | | | 861 | 815 |
| (2079) | 3146 | 5 | 1505 | 436 | 1152 | | | | | 3 | | | | | | 6215855 | 6543917 |
| | | | | | | | | | | | | | | | | 3163 | |
| 241359 | 139128 | 40232 | 28151 | 100105 | 61239 | 21905 | 11463 | 3701 | 1537 | 2817 | 1585 | 1196 | 27 | 81 | | 53474819 | 45572388 |
| | | 363 | (4849) | | | | | | | | | | | | | 281038 | 279479 |
| 174954 | 24398 | 126454 | 75652 | 87227 | 37449 | 37152 | 7424 | 131861 | 65406 | 4769 | 1827 | 11003 | | 543 | | 6868044 | 2939883 |
| 414234 | 166671 | 167055 | 100458 | 187768 | 99840 | 59057 | 18887 | 135562 | 66943 | 7589 | 3412 | 12199 | 27 | 624 | | 66842919 | 55335668 |
| | | 1303 | 157 | 10798 | 4345 | 244 | | 2290 | 1707 | 33 | 29 | 18 | | | | 18 | |
| 463298 | 209875 | 206596 | 130255 | 253266 | 148885 | 122270 | 52139 | 213672 | 114520 | 23385 | 19125 | 25923 | 12745 | 19416 | 978 | 67899945 | 56026207 |
| 59152 | 44075 | 8538 | 6570 | 23747 | 16771 | 21961 | 9583 | 26249 | 18458 | 13301 | 12926 | 13630 | 12603 | 11544 | | 396371 | 282912 |
| 222713 | 136133 | 40269 | 29752 | 112057 | 67174 | 24049 | 11731 | 5460 | 1542 | 2987 | 1823 | 923 | 338 | 81 | | 52184567 | 45915582 |
| 174954 | 24398 | 127747 | 75798 | 86813 | 37308 | 36896 | 7424 | 132557 | 67111 | 4769 | 1539 | 11003 | | 543 | | 6890261 | 28290251 |
| | | 232 | 72 | 465 | 147 | 50 | 7 | | | | | | | | | 6310656 | 5513567 |
| 3789 | 2885 | 2428 | 1836 | 3567 | 4116 | 1704 | 2108 | 2383 | 1232 | 681 | 801 | 559 | 265 | 1069 | 349 | 215652 | 172450 |
| | | | | | | | | | | | | | | 658 | | 68 | 68 |
| | | | | | | | | | | | | | 2 | | | 600 | 2626 |
| 16151 | 9768 | 12486 | 5710 | 8270 | 7266 | 4154 | 2090 | 15183 | 7762 | 289 | 354 | 1489 | 903 | 139 | 140 | 1556972 | 1421411 |
| 14739 | 11950 | 4442 | 3432 | 11246 | 8309 | 4701 | 2793 | 5405 | 1418 | 779 | 734 | 2846 | 300 | 1790 | 371 | 2233003 | 1902266 |
| 30890 | 21718 | 16928 | 9142 | 19516 | 15575 | 8855 | 4882 | 20588 | 9180 | 1088 | 1088 | 4335 | 1202 | 1930 | 511 | 3789975 | 3322677 |
| 31015 | 22587 | 15517 | 8189 | 23405 | 15473 | 17373 | 6350 | 19058 | 15871 | 827 | 412 | 4395 | 1586 | 3749 | 540 | 901392 | 825644 |
| 150 | 95 | 710 | 267 | 62 | 62 | 495 | 319 | 1007 | 458 | 6 | 1 | 206 | 92 | 43 | | 1584557 | 1563249 |
| 31165 | 22683 | 16227 | 8457 | 23466 | 15536 | 17869 | 6669 | 20065 | 16329 | 883 | 413 | 4601 | 1678 | 3792 | 540 | 2485949 | 2388894 |
| (276) | (965) | 701 | 665 | (3950) | 39 | (9014) | (1786) | 523 | (7149) | 235 | 674 | (266) | (476) | (1863) | (29) | 1304026 | 934783 |
| | | | | | | | | | | | | | | | | 48 | 371 |
| 2966 | 3349 | 26681 | 15541 | 30567 | 23331 | 16545 | 15348 | 46501 | 33325 | 1412 | 1360 | | | 8043 | | 560862 | 366497 |
| | | | | | | 30079 | 7724 | | | | | 74 | 12 | | | 30153 | 7736 |
| 463298 | 209875 | 206596 | 130256 | 253266 | 148885 | 122270 | 52139 | 213672 | 114520 | 23385 | 19125 | 25923 | 12745 | 19416 | 978 | 67899945 | 56026207 |

**LIFE INSURANCE CORPORATION OF INDIA :
CAPITAL REDEMPTION AND ANNUITY CERTAIN BUSINESS
(NON PARTICIPATING)**

POLICY HOLDERS ACCOUNT

(Rs. Lakh)

| | 2006-07 | 2005-06 |
|---|--------------|--------------|
| Premiums earned (Net) | 1344 | 1266 |
| Profit/ Loss on sale/redemption of Investments | (20) | (27) |
| Change in Policy Liabilities | (1805) | (1793) |
| Others | 0 | 1 |
| Interest, Dividend & Rent –(Gross) | 871 | 722 |
| TOTAL (A) | 390 | 169 |
| Claims Incurred (Net) | 497 | 433 |
| Commission | 26 | 22 |
| Operating Expenses related to Insurance Business | 70 | 60 |
| Others- Amortizations, Write offs and Provisions | 15 | |
| Foreign Taxes | | |
| TOTAL (B) | 608 | 515 |
| Operating Profit/(Loss) C= (A - B) | (218) | (346) |
| APPROPRIATIONS | | |
| Transfer to Shareholders' Account | | |
| Transfer to Catastrophe Reserve | | |
| Transfer to Other Reserves | | |
| TOTAL (C) | (218) | (346) |

**LIFE INSURANCE CORPORATION OF INDIA :
CAPITAL REDEMPTION AND ANNUITY CERTAIN BUSINESS
(NON PARTICIPATING)**

SHARES HOLDERS ACCOUNT

(Rs. Lakh)

| | 2006-07 | 2005-06 |
|---|--------------|--------------|
| OPERATING PROFIT/(LOSS) | | |
| (a) Fire Insurance | | |
| (b) Marine Insurance | | |
| (C) Miscellaneous Insurance | (218) | (346) |
| INCOME FROM INVESTMENTS | | |
| (a) Interest, Dividend & Rent – Gross | | |
| (b) Profit on sale of investments | | |
| Less: Loss on sale of investments | | |
| OTHER INCOME | | |
| TOTAL (A) | (218) | (346) |
| PROVISIONS (Other than taxation) | | |
| (a) For diminution in the value of investments | | |
| (b) For doubtful debts | | |
| (C) Others | | |
| OTHER EXPENSES | | |
| (a) Expenses other than those related to Insurance Business | | |
| (b) Bad debts written off | | |
| (c) Others | | |
| TOTAL (B) | | |
| Profit Before Tax | (218) | (346) |
| Provision for Taxation | | |
| Profit after Tax | (218) | (346) |
| APPROPRIATIONS | | |
| (a) Interim dividends paid during the year | | |
| (b) Proposed final dividend | | |
| (c) Dividend distribution tax | | |
| (d) Transfer to any Reserves or Other Accounts | | |
| (e) Transfer to General Reserve | | |
| (f) Balance of profit/ loss brought forward from last year | | |
| (g) Balance carried forward to Balance Sheet | (218) | (346) |

**LIFE INSURANCE CORPORATION OF INDIA
CAPITAL REDEMPTION AND ANNUITY CERTAIN BUSINESS
(NON PARTICIPATING)**

BALANCE SHEET (As on 31st March)

(Rs. Lakh)

| | 2007 | 2006 |
|--|--------------|--------------|
| SOURCES OF FUNDS | | |
| Share Capital | | |
| Policy Liabilities | 13997 | 12411 |
| Reserves and Surplus | 36 | 36 |
| Fair value change account | 7 | 7 |
| Borrowings | | |
| TOTAL | 14040 | 12453 |
| APPLICATION OF FUNDS | | |
| Investments | 13211 | 10453 |
| Loans | | |
| Fixed Assets | | |
| Current Assets | | |
| Cash and Bank Balances | 4 | 1566 |
| Advances and Other Assets | 893 | 860 |
| Total Current Assets (A) | 897 | 2427 |
| Current Liabilities | 68 | 427 |
| Provisions | | |
| Total Current Liabilities (B) | 68 | 427 |
| Net Current Assets (C) = (A - B) | 829 | 2000 |
| Miscellaneous Expenditure (to the extent not written off) | | |
| Debit balance in Profit and Loss A/c | | |
| TOTAL | 14040 | 12453 |

STATEMENT 10

Policy Holders Account : Public Sector Non-Life Insurers

(Rs. Lakh)

| PARTICULARS | NEW INDIA | | | | | | ORIENTAL | | | | | | | | | |
|--|---------------|--------------|---------------|---------------|---------------|--------------|---------------|---------------|--------------|---------------|---------------|---------------|--------------|--------------|---------------|---------------|
| | 2006-07 | | 2005-06 | | 2006-07 | | 2005-06 | | 2006-07 | | 2005-06 | | | | | |
| | Fire | Misc | Fire | Misc | Fire | Misc | Fire | Misc | Fire | Misc | Fire | Misc | | | | |
| Premiums earned (Net) | 94184 | 16438 | 342890 | 453511 | 83088 | 16860 | 312151 | 412099 | 34153 | 15944 | 218980 | 269077 | 33763 | 13632 | 188189 | 235584 |
| Profit/ Loss on sale/redemption of Investments | 11040 | 3410 | 56864 | 71313 | 9564 | 3626 | 56750 | 69940 | 3303 | 1963 | 37883 | 43148 | 4586 | 2115 | 41550 | 48251 |
| Others | - | - | - | - | - | - | - | - | 29 | 30 | (67) | (8) | (71) | 2 | (61) | (131) |
| Interest, Dividend & Rent - Gross | 10514 | 3247 | 54155 | 67916 | 7935 | 3008 | 47083 | 58027 | 3083 | 1832 | 35362 | 40277 | 3243 | 1496 | 29385 | 34124 |
| TOTAL (A) | 115738 | 23094 | 453908 | 592741 | 100588 | 23494 | 415985 | 540066 | 40568 | 19769 | 292158 | 352495 | 41522 | 17244 | 259062 | 317828 |
| Claims Incurred (Net) | 56006 | 6230 | 302125 | 364361 | 60151 | 11525 | 291525 | 363201 | 15939 | 15584 | 204362 | 235886 | 23090 | 8531 | 174854 | 206474 |
| Commission | 7933 | 1423 | 29733 | 39089 | 7178 | 822 | 29628 | 37628 | (1315) | 424 | 10853 | 9962 | (1032) | 706 | 10666 | 10340 |
| Operating Expenses related to Insurance Business | 28432 | 5231 | 81596 | 115259 | 30556 | 5899 | 94234 | 130689 | 11340 | 5255 | 58828 | 75423 | 14160 | 6189 | 64727 | 85076 |
| Others- Amortizations, Write offs & Provisions | 36 | 11 | 183 | 230 | 606 | 230 | 3596 | 4432 | 106 | 63 | 1221 | 1391 | 143 | 66 | 1292 | 1500 |
| Foreign Taxes | 30 | 1 | 99 | 129 | 139 | 2 | 373 | 514 | - | - | - | - | - | - | - | - |
| TOTAL (B) | 92436 | 12896 | 413736 | 519068 | 98630 | 18478 | 419356 | 536464 | 26070 | 21326 | 275265 | 322661 | 36361 | 15491 | 251538 | 303390 |
| Operating Profit/(Loss) from Fire/Marine/Miscellaneous Business C= (A - B) | 23302 | 10199 | 40172 | 73673 | 1957 | 5016 | (3371) | 3602 | 14498 | (1558) | 16893 | 29834 | 5161 | 1753 | 7524 | 14438 |
| APPROPRIATIONS | | | | | | | | | | | | | | | | |
| Transfer to Shareholders' Account | 23302 | 10199 | 40172 | 73673 | 1957 | 5016 | (3371) | 3602 | 14498 | (1558) | 16893 | 29834 | 5161 | 1753 | 7524 | 14438 |
| Transfer to Catastrophe Reserve | | | | | | | | | | | | | | | | |
| Transfer to Other Reserves | | | | | | | | | | | | | | | | |
| TOTAL (C) | 23302 | 10199 | 40172 | 73673 | 1957 | 5016 | (3371) | 3602 | 14498 | (1558) | 16893 | 29834 | 5161 | 1753 | 7524 | 14438 |

Figures in brackets indicate negative amounts

Contd...

Policy Holders Account : Public Sector Non-Life Insurers

(Rs. Lakh)

| PARTICULARS | NATIONAL | | | | | | UNITED | | | | | | TOTAL | | | | | |
|--|--------------|---------------|---------------|---------------|--------------|--------------|----------------|----------------|--------------|---------------|---------------|---------------|--------------|--------------|---------------|---------------|----------------|----------------|
| | 2006-07 | | 2005-06 | | 2006-07 | | 2005-06 | | 2006-07 | | 2005-06 | | 2006-07 | 2005-06 | | | | |
| | Fire | Misc | Fire | Misc | Fire | Misc | Fire | Misc | Fire | Misc | Fire | Misc | Total | Total | | | | |
| Premiums earned (Net) | 33836 | 10235 | 232685 | 276757 | 35727 | 11876 | 228715 | 276317 | 41867 | 10531 | 184926 | 237324 | 40808 | 10656 | 167969 | 219433 | 1236669 | 1143433 |
| Profit/Loss on sale/redemption of Investments | 3892 | 1402 | 38774 | 44069 | 3252 | 1613 | 36639 | 41505 | 3634 | 1923 | 39161 | 44718 | 4933 | 2268 | 47458 | 54659 | 203249 | 214355 |
| Others | - | - | - | - | - | - | 75 | 75 | (1) | (13) | 64 | 50 | (10) | 365 | 56 | 412 | 43 | 355 |
| Interest, Dividend & Rent - Gross | 3654 | 1317 | 36403 | 41374 | 2896 | 1437 | 32632 | 36965 | 3568 | 1888 | 38446 | 43902 | 3932 | 1808 | 37827 | 43567 | 193470 | 172683 |
| TOTAL (A) | 41383 | 12955 | 307863 | 362200 | 41875 | 14926 | 298061 | 354862 | 49069 | 14329 | 262597 | 325995 | 49663 | 15097 | 253310 | 318070 | 1633430 | 1530826 |
| Claims Incurred (Net) | 20645 | 10085 | 208692 | 239422 | 24658 | 8560 | 249815 | 283033 | 31486 | 10886 | 171834 | 214206 | 18079 | 7268 | 178930 | 204277 | 1053875 | 1056985 |
| Commission | (2672) | 566 | 13510 | 11405 | 1323 | 501 | 12231 | 14055 | (1073) | (358) | 8207 | 6776 | (1401) | 220 | 7579 | 6398 | 67232 | 68421 |
| Operating Expenses related to Insurance Business | 11076 | 3406 | 66065 | 80547 | 13145 | 3369 | 71747 | 88261 | 18041 | 5161 | 66243 | 89445 | 20988 | 4913 | 71765 | 97666 | 360674 | 401692 |
| Others- Amortizations, Write offs & Provisions | 2 | 6203 | 6205 | 27 | 27 | 3 | - | 29 | 331 | 175 | 3567 | 4073 | 422 | 194 | 4059 | 4675 | 11898 | 10636 |
| Foreign Taxes | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 129 | 514 |
| TOTAL (B) | 29050 | 14058 | 294470 | 337578 | 39153 | 12433 | 333793 | 385379 | 48785 | 15864 | 249851 | 314500 | 38089 | 12594 | 262333 | 313015 | 1493808 | 1538249 |
| Operating Profit/(Loss) from Fire/Marine/Miscellaneous Business C= (A - B) | 12332 | (1103) | 13393 | 24622 | 2722 | 2493 | (35732) | (30517) | 283 | (1535) | 12746 | 11495 | 11574 | 2503 | (9022) | 5055 | 139622 | (7423) |
| APPROPRIATIONS | | | | | | | | | | | | | | | | | | |
| Transfer to Shareholders' Account | 12332 | (1103) | 13393 | 24622 | 2722 | 2493 | (35732) | (30517) | 283 | (1535) | 12746 | 11495 | 11574 | 2503 | (9022) | 5055 | 139622 | (7423) |
| Transfer to Catastrophe Reserve | | | | | | | | | | | | | | | | | | |
| Transfer to Other Reserves | | | | | | | | | | | | | | | | | | |
| TOTAL (C) | 12332 | (1103) | 13393 | 24622 | 2722 | 2493 | (35732) | (30517) | 283 | (1535) | 12746 | 11495 | 11574 | 2503 | (9022) | 5055 | 139622 | (7423) |

Figures in brackets indicate negative amounts

Share Holders Account : Public Sector Non-Life Insurers

(Rs. Lakh)

| PARTICULARS | NEWINDIA | | ORIENTAL | | NATIONAL | | UNITED | | TOTAL | |
|---|---------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|---------------|---------------|
| | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 |
| | | | | | | | | | | |
| OPERATING PROFIT/(LOSS) | | | | | | | | | | |
| (a) Fire Insurance | 23302 | 1957 | 14498 | 5161 | 12332 | 2722 | 283 | 11574 | 50415 | 21414 |
| (b) Marine Insurance | 10199 | 5016 | (1558) | 1753 | (1103) | 2493 | (1535) | 2503 | 6003 | 11765 |
| (c) Miscellaneous Insurance | 40172 | (3371) | 16893 | 7524 | 13393 | (35732) | 12746 | (9022) | 83204 | (40601) |
| | 73673 | 3602 | 29834 | 14438 | 24622 | (30517) | 11495 | 5055 | 139623 | (7422) |
| INCOME FROM INVESTMENTS | | | | | | | | | | |
| (a) Interest, Dividend & Rent – Gross | 42086 | 36424 | 15732 | 12169 | 9702 | 10602 | 21206 | 18547 | 88726 | 77742 |
| (b) Profit on sale of investments | 44265 | 43909 | 16874 | 17207 | 10334 | 11918 | 21600 | 23278 | 93073 | 96312 |
| Less : Loss on sale of investments | (74) | (6) | (21) | - | - | (14) | - | (9) | (95) | (29) |
| | 1509 | 3864 | 653 | 671 | 1332 | 1095 | (299) | 393 | 3196 | 6023 |
| TOTAL (A) | 161459 | 87793 | 63071 | 44485 | 45991 | (6917) | 54001 | 47264 | 324523 | 172626 |
| PROVISIONS (Other than taxation) | | | | | | | | | | |
| (a) For diminution in the value of investments | 321 | 108 | 12 | (216) | (751) | (3029) | 23 | (19) | (396) | (3156) |
| (b) For doubtful debts | (313) | 172 | (437) | 10527 | (49) | 729 | 569 | 789 | (231) | 12218 |
| (c) Others | 135 | 2502 | 305 | 283 | - | - | - | - | 440 | 2785 |
| OTHER EXPENSES | | | | | | | | | | |
| (a) Expenses other than those related to Insurance Business | - | - | - | - | 181 | 151 | 64 | 50 | 245 | 201 |
| (b) Bad debts written off | - | - | 2 | 4 | - | - | - | - | 2 | 4 |
| (c) Others | (76) | (546) | 226 | 467 | 1027 | 1196 | 1312 | 1170 | 2489 | 2287 |
| | 66 | 2236 | 108 | 11066 | 408 | (953) | 1967 | 1990 | 2549 | 14339 |
| TOTAL (B) | | | | | | | | | | |
| Profit Before Tax | 161393 | 85557 | 62964 | 33419 | 45583 | (5964) | 52034 | 45274 | 321974 | 158286 |
| Provision for Taxation | 15398 | 13919 | 13237 | 5028 | 3455 | 4661 | (852) | 2751 | 31238 | 26359 |
| Profit after Tax | 145995 | 71638 | 49727 | 28392 | 42128 | (10625) | 52886 | 42523 | 290736 | 131927 |
| APPROPRIATIONS | | | | | | | | | | |
| (a) Interim dividends paid during the year | | | | | | | | | | |
| (b) Proposed final dividend | 29200 | 13000 | 10000 | 5000 | 8361 | - | 10577 | 8600 | 58139 | 26600 |
| (c) Dividend distribution tax | 4963 | 1823 | 1700 | 701 | 1421 | - | 1798 | 1206 | 9881 | 3731 |
| (d) Transfer to any Reserves or Other Accounts | | | | | | | | | | |
| Transfer to General Reserve | 111832 | 56815 | 38027 | 22690 | 32345 | (10625) | 40511 | 32717 | 222716 | 101597 |
| Balance of Profit / Loss B/f from last year | | | | | | | | | | |
| Balance C/f to Balance Sheet | | | | | | | | | | |

Figures in brackets indicate negative amounts

Balance Sheet : Public Sector Non-Life Insurers (As on 31st March)

(Rs. Lakh)

| SOURCES OF FUNDS | NEW INDIA | | ORIENTAL | | NATIONAL | | UNITED | | TOTAL | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 |
| Share Capital | 20000 | 20000 | 10000 | 10000 | 10000 | 10000 | 15000 | 10000 | 55000 | 50000 |
| Reserves & Surplus | 582016 | 460803 | 192579 | 154552 | 133348 | 101002 | 260991 | 225740 | 1168934 | 942097 |
| Fair Value Change Account | 1094835 | 1221127 | 583314 | 670703 | 592101 | 681624 | 403248 | 495752 | 2673499 | 3069206 |
| Borrowings | | | | | | | | | | |
| Deferred Tax Liability | | | | | | | | | | |
| TOTAL | 1696851 | 1701930 | 785894 | 835255 | 735449 | 792626 | 679239 | 731492 | 3897432 | 4061304 |
| APPLICATION OF FUNDS | | | | | | | | | | |
| Investments | 2107007 | 2066526 | 1086973 | 1126268 | 1063780 | 1094224 | 1059930 | 1080409 | 5317689 | 5367427 |
| Loans | 74545 | 78652 | 41083 | 43269 | 41721 | 45913 | 58675 | 62982 | 216025 | 230815 |
| Fixed Assets | 13265 | 12106 | 7364 | 8460 | 6000 | 6758 | 9841 | 7067 | 36468 | 34391 |
| Deferred Tax Assets | 4056 | 6175 | - | - | - | - | 222 | - | 4278 | 6175 |
| CURRENT ASSETS | | | | | | | | | | |
| Cash & Bank Balance | 316227 | 305971 | 148499 | 102676 | 103139 | 97149 | 84974 | 89048 | 652840 | 594844 |
| Advances and Other Assets | 224597 | 223012 | 108542 | 73831 | 145448 | 136601 | 114276 | 116631 | 592863 | 550076 |
| Sub-Total (A) | 540824 | 528983 | 257041 | 176507 | 248587 | 233750 | 199250 | 205680 | 1245703 | 1144920 |
| CURRENT LIABILITIES | | | | | | | | | | |
| Provisions | 287128 | 287154 | 199543 | 174972 | 170119 | 152357 | 175932 | 153623 | 832721 | 768105 |
| Sub-Total (B) | 1047606 | 1000628 | 611418 | 529548 | 630641 | 600186 | 648679 | 624646 | 2938344 | 2755008 |
| Net Current Assets (C) = (A-B) | (506782) | (471645) | (354377) | (353040) | (382054) | (366436) | (449429) | (418966) | (1692642) | (1610088) |
| Misc. Expenditure (to the extent not written off or adjusted) | 4761 | 10116 | 4851 | 10298 | 6002 | 12168 | - | - | 15614 | 32583 |
| Profit & Loss Account (Debit Balance) | | | | | | | | | | |
| TOTAL | 1696851 | 1701930 | 785894 | 835255 | 735449 | 792626 | 679239 | 731492 | 3897432 | 4061304 |

Policy Holders Account : Private Sector Non-Life Insurers

| PARTICULARS | ROYAL SUNDARAM | | | BAJAJ ALLIANZ | | | | | | |
|--|----------------|------------|-----------------------|---------------|--------------|-----------------------|---------------|--------------|--------------|--------------|
| | Fire | Marine | Misc. 2006-07 2005-06 | Fire | Marine | Misc. 2006-07 2005-06 | | | | |
| Premiums earned (Net) | 2920 | 823 | 29614 | 33358 | 24944 | 9382 | 2674 | 71797 | 83853 | 58637 |
| Profit/ Loss on sale/redemption of Investments | 5 | 2 | 58 | 66 | 70 | 188 | 36 | 683 | 908 | 382 |
| Others | | | 3 | 3 | 3 | (84) | (5) | 201 | 112 | 705 |
| Interest, Dividend & Rent – Gross | 179 | 75 | 1976 | 2230 | 1337 | 1377 | 265 | 5002 | 6644 | 2893 |
| TOTAL (A) | 3105 | 900 | 31651 | 35657 | 26354 | 10863 | 2970 | 77683 | 91517 | 62616 |
| Claims Incurred (Net) | 542 | 619 | 19213 | 20374 | 16166 | 5009 | 3727 | 46828 | 55563 | 40999 |
| Commission | (1642) | (230) | 1775 | (97) | (619) | (6968) | (124) | (772) | (7864) | (6222) |
| Operating Expenses related to Insurance Business | 2324 | 318 | 10998 | 13640 | 10481 | 4903 | 1270 | 28452 | 34625 | 20864 |
| Premium Deficiency | | | | | | | 387 | (487) | (100) | 293 |
| TOTAL (B) | 1224 | 706 | 31987 | 33916 | 26028 | 2943 | 5260 | 74021 | 82223 | 55934 |
| Operating Profit/(Loss) C= (A - B) | 1881 | 194 | (335) | 1740 | 325 | 7921 | (2289) | 3663 | 9294 | 6682 |
| APPROPRIATIONS | | | | | | | | | | |
| Transfer to Shareholders' Account | 1881 | 194 | (335) | 1740 | 325 | 7921 | (2289) | 3663 | 9294 | 6682 |
| Transfer to Catastrophe Reserve | | | | | | | | | | |
| Transfer to Other Reserves | | | | | | | | | | |
| TOTAL (C) | 1881 | 194 | (335) | 1740 | 325 | 7921 | (2289) | 3663 | 9294 | 6682 |

Note : Figures in brackets indicates negative amounts

Contd...

Policy Holders Account : Private Sector Non-Life Insurers

(Rs. lakh)

| PARTICULARS | TATAAIG | | | RELIANCE | | |
|--|--------------|--------------|--------------|--------------|--------------|---------------|
| | Fire | Marine | Misc. | 2006-07 | 2005-06 | Misc. |
| Premiums earned (Net) | 1489 | 3099 | 33576 | 38165 | 28556 | 21412 |
| Profit/ Loss on sale/redemption of Investments | 15 | 28 | 252 | 295 | 385 | 398 |
| Others | 14 | 4 | 45 | 63 | 101 | 5 |
| Interest, Dividend & Rent – Gross | 176 | 195 | 1753 | 2124 | 1794 | 994 |
| TOTAL (A) | 1695 | 3327 | 35625 | 40647 | 30835 | 22809 |
| Claims Incurred (Net) | 635 | 2552 | 17524 | 20711 | 16015 | 14951 |
| Commission | (2778) | (127) | 1961 | (944) | (2102) | (4001) |
| Operating Expenses related to Insurance Business | 1589 | 1386 | 16379 | 19355 | 15113 | 16555 |
| Premium Deficiency | | | | | | |
| TOTAL (B) | (554) | 3812 | 35864 | 39121 | 29026 | 27506 |
| Operating Profit/(Loss) C= (A - B) | 2249 | (485) | (239) | 1525 | 1809 | (4697) |
| APPROPRIATIONS | | | | | | |
| Transfer to Shareholders' Account | 2249 | (485) | (239) | 1525 | 1809 | (4697) |
| Transfer to Catastrophe Reserve | | | | | | |
| Transfer to Other Reserves | | | | | | |
| TOTAL (C) | 2249 | (485) | (239) | 1525 | 1809 | (4697) |

Note : Figures in brackets indicates negative amounts

Contd...

Policy Holders Account : Private Sector Non-Life Insurers

(Rs. lakh)

| PARTICULARS | IFFCO TOKIO | | | ICICI LOMBARD | | | | |
|--|-------------|---------------|--------------|---------------|----------------|-------------|---------------|--------------|
| | Fire | Marine | Misc. | 2006-07 | 2005-06 | Misc. | 2006-07 | 2005-06 |
| Premiums earned (Net) | 5481 | 3035 | 46244 | 54760 | 34598 | 98459 | 106665 | 52768 |
| Profit/ Loss on sale/redemption of Investments | 13 | 11 | 92 | 116 | 54 | 2439 | 2633 | 3189 |
| Others | | | 7 | 7 | 3 | (123) | (133) | (49) |
| Interest, Dividend & Rent – Gross | 380 | 334 | 2699 | 3412 | 2180 | 69 | 5337 | 2076 |
| TOTAL (A) | 5874 | 3380 | 49042 | 58295 | 36835 | 7458 | 114502 | 57983 |
| Claims Incurred (Net) | 2592 | 4222 | 33045 | 39859 | 24407 | 1156 | 81384 | 38925 |
| Commission | (5624) | 43 | 1428 | (4152) | (4011) | (9339) | (19048) | (12573) |
| Operating Expenses related to Insurance Business | 5209 | 2289 | 12975 | 20473 | 15289 | 2565 | 49873 | 29827 |
| Premium Deficiency | | | | | 50 | | | |
| TOTAL (B) | 2177 | 6555 | 47448 | 56180 | 56180 | 73 | 112210 | 56180 |
| Operating Profit/(Loss) C= (A - B) | 3697 | (3175) | 1593 | 2115 | (19345) | 7385 | 2292 | 1804 |
| APPROPRIATIONS | | | | | | | | |
| Transfer to Shareholders' Account | 3697 | (3175) | 1593 | 2115 | (19345) | 7385 | (3889) | 1804 |
| Transfer to Catastrophe Reserve | | | | | | | | |
| Transfer to Other Reserves | | | | | | | | |
| TOTAL (C) | 3697 | (3175) | 1593 | 2115 | (19345) | 7385 | (3889) | 1804 |

Note : Figures in brackets indicates negative amounts

Contd...

Policy Holders Account : Private Sector Non-Life Insurers

(Rs. lakh)

| PARTICULARS | CHOLAMANDALAM | | | | HDFCCHUBB | | | | TOTAL | | | |
|--|---------------|--------------|---------------|--------------|--------------|------------|---------------|--------------|--------------|-----------------|---------------|---------------|
| | Fire | Marine | Misc. 2006-07 | 2005-06 | Fire | Marine | Misc. 2006-07 | 2005-06 | | 2006-07 2005-06 | | |
| Premiums earned (Net) | 3180 | 709 | 8839 | 12728 | 8840 | 157 | 96 | 13776 | 14029 | 13835 | 367983 | 227575 |
| Profit/ Loss on sale/redemption of Investments | 12 | 2 | 18 | 32 | 36 | 1 | 0 | 23 | 24 | 12 | 4557 | 4181 |
| Others | 9 | 1 | 2 | 11 | 45 | 21 | (1) | (144) | (125) | 55 | (57) | 863 |
| Interest, Dividend & Rent – Gross | 327 | 64 | 524 | 915 | 659 | 23 | 6 | 727 | 756 | 720 | 22632 | 12071 |
| TOTAL (A) | 3528 | 776 | 9383 | 13687 | 9580 | 201 | 101 | 14382 | 14684 | 14622 | 395115 | 244690 |
| Claims Incurred (Net) | 894 | 892 | 5291 | 7077 | 6893 | 118 | 75 | 7810 | 8003 | 7973 | 250289 | 154822 |
| Commission | (1229) | (301) | (585) | (2115) | (2172) | (234) | (12) | 730 | 484 | 780 | (41679) | (28312) |
| Operating Expenses related to Insurance Business | 2073 | 667 | 5209 | 7949 | 5713 | 153 | 93 | 6149 | 6395 | 5767 | 170401 | 105779 |
| Premium Deficiency | | 24 | | 24 | | | | | | | (76) | 343 |
| TOTAL (B) | 1738 | 1282 | 9915 | 12934 | 10434 | 37 | 156 | 14689 | 14882 | 14521 | 378935 | 232632 |
| Operating Profit/(Loss) C= (A - B) | 1790 | (506) | (532) | 752 | (854) | 164 | (55) | (308) | (198) | 101 | 16180 | 12059 |
| APPROPRIATIONS | | | | | | | | | | | | |
| Transfer to Shareholders' Account | 1790 | (506) | (532) | 752 | (854) | 164 | (55) | (308) | (198) | 101 | 16180 | 12059 |
| Transfer to Catastrophe Reserve | | | | | | | | | | | | |
| Transfer to Other Reserves | | | | | | | | | | | | |
| TOTAL (C) | 1790 | (506) | (532) | 752 | (854) | 164 | (55) | (308) | (198) | 101 | 16180 | 12059 |

Note : Figures in brackets indicates negative amounts

Share Holders Account : Private Sector Non-Life Insurers

(Rs Lakh)

| PARTICULARS | ROYAL | BAJAJ | TATAAIG | RELIANCE | IFFCO TOKIO | ICICI-LOMBARD | CHOLAMANDALAM | HDFC GENERAL | TOTAL | | | | | | | | | | |
|---|-----------------------------|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|-------------|-------------|--------------|---------------|---------------|---------------|--------------|--------------|----|
| | SUNDARAM 2006-07 2005-06 | ALLIANZ 2006-07 2005-06 | 2006-07 2005-06 | 2006-07 2005-06 | 2006-07 2005-06 | 2006-07 2005-06 | 2006-07 2005-06 | 2006-07 2005-06 | 2006-07 2005-06 | | | | | | | | | | |
| OPERATING PROFIT/(LOSS) | | | | | | | | | | | | | | | | | | | |
| (a) Fire Insurance | 1881 | 7921 | 2249 | 2808 | 3697 | 4600 | 7385 | 4813 | 1790 | 164 | (66) | 28663 | 18723 | | | | | | |
| (b) Marine Insurance | 194 | (2289) | (485) | (367) | (3175) | (1278) | (1204) | (1204) | (506) | (345) | (55) | (7739) | (4419) | | | | | | |
| (c) Miscellaneous Insurance | (335) | 3663 | (239) | (632) | 1593 | (2222) | (3889) | (1806) | (532) | (440) | (308) | 187 | (4744) | (2245) | | | | | |
| INCOME FROM INVESTMENTS | | | | | | | | | | | | | | | | | | | |
| (a) Interest, Dividend & Rent - | | | | | | | | | | | | | | | | | | | |
| Gross | 963 | 2051 | 1526 | 1149 | 918 | 2109 | 1316 | 3918 | 1468 | 605 | 573 | 662 | 602 | 12904 | 7675 | | | | |
| (b) Profit on sale of investments | 29 | 326 | 260 | 255 | 428 | 118 | 72 | 33 | 1933 | 2256 | 21 | 36 | 21 | 10 | 3089 | 2909 | | | |
| Less : Loss on sale of investments | (0) | (46) | (197) | (234) | | (98) | (40) | | | | (5) | | | | (341) | (315) | | | |
| Other Income | 1 | 295 | 23 | 73 | 86 | 1 | 27 | 20 | 0 | | | (153) | (152) | 298 | 508 | | | | |
| TOTAL (A) | 2733 | 1030 | 11920 | 8376 | 3137 | 3053 | 244 | 2128 | 4322 | 2449 | 8065 | 5488 | 1379 | (250) | 331 | 561 | 32130 | 22836 | |
| Provisions (Other than taxation) | | | | | | | | | | | | | | | | | | | |
| (a) For diminution in the value of investments | | | 43 | 239 | | | | | | | | | | | | | 43 | 239 | |
| (b) For doubtful debts | | | | | | | | | | | | | | | | | | | |
| (c) Others | | | | | | | | | | | | | | | | | | (209) | |
| OTHER EXPENSES | | | | | | | | | | | | | | | | | | | |
| (a) Expenses other than those related to Insurance Business | 7 | 15 | 217 | 175 | (2) | 127 | 20 | 21 | 76 | 39 | 53 | 35 | | | 81 | 81 | 452 | 494 | |
| (b) Bad debts written off | | | | | | | | | | | | | | | | | | | |
| (c) Others - preliminary & pre-operative amortizations | 8 | | | 18 | | | | | | | | | | | | | | 8 | 18 |
| TOTAL (B) | 15 | 15 | 217 | 193 | (168) | 366 | 20 | 21 | 76 | 39 | 53 | 35 | 81 | 81 | 81 | 81 | 294 | 751 | |
| Profit Before Tax | 2718 | 1015 | 11703 | 8183 | 3305 | 2687 | 224 | 2107 | 4246 | 2410 | 8012 | 5453 | 1379 | (250) | 250 | 480 | 31836 | 22085 | |
| Provision for Taxation | 600 | 151 | 4166 | 3026 | 1148 | 1326 | 61 | 671 | 1533 | 948 | 1176 | 422 | 130 | 62 | 50 | 39 | 8863 | 6646 | |
| Profit After Tax | 2119 | 863 | 7537 | 5156 | 2157 | 1360 | 162 | 1437 | 2713 | 1462 | 6836 | 5031 | 1249 | (312) | 200 | 441 | 22973 | 15438 | |
| APPROPRIATIONS | | | | | | | | | | | | | | | | | | | |
| (a) Interim dividends paid during the year | | | | | | | | | | | | | | | | | | | |
| (b) Proposed final dividend | | | | | | | | | | | | | | | | | | | |
| (c) Dividend distribution tax | | | | | | | | | | | | | | | | | | | |
| (d) Transfer to any Reserves or Deferred Tax of last year | | | | | | | | | | | | | | | | | | | |
| (e) catastrophe Reserve | | | | | | | | | | | | | | | | | | | |
| Balance of profit/ loss Bif from last year | (1875) | (2738) | 12036 | 6879 | (277) | (1638) | 5078 | 3641 | 2979 | 2520 | 5320 | 2940 | (1571) | (1259) | (3210) | (3651) | 18479 | 6695 | |
| Balance C/f to Balance Sheet | 244 | (1875) | 19573 | 12036 | 1880 | (277) | 5240 | 5077 | 4662 | 2979 | 6816 | 5320 | (323) | (1571) | (3010) | (3210) | 35424 | 18478 | |

Note : Figures in brackets indicates negative amounts

Balance Sheet : Private Sector Non-Life Insurers (As on 31st March)

(Rs. Lakh)

| SOURCES OF FUNDS | ROYAL SUNDARAM | | BAJAJ ALLIANZ | | TATA AIG | | RELIANCE | | IFFCO-TOKIO | | ICICI-LOMBARD | | CHOLAMANDALAM | | HDFC GENERAL | | TOTAL | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|----------------|-----------------|-----------------|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | | 2007 |
| Share Capital | 14000 | 14000 | 11013 | 11005 | 22500 | 19500 | 10307 | 10200 | 22000 | 22000 | 33571 | 24500 | 14196 | 14196 | 12491 | 12474 | 140078 | 127875 |
| Reserves & Surplus | 244 | | 29328 | 15702 | 1880 | | 15633 | 5078 | 7674 | 5990 | 45700 | 12792 | | | 6 | 2 | 100459 | 39562 |
| Fair Value Change Account | 1 | | 816 | 967 | 162 | 680 | 98 | 442 | | | (1241) | 4386 | (77) | | | | (237) | 6477 |
| Borrowings | | 3 | | | | | | | | | | | | | 204 | 16 | 204 | 19 |
| Others | | | | | | | | | | 15000 | | | | | | | | |
| Deferred Tax Liability | | | | | 44 | | | | | | | | | | 6 | | | |
| TOTAL | 14244 | 14004 | 41157 | 27674 | 24542 | 20225 | 26038 | 15719 | 29674 | 27990 | 93029 | 41678 | 14119 | 14196 | 12706 | 12491 | 240504 | 173933 |
| APPLICATION OF FUNDS | | | | | | | | | | | | | | | | | | |
| Investments | 46466 | 36650 | 130041 | 75802 | 52834 | 43204 | 63315 | 21934 | 47381 | 36305 | 171047 | 90646 | 25435 | 21598 | 17814 | 18682 | 554333 | 344821 |
| Loans | | | | | | 1 | | | | | | | | | | | 0 | 1 |
| Fixed Assets | 1463 | 1307 | 4978 | 3530 | 2953 | 2485 | 2889 | 341 | 1643 | 1608 | 8694 | 4730 | 1148 | 802 | 1458 | 909 | 25224 | 15712 |
| Deferred Tax Asset | | | 1001 | 536 | 77 | 85 | 9 | 160 | 737 | 1232 | 561 | | | | | | 2555 | 1843 |
| CURRENT ASSETS | | | | | | | | | | | | | | | | | | |
| Cash and Bank Balances | 5161 | 3348 | 22404 | 9810 | 5281 | 3619 | 1815 | 1084 | 27956 | 27951 | 34790 | 10779 | 3062 | 1330 | 2310 | 1541 | 102778 | 59462 |
| Advances and Other Assets | 4827 | 3634 | 11183 | 16651 | 11309 | 9938 | 5502 | 2108 | 12466 | 9578 | 79642 | 57193 | 3963 | 2210 | 2622 | 1980 | 131514 | 103292 |
| Sub-Total (A) | 9988 | 6982 | 33587 | 26461 | 16590 | 13557 | 7317 | 3192 | 40422 | 37530 | 114432 | 67972 | 7025 | 3540 | 4932 | 3521 | 234293 | 62755 |
| CURRENT LIABILITIES | | | | | | | | | | | | | | | | | | |
| Provisions | 21186 | 15604 | 58280 | 37844 | 23351 | 19565 | 29759 | 3568 | 30836 | 27513 | 77674 | 39137 | 9450 | 5830 | 6821 | 7538 | 257357 | 561598 |
| Sub-Total (B) | 43673 | 32809 | 128449 | 78655 | 47911 | 39300 | 47568 | 9756 | 59932 | 48190 | 202375 | 122231 | 19812 | 13315 | 14543 | 13930 | 564263 | 358187 |
| NET CURRENT | | | | | | | | | | | | | | | | | | |
| ASSETS (C) = (A - B) | (33685) | (25827) | (94862) | (52194) | (31322) | (25743) | (40251) | (6564) | (19510) | (10660) | (87943) | (54258) | (12787) | (9775) | (9612) | (10410) | (329970) | (195632) |
| Misc. Expenditure (to the extent not written off or adjusted) | | | | | | | | | | | | | | | 35 | 99 | 35 | 99 |
| Profit & Loss Account (Debit Balance) | | 1875 | | | | 277 | | | | | | | | | | | | |
| TOTAL | 14244 | 14004 | 41157 | 27674 | 24542 | 20225 | 26038 | 15719 | 29674 | 27990 | 93029 | 41678 | 14119 | 14196 | 12706 | 12491 | 255510 | 173977 |

Note : Figures in brackets indicates negative amounts

**GENERAL INSURANCE CORPORATION (GIC)
POLICY HOLDER ACCOUNT**

(Rs. Lakh)

| | 2006-07 | | | | | 2005-06 | | | | |
|---|---------------|---------------|---------------|------------|---------------|---------------|--------------|----------------|------------|----------------|
| | Fire | Marine | Misc | Life | Total | Fire | Marine | Misc | Life | Total |
| Premiums earned (<i>Net</i>) | 145412 | 28112 | 352705 | 151 | 526380 | 127344 | 33484 | 284925 | 131 | 445884 |
| Profit/ Loss on sale/redemption of Investments | 10737 | 4016 | 39765 | 5 | 54523 | 10279 | 4533 | 35256 | | 50067 |
| Others | 1646 | (546) | (1199) | (0) | (98) | (38) | 30 | 82 | (0) | 74 |
| Interest, Dividend & Rent – Gross | 13528 | 5060 | 50105 | 7 | 68700 | 12247 | 5401 | 42008 | 6 | 59661 |
| TOTAL (A) | 171323 | 36643 | 441377 | 163 | 649505 | 149832 | 43447 | 362270 | 136 | 555686 |
| Claims Incurred (<i>Net</i>) | 105171 | 34497 | 222532 | 71 | 362271 | 92767 | 31877 | 332615 | 48 | 457307 |
| Commission | 58681 | 10014 | 98317 | 0 | 167012 | 41505 | 7387 | 61379 | 22 | 110293 |
| Operating Expenses related to Insurance Business Foreign Taxes | 1423 | 263 | 3124 | 1 | 4811 | 1521 | 243 | 2746 | 23 | 4533 |
| TOTAL (B) | 165275 | 44775 | 323972 | 73 | 534094 | 135793 | 39507 | 396741 | 93 | 572133 |
| Operating Profit/(Loss) C = (A - B) | 6047 | (8132) | 117405 | 90 | 115410 | 14039 | 3940 | (34470) | 43 | (16448) |
| APPROPRIATIONS | | | | | | | | | | |
| Transfer to Shareholders' Account | 6047 | (8132) | 117405 | 90 | 115410 | 14039 | 3940 | (34470) | 43 | (16448) |
| Transfer to Catastrophe Reserve | | | | | | | | | | |
| Transfer to Other Reserves | | | | | | | | | | |
| TOTAL (C) | 6047 | (8132) | 117405 | 90 | 115410 | 14039 | 3940 | (34470) | 43 | (16448) |

Note : Figures in brackets indicate negative values

**GENERAL INSURANCE CORPORATION (GIC)
SHARE HOLDERS ACCOUNT**

(Rs. Lakh)

| PARTICULARS | 2006-07 | 2005-06 |
|---|---------------|--------------|
| OPERATING PROFIT/(LOSS) | | |
| (a) Fire Insurance | 6047 | 14039 |
| (b) Marine Insurance | (8132) | 3940 |
| (c) Miscellaneous Insurance | 117405 | (34470) |
| (d) Life Insurance | 90 | 43 |
| | 115410 | (16448) |
| INCOME FROM INVESTMENTS | | |
| (a) Interest, Dividend & Rent – Gross | 34529 | 33868 |
| (b) Profit on sale of investments | 27403 | 28424 |
| Less: Loss on sale of investments | | |
| OTHER INCOME | 5694 | 458 |
| TOTAL (A) | 183036 | 46302 |
| PROVISIONS (Other than taxation) | | |
| (a) For diminution in the value of investments | 1793 | 374 |
| (b) For doubtful debts | (1339) | (4750) |
| (c) Others | 3636 | 6384 |
| OTHER EXPENSES | | |
| (a) Expenses other than those related Insurance business | | |
| (b) Bad debts written off | | |
| (c) Others | | |
| TOTAL (B) | 4090 | 2008 |
| Profit before Tax | 178946 | 44294 |
| Provision for Taxation | 25811 | (15558) |
| Profit after Tax | 153134 | 59852 |
| APPROPRIATIONS | | |
| (a) Interim dividends paid during the year | | |
| (b) Proposed final dividend | 30960 | 8600 |
| (c) Dividend distribution tax | 5262 | 1206 |
| (d) Transfer to any Reserves or other Accounts | | |
| (e) Transfer to General Reserve | 116910 | 50050 |
| (f) Balance of Profit / Loss B/f from last year | 2 | 6 |
| (g) Balance c/f to Balance Sheet | 5 | 2 |

Note : Figures in brackets indicate negative values

GENERAL INSURANCE CORPORATION (GIC)
BALANCE SHEET (as on 31 st MARCH)

(Rs. Lakh)

| SOURCES OF FUNDS | 2007 | 2006 |
|--|-----------------|-----------------|
| Share Capital | 43000 | 43000 |
| Reserves & Surplus | 549826 | 432913 |
| Fair Value Change Account | 982843 | 1031161 |
| Borrowings | | |
| Deferred Tax Liability | | |
| TOTAL | 1575668 | 1507074 |
| APPLICATION OF FUNDS | | |
| Investments | 2290511 | 2138083 |
| Loans | 74910 | 75323 |
| Fixed Assets | 4369 | 4276 |
| Deferred Tax Asset | 6179 | 16989 |
| CURRENT ASSETS | | |
| <i>Cash & Bank Balance</i> | 180375 | 187645 |
| Advances and Other Assets | 296054 | 220088 |
| Sub-Total (A) | 476429 | 407732 |
| CURRENT LIABILITIES | | |
| <i>Provisions</i> | 403811 | 263162 |
| Sub-Total (B) | 1276730 | 1135329 |
| Net Current Assets (C)= (A-B) | (800301) | (727597) |
| Misc. Expenditure (to the extent not written off or adjusted) | | |
| Profit & Loss Account (Debit Balance) | | |
| TOTAL | 1575668 | 1507074 |

Note : Figures in brackets indicate negative values

**POLICY HOLDERS ACCOUNT : EXPORT CREDIT GUARANTEE
CORPORATION OF INDIA LTD (ECGC)**

(Rs. Lakh)

| PARTICULARS | 2006-07 | 2005-06 |
|---|--------------|--------------|
| Premiums earned (<i>Net</i>) | 59444 | 54305 |
| Profit/ Loss on sale/redemption of Investments | 0 | 0 |
| Others | 78 | 67 |
| Interest, Dividend & Rent – Gross | 11454 | 9611 |
| TOTAL (A) | 70976 | 63983 |
| Claims Incurred (<i>Net</i>) | 18711 | 24964 |
| Commission* | (17) | (7) |
| Operating Expenses related to Insurance Business | 7396 | 11308 |
| Others- Amortizations, Write offs & Provisions | | |
| Foreign Taxes | | |
| TOTAL (B) | 26089 | 36265 |
| Operating Profit/(Loss) from Fire/Marine/Miscellaneous Business C= (A - B) | 44887 | 27718 |
| APPROPRIATIONS | | |
| Transfer to Shareholders' Account | 44887 | 27718 |
| Transfer to Catastrophe Reserve | | |
| Transfer to Other Reserves | | |
| TOTAL (C) | 44887 | 27718 |

Note : Figures in brackets indicate negative values

* 2005-06 figures are revised

**SHAREHOLDERS ACCOUNT : EXPORT CREDIT GUARANTEE
CORPORATION OF INDIA LTD (ECGC)**

(Rs. Lakh)

| PARTICULARS | 2006-07 | 2005-06 |
|---|--------------|--------------|
| OPERATING PROFIT/(LOSS) | | |
| (a) Fire Insurance | | |
| (b) Marine Insurance | | |
| (c) Miscellaneous Insurance* | 44887 | 27718 |
| | 44887 | 27718 |
| INCOME FROM INVESTMENTS | | |
| (a) Interest, Dividend & Rent – Gross* | 10161 | 6149 |
| (b) Profit on sale of investments | 0 | 0 |
| Less: Loss on sale of investments | | |
| OTHER INCOME* | 126 | 417 |
| TOTAL (A) | 55174 | 34285 |
| PROVISIONS (Other than taxation) | | |
| (a) For diminution in the value of investments | | |
| (b) For doubtful debts | | 28 |
| (c) Others | | |
| OTHER EXPENSES | | |
| (a) Expenses other than those related to Insurance Business | | |
| (b) Bad debts written off | | |
| (c) Others | | |
| TOTAL (B) | | 28 |
| Profit Before Tax | 55174 | 34257 |
| Provision for Taxation | 18908 | 12294 |
| Prior Period Adjustments | (704) | (100) |
| Profit after Tax | 36970 | 22176 |
| APPROPRIATIONS | | |
| (a) Interim dividends paid during the year | 2500 | 1000 |
| (b) Proposed final dividend | 10000 | 3435 |
| (c) Dividend distribution tax | 1403 | 482 |
| (d) Transfer to any Reserves or Other Accounts | | |
| Transfer to General Reserve | 23067 | 17259 |
| Balance of Profit / Loss B/f from last year | 2 | 2 |
| Balance C/f to Balance Sheet | 2 | 2 |

Note : Figures in brackets indicate negative values

* 2005-06 figures are revised

**BALANCE SHEET : EXPORT CREDIT GUARANTEE
CORPORATION OF INDIA LTD (ECGC)
(As on 31st March)**

(Rs. Lakh)

| SOURCES OF FUNDS | 2007 | 2006 |
|--|---------------|---------------|
| Share Capital | 80000 | 70000 |
| Reserves & Surplus | 62914 | 39847 |
| Fair Value Change Account | | |
| Borrowings | | |
| Deferred Tax Liability | | |
| TOTAL | 142914 | 109847 |
| APPLICATION OF FUNDS | | |
| Investments | 4672 | 4672 |
| Loans | | 402 |
| Fixed Assets | 12094 | 5616 |
| CURRENT ASSETS | | |
| <i>Cash & Bank Balance</i> | 278382 | 248671 |
| <i>Advances and Other Assets</i> | 10406 | 10171 |
| Sub-Total (A) | 288788 | 258842 |
| CURRENT LIABILITIES | 115880 | 116470 |
| <i>Provisions</i> | 48540 | 45121 |
| Sub-Total (B) | 164420 | 161591 |
| Net Current Assets (C)= (A-B) | 124368 | 97251 |
| Deferred Tax Assets | 1780 | 1906 |
| Misc. Expenditure <i>(to the extent not written off or adjusted)</i> | | |
| Profit & Loss Account (Debit Balance) | | |
| TOTAL | 142914 | 109847 |

**POLICY HOLDERS ACCOUNT : AGRICULTURE INSURANCE
COMPANY OF INDIA LTD (AIC)***

(Rs. Lakh)

| PARTICULARS | 2006-07 | 2005-06 |
|--|--------------|--------------|
| Premiums earned (<i>Net</i>) | 55876 | 55092 |
| Profit/ Loss on sale/redemption of Investments | 4 | - |
| Others | | |
| Interest, Dividend & Rent – Gross | 6661 | 4711 |
| TOTAL (A) | 62541 | 59803 |
| Claims Incurred (<i>Net</i>) | 55075 | 51873 |
| Commission | (0) | (24) |
| Operating Expenses related to Insurance Business | 1023 | 1217 |
| Others- Amortizations, Write offs & Provisions | 211 | 169 |
| Foreign Taxes | | |
| TOTAL (B) | 56309 | 53236 |
| Operating Profit/(Loss) from Fire/ Marine/Miscellaneous Business C= (A - B) | 6232 | 6567 |
| APPROPRIATIONS | | |
| Transfer to Shareholders' Account | 6232 | 6567 |
| Transfer to Catastrophe Reserve | | |
| Transfer to Other Reserves | | |
| TOTAL (C) | 6232 | 6567 |

Note : 1. Figures in brackets indicate negative values

2. For recognition of premium, the period is considered as June-May

3. * Accounts as approved by Board and pending CAG audit.

**SHAREHOLDERS ACCOUNT : AGRICULTURE INSURANCE
COMPANY OF INDIA LTD (AIC)**

(Rs. Lakh)

| PARTICULARS | 2006-07 | 2005-06 |
|---|-------------|-------------|
| OPERATING PROFIT/(LOSS) | | |
| (a) Fire Insurance | | |
| (b) Marine Insurance | | |
| (c) Miscellaneous Insurance | 6232 | 6567 |
| | 6232 | 6567 |
| INCOME FROM INVESTMENTS | | |
| (a) Interest, Dividend & Rent – Gross | 2849 | 2020 |
| (b) Profit on sale of investments | 2 | 150 |
| Less: Loss on sale of investments | | |
| | 44 | 56 |
| TOTAL (A) | 9127 | 8793 |
| PROVISIONS (Other than taxation) | | |
| (a) For diminution in the value of investments | | |
| (b) For doubtful debts | 19 | - |
| (c) Others | 490 | 73 |
| OTHER EXPENSES | | |
| (a) Expenses other than those related to Insurance Business | 4 | 91 |
| (b) Bad debts written off | | |
| (c) Others | 91 | 358 |
| TOTAL (B) | 604 | 522 |
| Profit Before Tax | 8523 | 8271 |
| Provision for Taxation | 3625 | 3091 |
| Profit after Tax | 4898 | 5181 |
| APPROPRIATIONS | | |
| (a) Interim dividends paid during the year | | |
| (b) Proposed final dividend | | |
| (c) Dividend distribution tax | | |
| (d) Transfer to any Reserves or Other Accounts | | |
| Transfer to General Reserve | 4898 | 5181 |
| Balance of Profit / Loss B/f from last year | | |
| Balance C/f to Balance Sheet | | |

Note : Figures in brackets indicate negative values

**BALANCE SHEET : AGRICULTURE INSURANCE
COMPANY OF INDIA LTD (AIC)
(As on 31st March)**

(Rs. Lakh)

| SOURCES OF FUNDS | 2007 | 2006 |
|--|----------------|----------------|
| Share Capital | 20000 | 19909 |
| Reserves & Surplus | 18540 | 13642 |
| Fair Value Change Account | 243 | 167 |
| Borrowings | | |
| TOTAL | 38783 | 33718 |
| APPLICATION OF FUNDS | | |
| Investments | 69308 | 61813 |
| Loans | 146 | 34 |
| Fixed Assets | 475 | 459 |
| Deferred Tax Assets | | |
| CURRENT ASSETS | | |
| <i>Cash & Bank Balance</i> | 74537 | 81252 |
| <i>Advances and Other Assets</i> | 15957 | 13882 |
| Sub-Total (A) | 90494 | 95135 |
| CURRENT LIABILITIES | 91997 | 95080 |
| <i>Provisions</i> | 29642 | 28643 |
| Sub-Total (B) | 121639 | 123723 |
| Net Current Assets (C)= (A-B) | (31145) | (28588) |
| Misc. Expenditure <i>(to the extent not written off or adjusted)</i> | | |
| Profit & Loss Account (Debit Balance) | | |
| TOTAL | 38783 | 33718 |

Note : Figures in brackets indicate negative values

**NET RETENTIONS OF THE NON-LIFE INDIAN MARKET
(INCL GIC) – 2006-07**

(Per Cent)

| Department | Net Retentions |
|-------------------|-----------------------|
| Fire | 65.72% |
| Marine Cargo | 77.10% |
| Marine Hull | 18.30% |
| Miscellaneous | 89.63% |
| Engineering | 72.89% |
| Motor | 96.15% |
| Aviation | 21.93% |
| Total | 83.41% |

GROSS DIRECT PREMIUM INCOME IN INDIA

(Rs. Lakh)

| Company | Fire | | Marine | | Motor | | Health | | Others | | TOTAL | |
|--------------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 |
| NATIONAL | 49252 | 48394 | 20489 | 17343 | 198658 | 184641 | 47957 | 41402 | 65085 | 60587 | 381442 | 352367 |
| NEW INDIA | 90998 | 83963 | 32102 | 29978 | 203473 | 217450 | 76529 | 59157 | 98618 | 88601 | 501720 | 479150 |
| ORIENTAL | 54007 | 54689 | 34783 | 32511 | 173939 | 149536 | 44854 | 35972 | 85269 | 80003 | 392852 | 352711 |
| UNITED | 66434 | 64548 | 26395 | 20397 | 123318 | 113816 | 46525 | 35926 | 87204 | 80791 | 349877 | 315478 |
| Sub-Total | 260691 | 251594 | 113769 | 100229 | 699388 | 665444 | 215865 | 172456 | 336177 | 309982 | 1625890 | 1499706 |
| ROYAL SUNDARAM | 9839 | 9174 | 1844 | 1829 | 30339 | 23309 | 9612 | 5055 | 8185 | 6496 | 59820 | 45864 |
| RELIANCE | 14588 | 4776 | 1785 | 1074 | 45551 | 2652 | 6718 | 861 | 22581 | 6871 | 91223 | 16233 |
| IFFCO-TOKIO | 29102 | 26329 | 12826 | 4613 | 44890 | 37808 | 7189 | 5184 | 20440 | 15338 | 114447 | 89272 |
| TATAAIG | 13695 | 11627 | 7015 | 4788 | 27309 | 23982 | 4408 | 3719 | 18629 | 13153 | 71055 | 57270 |
| ICICI LOMBARD | 39383 | 30847 | 15524 | 8571 | 114255 | 45444 | 66497 | 22465 | 63248 | 50959 | 298907 | 158286 |
| BAJAJ ALLIANZ | 37031 | 35140 | 7125 | 5433 | 84387 | 53661 | 15826 | 9769 | 34266 | 23226 | 178634 | 127229 |
| CHOLAMANDALAM | 7798 | 7283 | 2656 | 1700 | 9716 | 5235 | 3860 | 2111 | 7143 | 5689 | 31173 | 22018 |
| HDFC CHUBB | 1110 | 681 | 241 | 172 | 13832 | 15803 | 1027 | 455 | 3190 | 2983 | 19400 | 20094 |
| Sub-Total | 152547 | 125859 | 49015 | 28180 | 370278 | 207894 | 115136 | 49619 | 177681 | 124715 | 864657 | 536266 |
| Grand Total | 413238 | 377453 | 162784 | 128409 | 1069666 | 873338 | 331001 | 222075 | 513858 | 434697 | 2490547 | 2035972 |

NET PREMIUM INCOME (Earned)

(Rs. Lakh)

| Company | Fire | | Marine | | Motor | | Health | | Others | | TOTAL | |
|--------------------|---------------|---------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 |
| NATIONAL | 33836 | 35727 | 10235 | 11876 | 153428 | 154546 | 35756 | 31808 | 43501 | 42361 | 276757 | 276317 |
| NEW INDIA | 94184 | 83088 | 16438 | 16860 | 198559 | 187407 | 30612 | 33536 | 113719 | 91208 | 453511 | 412099 |
| ORIENTAL | 34153 | 33763 | 15944 | 13632 | 132846 | 116683 | 32371 | 25408 | 53763 | 46098 | 269077 | 235584 |
| UNITED | 41867 | 40808 | 10531 | 10656 | 94441 | 90437 | 32981 | 26127 | 57504 | 51405 | 237324 | 219433 |
| Sub-Total | 204040 | 193386 | 53148 | 53024 | 579274 | 549072 | 131720 | 116879 | 268487 | 231073 | 1236669 | 1143433 |
| ROYAL SUNDARAM | 2920 | 2340 | 823 | 1101 | 20673 | 15672 | 5487 | 2844 | 3454 | 2987 | 33358 | 24944 |
| RELIANCE | 2394 | 1357 | 621 | 427 | 14918 | 1791 | 3017 | 747 | 3476 | 1075 | 24426 | 5397 |
| IFFCO TOKIO | 5481 | 4368 | 3035 | 1928 | 34613 | 20505 | 4656 | 3037 | 6975 | 4761 | 54760 | 34598 |
| TATAAIG | 1489 | 1085 | 3099 | 2484 | 22888 | 17073 | 2974 | 2732 | 7714 | 5182 | 38165 | 28556 |
| ICICI LOMBARD | 6982 | 3480 | 1224 | 1164 | 55105 | 22253 | 30593 | 13873 | 12761 | 11999 | 106665 | 52768 |
| BAJAJ ALLIANZ | 9382 | 7399 | 2674 | 2196 | 49254 | 33623 | 10639 | 7089 | 11904 | 8330 | 83853 | 58637 |
| CHOLAMANDALAM | 3180 | 1444 | 709 | 546 | 5195 | 4208 | 884 | 1103 | 2760 | 1537 | 12728 | 8840 |
| HDFC CHUBB | 157 | 158 | 96 | 50 | 11830 | 11988 | 500 | 301 | 1445 | 1338 | 14029 | 13835 |
| Sub-Total | 31986 | 21632 | 12280 | 9896 | 214476 | 127112 | 58751 | 31726 | 50490 | 37209 | 367983 | 227575 |
| Grand Total | 236027 | 215018 | 65428 | 62920 | 793750 | 676184 | 190470 | 148605 | 318977 | 268282 | 1604652 | 1371009 |

UNDERWRITING EXPERIENCE AND PROFITS OF PUBLIC SECTOR COMPANIES

(Rs.lakh)

| | NEW INDIA | | ORIENTAL | | NATIONAL | | UNITED | | TOTAL | |
|--|---------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|---------------|---------------|
| | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 | 2006-07 | 2005-06 |
| 1. NET PREMIUM | 475177 | 434265 | 287973 | 250047 | 285536 | 268300 | 252953 | 222585 | 1301640 | 1175197 |
| 2. Incurred Claims (Net) | 364361 | 363201 | 235886 | 206474 | 239422 | 283033 | 214206 | 204277 | 1053875 | 1056985 |
| | 76.68% | 83.64% | 81.91% | 82.57% | 83.85% | 105.49% | 84.68% | 91.78% | 80.97% | 89.94% |
| 3. COMMISSION, EXPENSES OF MANAGEMENT | 154348 | 168317 | 85385 | 95416 | 91952 | 102316 | 96222 | 104063 | 427906 | 470113 |
| | 32.48% | 38.76% | 29.65% | 38.16% | 32.20% | 38.14% | 38.04% | 46.75% | 32.87% | 40.00% |
| 4. INCREASE IN RESERVE FOR UNEXPIRED RISK | 21666 | 22166 | 18897 | 14463 | 8780 | (8017) | 15629 | 3152 | 64971 | 31763 |
| | 4.56% | 5.10% | 6.56% | 5.78% | 3.07% | -2.99% | 6.18% | 1.42% | 4.99% | 2.70% |
| 5. UNDERWRITING PROFIT/LOSS (1-2-3-4) | (65198) | (119419) | (52194) | (66306) | (54617) | (109032) | (73104) | (89907) | (245112) | (383664) |
| | -14.38% | -28.98% | -19.40% | -28.15% | -19.73% | -41.89% | -30.80% | -40.52% | -19.82% | -33.55% |
| 6. GROSS INVESTMENT INCOME | 225507 | 208294 | 116010 | 111751 | 105480 | 100976 | 131426 | 140042 | 578423 | 561063 |
| 7. OTHER INCOME LESS OTHER OUTGO | 1084 | (3318) | (853) | (12026) | (5280) | 2092 | (6288) | (5860) | (11337) | (19112) |
| 8. PROFIT BEFORE TAX (5 + 6 + 7) | 161393 | 85557 | 62964 | 33419 | 45583 | (5964) | 52034 | 45274 | 321974 | 158286 |
| 9. INCOME TAX DEDUCTED AT SOURCE AND PROVISION FOR TAX | 15398 | 13919 | 13236.91 | 5027 | 3455 | 4661 | (852) | 2751 | 31238 | 26358 |
| 10. NET PROFIT AFTER TAX (8 - 9) | 145995 | 71638 | 49727 | 28392 | 42128 | (10625) | 52886 | 42523 | 290736 | 131928 |

Note: Figures in brackets indicates negative amounts

UNDERWRITING EXPERIENCE AND PROFITS OF PRIVATE SECTOR COMPANIES

(Rs.lakh)

| | ROYAL SUNDARAM | BAJAJ ALLIANZ | TATA AIG | RELIANCE | IFFCO-TOKIO | ICICI- LOMBARD | CHOLAMANDALAM | HDFC CHUBB | TOTAL | | | | | | | | | |
|---|-------------------|------------------|----------|----------|-------------|-------------------|---------------|---------------|---------|--------|---------|--------|--------|---------|--------|--------|---------|--------|
| | 2005-06 | 2005-06 | 2005-06 | 2005-06 | 2005-06 | 2005-06 | 2005-06 | 2005-06 | 2005-06 | | | | | | | | | |
| | 2006-07 | 2006-07 | 2006-07 | 2006-07 | 2006-07 | 2006-07 | 2006-07 | 2006-07 | 2006-07 | | | | | | | | | |
| 1. NET PREMIUM | 38955 | 29689 | 103976 | 69869 | 41582 | 33677 | 50431 | 5554 | 58057 | 47830 | 145077 | 73387 | 15926 | 9856 | 13311 | 14365 | 467316 | 284226 |
| 2. CLAIMS INCURRED (NET) | 20374 | 16166 | 55563 | 40999 | 20711 | 16015 | 17318 | 3444 | 39859 | 24407 | 81384 | 38925 | 7077 | 6893 | 8003 | 7973 | 250289 | 154822 |
| | 52.30% | 54.45% | 53.44% | 58.68% | 49.81% | 47.56% | 34.34% | 62.01% | 68.66% | 51.03% | 56.10% | 53.04% | 44.43% | 69.94% | 60.12% | 55.50% | 53.56% | 54.47% |
| 3. COMMISSION, EXPENSES OF MANAGEMENT | 13543 | 9862 | 26676 | 15341 | 18122 | 12593 | 10169 | 1350 | 16287 | 11250 | 30826 | 17255 | 5834 | 3541 | 6879 | 6547 | 128337 | 77740 |
| | 34.77% | 33.22% | 25.66% | 21.96% | 43.58% | 37.39% | 20.16% | 24.31% | 28.05% | 23.52% | 21.25% | 23.51% | 36.63% | 35.93% | 51.68% | 45.58% | 27.46% | 27.35% |
| 4. INCREASE IN RESERVE FOR UNEXPIRED RISK | 5597 | 4745 | 20123 | 11232 | 3418 | 5121 | 26006 | 157 | 3297 | 13232 | 38413 | 20619 | 3198 | 1016 | (718) | 530 | 99333 | 56651 |
| | 14.37% | 15.98% | 19.35% | 16.08% | 8.22% | 15.20% | 51.57% | 2.82% | 5.68% | 27.67% | 26.48% | 28.10% | 20.08% | 10.31% | -5.39% | 3.69% | 21.26% | 19.93% |
| 5. UNDERWRITING PROFIT/LOSS(1-2-3-4) | (559) | (1084) | 1615 | 2297 | (669) | (52) | (3062) | 603 | (1387) | (1059) | (5545) | (3412) | (183) | (1594) | (853) | (685) | (10642) | (4987) |
| | -1.67% | -4.35% | 1.93% | 3.92% | -1.75% | -0.18% | -12.53% | 11.17% | -2.53% | -3.06% | -5.20% | -6.47% | -1.43% | -18.04% | -6.77% | -4.95% | -2.89% | -2.19% |
| 6. GROSS INVESTMENT INCOME | 3287 | 2109 | 8890 | 5204 | 3797 | 3012 | 3195 | 1503 | 5708 | 3583 | 13590 | 8892 | 1574 | 1300 | 1463 | 1344 | 41504 | 26947 |
| 7. OTHER INCOME LESS OTHER OUTGO | (11) | (10) | 1198 | 682 | 177 | (273) | 91 | 1 | (76) | (115) | (32.74) | (27) | (12) | 44 | (359) | (179) | 975 | 123 |
| 8. PROFIT BEFORE TAX (5+6+7) | 2718 | 1015 | 11703 | 8183 | 3305 | 2687 | 224 | 2107 | 4246 | 2410 | 8012 | 5453 | 1379 | (250) | 250 | 480 | 31837 | 22083 |
| 9. INCOME TAX DEDUCTED AT SOURCE AND PROVISION FOR TAX | 600 | 151 | 4166 | 3026 | 1148 | 1326 | 61 | 671 | 1533 | 948 | 1176 | 422 | 130 | 62 | 50 | 39 | 8863 | 6645 |
| 10. NET PROFIT AFTER TAX (8-9) | 2119 | 864 | 7537 | 5157 | 2157 | 1361 | 163 | 1436 | 2713 | 1462 | 6836 | 5031 | 1249 | (312) | 200 | 441 | 22974 | 15438 |

Note: Figures in Brackets indicates negative amounts

INCURRED CLAIMS RATIO-PUBLIC SECTOR

| PARTICULARS | Net Earned Premium | | | | | Claims Incurred (Net) | | | | | Incurred Claims Ratio | | | | | | | | | | |
|--------------|--------------------|--------------|---------------|---------------|---------------|-----------------------|----------------|---------------|--------------|---------------|-----------------------|---------------|----------------|----------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|
| | 2006-07 | | 2005-06 | | (Rs.Lakh) | 2006-07 | | 2005-06 | | (Rs.Lakh) | 2006-07 | | 2005-06 | | (Per cent) | | | | | | |
| | Fire | Marine | Motor | Health | | Others | Fire | Marine | Motor | | Health | Others | Fire | Marine | | Motor | Health | Others | | | |
| NEW INDIA | 94184 | 16438 | 198559 | 30612 | 113719 | 453511 | 412099 | 56006 | 6230 | 180653 | 65146 | 56327 | 364361 | 363201 | 59.46 | 37.90 | 90.98 | 212.81 | 49.53 | 80.34 | 88.13 |
| ORIENTAL | 34153 | 15944 | 132846 | 32371 | 53763 | 269077 | 235584 | 15939 | 15584 | 130377 | 42895 | 31091 | 235886 | 206474 | 46.67 | 97.75 | 98.14 | 132.51 | 57.83 | 87.66 | 87.64 |
| NATIONAL | 33836 | 10235 | 153428 | 35756 | 43501 | 276757 | 276317 | 20645 | 10085 | 133293 | 47010 | 28390 | 239422 | 283033 | 61.01 | 98.53 | 86.88 | 131.47 | 65.26 | 86.51 | 102.43 |
| UNITED | 41867 | 10531 | 94441 | 32981 | 57504 | 237324 | 219433 | 31486 | 10886 | 90049 | 52787 | 28998 | 214206 | 204277 | 75.21 | 103.36 | 95.35 | 160.05 | 50.43 | 90.26 | 93.09 |
| TOTAL | 204040 | 53148 | 579274 | 131720 | 268487 | 1236669 | 1143433 | 124076 | 42785 | 534371 | 207837 | 144806 | 1053875 | 1056985 | 60.81 | 80.50 | 92.25 | 157.79 | 53.93 | 85.22 | 92.44 |

INCURRED CLAIMS RATIO-PRIVATE SECTOR

| PARTICULARS | Net Earned Premium | | | | | | Claims Incurred (Net) | | | | | | Incurred Claims Ratio | | | | | | | | |
|----------------|--------------------|--------------|---------------|--------------|--------------|---------------|-----------------------|--------------|--------------|---------------|--------------|--------------|-----------------------|---------------|--------------|---------------|--------------|---------------|--------------|--------------|--------------|
| | 2006-07 | | 2005-06 | | 2006-07 | | 2005-06 | | 2006-07 | | 2005-06 | | 2006-07 | | 2005-06 | | 2006-07 | | | | |
| | Fire | Marine | Motor | Health | Others | Fire | Marine | Motor | Health | Others | Fire | Marine | Motor | Health | Others | Fire | Marine | Motor | Health | Others | |
| | (Rs.Lakh) | | | | | | (Rs.Lakh) | | | | | | (Per cent) | | | | | | | | |
| ROYAL SUNDARAM | 2920 | 823 | 20673 | 5487 | 3454 | 33358 | 24944 | 542 | 619 | 15280 | 2578 | 1355 | 20374 | 16166 | 18.54 | 75.14 | 73.91 | 46.99 | 39.23 | 61.08 | 64.81 |
| BAJAJ ALLIANZ | 9382 | 2674 | 49254 | 10639 | 11904 | 83853 | 58637 | 5009 | 3727 | 33010 | 8367 | 5451 | 55563 | 40999 | 53.39 | 139.37 | 67.02 | 78.64 | 45.79 | 66.26 | 69.92 |
| TATA AIG | 1489 | 3099 | 22888 | 2974 | 7714 | 38165 | 28556 | 635 | 2552 | 13695 | 1835 | 1994 | 20711 | 16015 | 42.62 | 82.35 | 59.83 | 61.69 | 25.85 | 54.27 | 56.08 |
| RELIANCE | 2394 | 621 | 14918 | 3017 | 3476 | 24426 | 5397 | 1786 | 581 | 9149 | 3410 | 2392 | 17318 | 3444 | 74.62 | 93.63 | 61.33 | 113.01 | 68.82 | 70.90 | 63.80 |
| IFFCO TOKIO | 5481 | 3035 | 34613 | 4656 | 6975 | 54760 | 34598 | 2592 | 4222 | 22395 | 7119 | 3531 | 39859 | 24407 | 47.29 | 139.13 | 64.70 | 152.89 | 50.62 | 72.79 | 70.54 |
| ICICI LOMBARD | 6982 | 1224 | 55105 | 30593 | 12761 | 106665 | 52768 | 2474 | 1156 | 33463 | 36313 | 7979 | 81384 | 38925 | 35.43 | 94.46 | 60.73 | 118.70 | 62.52 | 76.30 | 73.77 |
| CHOLAMANDALAM | 3180 | 709 | 5195 | 884 | 2760 | 12728 | 8840 | 894 | 892 | 3883 | 703 | 705 | 7077 | 6893 | 28.10 | 125.78 | 74.75 | 79.51 | 25.56 | 55.60 | 77.98 |
| HDFC CHUBB | 157 | 96 | 11830 | 500 | 1445 | 14029 | 13835 | 118 | 75 | 6395 | 436 | 379 | 8003 | 7973 | 74.85 | 78.44 | 59.13 | 87.10 | 26.26 | 57.05 | 57.63 |
| TOTAL | 31986 | 12280 | 214476 | 58751 | 50490 | 367983 | 227575 | 14048 | 13824 | 137869 | 60761 | 23787 | 250289 | 154822 | 43.92 | 112.57 | 64.28 | 103.42 | 47.11 | 68.02 | 68.03 |

EQUITY SHARE CAPITAL OF INSURANCE COMPANIES

(Rs. Crore)

| Name of the insurer | 2005-06 | 2006-07 | Foreign Promoter | Indian Promoter | FDI(%) |
|---|----------------|-----------------|------------------|-----------------|---------------|
| Life Insurers | | | | | |
| HDFC Standard Life Insurance Co. Ltd. | 620.00 | 801.26 | 126.78 | 674.48 | 15.82% |
| ICICI-Prudential Life Insurance Co. Ltd. | 1185.00 | 1312.30 | 340.57 | 971.73 | 25.95% |
| Max New York Life Insurance Co. Ltd. | 557.43 | 732.43 | 190.43 | 542.00 | 26.00% |
| Kotak Mahindra Old Mutual Life Insurance Co. Ltd. | 244.58 | 330.35 | 85.89 | 244.46 | 26.00% |
| Birla Sun Life Insurance Co. Ltd. | 460.00 | 671.50 | 174.59 | 496.91 | 26.00% |
| TATA-AIG Life Insurance Co. Ltd. | 447.00 | 547.00 | 142.22 | 404.78 | 26.00% |
| SBI Life Insurance Co. Ltd. | 425.00 | 500.00 | 130.00 | 370.00 | 26.00% |
| ING Vysya Life Insurance Co. Ltd. | 490.00 | 690.00 | 179.40 | 510.60 | 26.00% |
| Metlife India Insurance Co. Pvt. Ltd. | 235.00 | 530.00 | 137.80 | 392.20 | 26.00% |
| Bajaj Allianz Life Insurance Co. Ltd. | 150.23 | 150.37 | 39.10 | 111.27 | 26.00% |
| Reliance Life (formerly AMP Sanmar) | 331.00 | 664.00 | - | 664.00 | 0.00% |
| AVIVA India Life Insurance Co. Pvt. Ltd. | 458.70 | 758.20 | 197.13 | 561.07 | 26.00% |
| Sahara India Life Insurance Co. Ltd. | 157.00 | 157.00 | - | 157.00 | 0.00% |
| Shriram Life Insurance Co.Ltd. | 125.00 | 125.00 | 32.50 | 92.50 | 26.00% |
| Bharti AXA Life Insurance Co.Ltd. \$ | 1.10 | 150.00 | 33.33 | 116.67 | 22.22% |
| Sub Total (Private Sector) | 5887.05 | 8119.41 | 1809.75 | 6309.66 | 22.29% |
| Life Insurance Corporation of India | 5.00 | 5.00 | - | 5.00 | |
| Total (Life) | 5892.05 | 8124.41 | 1809.75 | 6314.66 | 22.28% |
| Non life insurers | | | | | |
| Royal Sundaram Alliance Insurance Co. Ltd. | 140.00 | 140.00 | 36.40 | 103.60 | 26.00% |
| Reliance General Insurance Co. Ltd. | 102.00 | 103.07 | - | 103.07 | 0.00% |
| Bajaj Allianz General Insurance Co. | 110.05 | 110.13 | 28.63 | 81.50 | 26.00% |
| IFFCO-TOKIO General Insurance Co. | 220.00 | 220.00 | 57.20 | 162.80 | 26.00% |
| TATA AIG General Insurance Co. Ltd. | 195.00 | 225.00 | 58.50 | 166.50 | 26.00% |
| ICICI Lombard General Insurance Co. | 245.00 | 335.71 | 87.10 | 248.61 | 25.95% |
| HDFC General Insurance Co. | 125.00 | 125.00 | 32.50 | 92.50 | 26.00% |
| Cholamandalam MS General Insurance Co. Ltd. | 141.96 | 141.96 | 36.91 | 105.05 | 26.00% |
| Sub Total (Private Sector) | 1279.01 | 1400.87 | 337.24 | 1063.63 | 24.07% |
| United India Insurance Co. Ltd. | 100.00 | 150.00 | - | 150.00 | |
| The New India Assurance Co. Ltd. | 200.00 | 200.00 | - | 200.00 | |
| The Oriental Insurance Co.Ltd. | 100.00 | 100.00 | - | 100.00 | |
| National Insurance Co. Ltd. | 100.00 | 100.00 | - | 100.00 | |
| Sub Total (Public Sector) | 500.00 | 550.00 | - | 550.00 | |
| Total (Non Life) | 1779.01 | 1950.87 | 337.24 | 1613.63 | 17.29% |
| Export Credit Guarantee Corporation. | 700.00 | 800.00 | - | 800.00 | |
| Agriculture Insurance Company of India. | 200.00 | 200.00 | - | 200.00 | |
| Star Health & Allied Insurance Co.Ltd. | 105.00 | 105.00 | 27.28 | 77.72 | 25.98% |
| General Insurance Corporation of India | 430.00 | 430.00 | - | 430.00 | |
| GRAND TOTAL | 9106.06 | 11610.28 | 2174.28 | 9436.00 | 18.73% |

Note : \$ Granted registration in 2006-07

FEE STRUCTURE FOR INSURERS AND VARIOUS INTERMEDIARIES

| Sl. No. | Insurers / Intermediary | Processing Fee | Registration Fee | Renewal Fee | Periodicity of Renewal |
|---------|---------------------------------------|----------------|---|---|-------------------------------|
| 1 | Insurers (Life/Non life/ Reinsurance) | | Rs. 50,000 | 1/10th of 1 per cent of Gross Direct Premium written in India subject to minimum of Rs. 50,000 and maximum of Rs. 5 crore | Every year (by 31st December) |
| 2 | Third Party Administrators | Rs. 20,000 | Rs. 30,000 | Rs. 30,000 | 3 years |
| 3 | Brokers Direct Broker | | Rs. 20,000 | A sum calculated at the rate of 0.50 per cent of remuneration earned in the preceding financial year subject to minimum of Rs.25,000 and maximum of Rs, 1,00,000 | 3 year |
| | Reinsurance Broker | | Rs. 25,000 | A sum calculated at the rate of 0.50 per cent of remuneration earned in the preceding financial year subject to minimum of Rs. 75,000 and maximum of Rs. 3,00,000. | 3 years |
| | Composite Broker | | Rs. 40,000 | A sum calculated at the rate of 0.50 per cent of remuneration earned in the preceding financial year subject to minimum of Rs. 1,25,000 and maximum of Rs. 5,00,000 | 3 years |
| 4 | Surveyors and Loss Assessors | | | | |
| | Individual Category | A | Rs.10,000 | Rs. 200 for every category | 5 years |
| | | B | Rs. 7,500 | | |
| | | C | Rs. 5,000 | | |
| | Corporate Category | A | Rs. 25,000 | Rs. 200 for every category | 5 years |
| | | B | Rs. 20,000 | | |
| | | C | Rs. 15,000 | | |
| 5 | Corporate Agents | | Rs. 250 for corporate insurance executive Rs. 500 for specified person | Rs. 250 | 3 years |

FUND WISE PATTERN OF INVESTMENTS OF LIFE INSURERS (AS ON 31ST MARCH)

(Rs. Crore)

| INSURER | PENSION AND GENERAL ANNUITY FUND | | | | | | TOTAL (PENSION FUND) | |
|-----------------------|----------------------------------|-----------------|----------------------------|-----------------|---|----------------|----------------------|-----------------|
| | CG - SEC | | SG & OAS INCL. CG - SEC | | INVESTMENT SUBJECT TO EXPOSURE NORMS | | 2007 | 2006 |
| PUBLIC SECTOR | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| LIC (A) | 18711.51 | 18987.86 | 28590.93 | 28881.26 | 6471.35 | 7276.38 | 35062.29 | 36157.64 |
| | | | | | | | 0.00 | |
| PRIVATE SECTOR | | | | | | | | |
| HDFC STD LIFE | 161.26 | 215.39 | 207.21 | 215.39 | 179.61 | 52.24 | 386.82 | 267.63 |
| MNYL | 19.76 | 14.79 | 19.76 | 14.79 | 2.27 | 1.06 | 22.03 | 15.85 |
| ICICI PRU | 286.44 | 184.53 | 286.44 | 184.53 | 253.29 | 60.02 | 539.73 | 244.55 |
| BSLI | 0.09 | 0.15 | 0.09 | 0.15 | 0.01 | 0.00 | 0.10 | 0.16 |
| TATAAIG | 83.61 | 72.93 | 83.61 | 72.93 | 47.22 | 23.69 | 130.83 | 96.62 |
| KOTAK LIFE | 11.10 | 9.12 | 13.10 | 11.12 | 12.10 | 9.56 | 25.20 | 20.68 |
| SBI LIFE | 239.99 | 90.86 | 328.27 | 117.26 | 434.20 | 160.49 | 762.47 | 277.75 |
| BAJAJ ALLIANZ | 25.06 | 18.12 | 25.71 | 18.12 | 3.50 | 0.00 | 29.21 | 18.12 |
| METLIFE | 0.35 | 0.36 | 0.35 | 0.36 | 0.08 | 0.08 | 0.43 | 0.44 |
| RELIANCE LIFE \$ | 0.00 | 50.38 | 0.00 | 50.38 | 0.00 | 39.21 | 0.00 | 89.58 |
| ING VVSYA | 43.18 | 37.85 | 47.24 | 37.85 | 56.76 | 37.11 | 104.01 | 74.96 |
| AMVA | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SAHARA LIFE | 0.32 | 0.32 | 0.37 | 0.32 | 0.08 | 0.00 | 0.45 | 0.32 |
| SHRIRAM LIFE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| BHARATHIAXA | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL (B) | 871.16 | 694.79 | 1012.17 | 723.18 | 989.11 | 383.46 | 2001.28 | 1106.65 |
| TOTAL (A+B) | 19582.67 | 19682.65 | 29603.10 | 29604.44 | 7460.47 | 7659.84 | 37063.57 | 37264.29 |

Contd...

FUND WISE PATTERN OF INVESTMENTS OF LIFE INSURERS (AS ON 31ST MARCH)

(Rs. Crore)

GROUP EXCLUDING GROUP PENSION AND ANNUITY FUND

| INSURER | CG - SEC | | SG & OAS INCL. CG - SEC | | INVESTMENT SUBJECT TO EXPOSURE NORMS | | TOTAL (GROUP FUND) | |
|-----------------------|-----------------|-----------------|----------------------------|-----------------|---|----------------|--------------------|-----------------|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| PUBLIC SECTOR | | | | | | | | |
| LIC (A) | 21807.89 | 16665.46 | 26222.84 | 21231.45 | 8223.14 | 5506.08 | 34445.98 | 26737.53 |
| PRIVATE SECTOR | | | | | | | | |
| HDFC STD LIFE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| MNYL | 3.74 | 3.76 | 3.74 | 3.76 | 2.40 | 1.16 | 6.14 | 4.92 |
| ICICI PRU | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| BSLI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TATAAIG | 0.00 | 40.69 | 0.00 | 40.69 | 0.00 | 0.00 | 0.00 | 40.69 |
| KOTAK LIFE | 9.40 | 3.52 | 11.44 | 3.52 | 5.42 | 0.48 | 16.86 | 4.00 |
| SBI LIFE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| BAJAJ ALLIANZ | 15.67 | 8.00 | 21.50 | 8.00 | 2.05 | 5.82 | 23.55 | 13.82 |
| METLIFE | 11.84 | 5.76 | 11.84 | 5.76 | 0.53 | 0.53 | 12.37 | 6.29 |
| RELIANCE LIFE \$ | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ING VVSYA | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| AVVA | 3.05 | 0.76 | 3.05 | 1.54 | 2.38 | 0.77 | 5.44 | 2.32 |
| SAHARA LIFE | 0.24 | 0.06 | 0.77 | 0.06 | 0.00 | 0.00 | 0.77 | 0.06 |
| SHRIRAM LIFE | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| BHARATHIAXA | 0.02 | 0.00 | 0.02 | 0.00 | 0.00 | 0.00 | 0.02 | 0.00 |
| TOTAL (B) | 43.96 | 62.55 | 52.37 | 63.33 | 12.79 | 8.77 | 65.16 | 72.09 |
| TOTAL (A+B) | 21851.85 | 16728.01 | 26275.21 | 21294.78 | 8235.93 | 5514.85 | 34511.13 | 26809.62 |

Contd...

FUND WISE PATTERN OF INVESTMENTS OF LIFE INSURERS (AS ON 31ST MARCH)

(Rs. Crore)

| INSURER | UNIT LINKED FUND | | | | | | TOTAL | |
|-----------------------|----------------------|-----------------|----------------|----------------|--------------------------|-----------------|-------------------|------------------|
| | APPROVED INVESTMENTS | | OTAI | | TOTAL (UNIT LINKED FUND) | | TOTAL (ALL FUNDS) | |
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| PUBLIC SECTOR | | | | | | | | |
| LIC (A) | 30186.83 | 10269.86 | 6065.41 | 1158.59 | 36252.24 | 11428.45 | 559200.56 | 463771.14 |
| PRIVATE SECTOR | | | | | | | | |
| HDFC STD LIFE | 2926.48 | 1396.26 | 278.65 | 21.86 | 3205.13 | 1418.13 | 4975.68 | 2596.29 |
| MNYL | 535.83 | 142.33 | 113.77 | 28.85 | 649.60 | 171.18 | 1839.92 | 885.85 |
| ICICI PRU | 10804.91 | 5270.23 | 1121.56 | 656.63 | 11926.47 | 5926.86 | 14298.73 | 7485.50 |
| BSLI | 3186.23 | 1862.92 | 191.70 | 235.13 | 3377.93 | 2098.05 | 3751.57 | 2350.85 |
| TATAAIG | 703.17 | 325.79 | 148.61 | 34.95 | 851.78 | 360.74 | 2136.52 | 1222.35 |
| KOTAK LIFE | 1221.00 | 750.35 | 75.80 | 10.26 | 1296.80 | 760.61 | 1784.88 | 1123.82 |
| SBI LIFE | 1320.91 | 193.27 | 324.84 | 18.06 | 1645.75 | 211.33 | 4515.70 | 2034.98 |
| BAJAJ ALLIANZ | 4004.78 | 2325.67 | 765.82 | 243.65 | 4770.60 | 2569.32 | 6331.18 | 3324.36 |
| METLIFE | 241.48 | 50.52 | 53.36 | 0.00 | 294.84 | 50.52 | 759.54 | 265.92 |
| RELIANCE LIFE \$ | 799.70 | 93.25 | 117.11 | 6.09 | 916.81 | 99.34 | 1204.84 | 352.90 |
| ING VVSYA | 459.93 | 214.12 | 96.89 | 31.56 | 556.82 | 245.68 | 1256.03 | 692.36 |
| AVIVA | 1073.12 | 490.87 | 104.09 | 41.27 | 1177.21 | 532.15 | 1575.06 | 752.76 |
| SAHARA LIFE | 35.80 | 15.57 | 2.73 | 0.21 | 38.53 | 15.79 | 198.53 | 161.86 |
| SHRIRAM LIFE | 83.39 | 0.00 | 1.39 | 0.00 | 84.78 | 0.00 | 230.31 | 129.75 |
| BHARATHIAXA | 3.68 | 0.00 | 0.83 | 0.00 | 4.50 | 0.00 | 120.75 | 0.00 |
| TOTAL (B) | 27400.41 | 13131.15 | 3397.15 | 1328.53 | 30797.56 | 14459.68 | 44979.24 | 23379.55 |
| TOTAL (A+B) | 57587.24 | 23401.01 | 9462.56 | 2487.12 | 67049.80 | 25888.13 | 604179.80 | 487150.69 |

PATTERN OF INVESTMENTS OF NON- LIFE INSURERS (AS ON 31ST MARCH 2007)

(Rs.Crore)

| NAME OF THE INSURER | C.G. SEC | | SG & OAS (INCL. C.G. SEC) | | LOANS TO HOUSING & FFE | | INFRASTRUCTURE E & SOCIAL SECTOR | | INVESTMENT SUBJECT TO EXPOSURE NORMS (INCL. OTA) | | OTHER THAN APPROVED INVESTMENTS (OTAI) | | TOTAL INVESTMENTS | | |
|---------------------------|-----------------|-----------------|------------------------------|-----------------|---------------------------|----------------|--|----------------|---|-----------------|---|----------------|----------------------|-----------------|------|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 |
| GIC | 2996.84 | 2788.83 | 4467.47 | 3973.30 | 1046.63 | 1011.85 | 1514.88 | 1275.16 | 7320.71 | 6269.50 | 1585.45 | 1583.72 | 14349.68 | 12529.81 | |
| NEW INDIA | 3349.40 | 2825.93 | 4819.62 | 4165.65 | 906.26 | 616.78 | 1279.13 | 1206.33 | 4004.34 | 3414.77 | 477.70 | 611.31 | 11009.35 | 9403.53 | |
| NATIONAL | 1399.82 | 1345.88 | 1983.17 | 1942.02 | 524.05 | 486.32 | 836.83 | 719.87 | 2035.99 | 1536.89 | 401.62 | 409.97 | 5380.04 | 4685.10 | |
| UNITED | 1653.16 | 1653.75 | 2790.64 | 2855.58 | 433.89 | 391.94 | 730.03 | 684.55 | 3336.92 | 2720.33 | 806.98 | 733.83 | 7291.49 | 6652.41 | |
| ORIENTAL | 1928.93 | 1692.39 | 2545.53 | 2213.95 | 279.97 | 279.95 | 689.70 | 527.16 | 2625.00 | 2227.62 | 413.48 | 591.65 | 6140.19 | 5248.68 | |
| PUBLIC SECTOR (A) | 11328.16 | 10306.79 | 16606.43 | 15150.50 | 3190.80 | 2786.84 | 5050.57 | 4413.07 | 19322.96 | 16169.11 | 3685.23 | 3930.48 | 44170.75 | 38519.52 | |
| RELIANCE | 190.69 | 74.51 | 200.79 | 74.51 | 54.07 | 15.36 | 96.06 | 30.49 | 282.22 | 98.98 | 53.31 | 35.04 | 633.15 | 219.34 | |
| ROYAL SUNDARAM | 134.22 | 132.32 | 174.04 | 147.40 | 59.64 | 44.74 | 129.92 | 110.40 | 138.68 | 78.63 | 5.17 | 13.81 | 502.29 | 381.16 | |
| IFFCO TOKYO | 284.56 | 245.11 | 284.56 | 245.11 | 73.85 | 40.50 | 114.90 | 76.93 | 259.66 | 244.71 | 0.00 | 0.00 | 732.97 | 607.25 | |
| TATAAIG GENERAL | 314.22 | 198.27 | 314.22 | 238.03 | 37.02 | 40.71 | 74.16 | 59.81 | 102.93 | 94.48 | 8.83 | 2.87 | 528.34 | 433.04 | |
| BAJAJ ALLIANZ | 374.69 | 294.35 | 439.14 | 294.35 | 97.17 | 73.75 | 160.97 | 87.33 | 721.92 | 341.83 | 39.96 | 25.81 | 1419.20 | 797.26 | |
| ICICI LOMBARD | 374.77 | 210.34 | 617.42 | 381.59 | 164.13 | 64.15 | 400.14 | 135.52 | 688.42 | 377.33 | 68.02 | 48.71 | 1870.10 | 958.58 | |
| STAR HEALTH | 31.49 | | 31.49 | | 24.80 | | 9.84 | | 27.38 | | 0.00 | | 93.51 | | |
| CHOLAMANDALAM | 131.25 | 133.27 | 131.25 | 133.27 | 25.54 | 25.59 | 40.47 | 40.67 | 57.11 | 16.44 | 9.51 | 5.44 | 254.37 | 215.98 | |
| HDFC GENERAL | 67.53 | 75.42 | 67.53 | 75.42 | 15.04 | 15.24 | 25.30 | 25.73 | 70.27 | 70.43 | 14.26 | 16.37 | 178.14 | 186.82 | |
| PRIVATE SECTOR (B) | 1903.42 | 1363.58 | 2260.44 | 1589.67 | 551.27 | 320.05 | 1051.76 | 566.88 | 2348.59 | 1322.82 | 199.07 | 148.06 | 6212.06 | 3799.43 | |
| TOTAL (A+B) | 13231.57 | 11670.37 | 18866.87 | 16740.17 | 3742.06 | 3106.88 | 6102.33 | 4979.95 | 21671.55 | 17491.93 | 3884.30 | 4078.54 | 50382.81 | 42318.95 | |

Note: 1. Investments of Agricultural Insurance Corporation of India, ECGC and CHNHB Association have not been included

2. The figures filed by National Insurance Company are based on Provisional Returns

3. CG-SEC - Central Government Securities

4. OAS - Other Approved Securities

5. SG - State Government Securities

6. FEE - Fire Fighting Equipment

STATUS OF GRIEVANCES - LIFE INSURERS (2006-07)

| Sl. No. | Insurer | Reported during the year | Resolved during the year | Pending as on 31st March, 2007 |
|---------|---------------|-----------------------------|-----------------------------|-----------------------------------|
| 1 | AVIVA | 43 | 33 | 10 |
| 2 | BAJAJ ALLIANZ | 145 | 125 | 20 |
| 3 | BSLI | 29 | 27 | 2 |
| 4 | HDFC STD LIFE | 31 | 30 | 1 |
| 5 | ICICI PRU | 84 | 71 | 13 |
| 6 | ING VVSYA | 12 | 9 | 3 |
| 7 | KOTAK LIFE | 23 | 17 | 6 |
| 8 | LIC | 354 | 157 | 197 |
| 9 | MNYL | 22 | 15 | 7 |
| 10 | MET LIFE | 6 | 3 | 3 |
| 11 | RELIANCE LIFE | 10 | 4 | 6 |
| 12 | SAHARA LIFE | 1 | 1 | 0 |
| 13 | SBI LIFE | 68 | 45 | 23 |
| 14 | SHRIRAM LIFE | 1 | 1 | 0 |
| 15 | TATAAIG | 32 | 24 | 8 |
| | TOTAL | 861 | 562 | 299 |

STATUS OF GRIEVANCES – NON-LIFE INSURERS (2006-07)

| SI.NO | INSURER | AS ON MARCH, 06 | REPORTED DURING THE YEAR | RESOLVED DURING THE YEAR | AS ON MARCH, 07 | BREAK UP ACCORDING TO NATURE OF GRIEVANCE* | | | |
|-------|----------------|--------------------|--------------------------------|--------------------------------|--------------------|---|------------|-----------|-----------|
| | | | | | | (i) | (ii) | (iii) | (iv) |
| 1 | ORIENTAL | 38 | 164 | 181 | 21 | 10 | 8 | 0 | 3 |
| 2 | NEW INDIA | 148 | 336 | 295 | 189 | 69 | 78 | 38 | 4 |
| 3 | UNITED | 196 | 286 | 347 | 135 | 36 | 67 | 23 | 9 |
| 4 | NATIONAL | 168 | 322 | 318 | 172 | 39 | 99 | 26 | 8 |
| 5 | ECGC | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| 6 | BAJAJ ALLIANZ | 2 | 75 | 72 | 5 | 0 | 2 | 1 | 2 |
| 7 | TATA AIG | 9 | 85 | 60 | 34 | 30 | 2 | 2 | 0 |
| 8 | ROYAL SUNDARAM | 0 | 54 | 45 | 9 | 2 | 3 | 4 | 0 |
| 9 | IFFCO TOKIO | 0 | 28 | 20 | 8 | 1 | 5 | 1 | 1 |
| 10 | RELIANCE | 0 | 13 | 6 | 7 | 3 | 3 | 0 | 1 |
| 11 | CHOLAMANDALAM | 0 | 13 | 10 | 3 | 2 | 1 | 0 | 0 |
| 12 | ICICI LOMBARD | 4 | 228 | 195 | 37 | 17 | 15 | 4 | 1 |
| 13 | HDFC GENERAL | 0 | 13 | 10 | 3 | 2 | 1 | 0 | 0 |
| 14 | AIC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | 565 | 1618 | 1560 | 623 | 211 | 284 | 99 | 29 |

- (i) POLICY RELATED ISSUES
- (ii) NON SETTLEMENT / DELAY IN SETTLEMENT OF CLAIM
- (iii) REPUDIATION / PARTIAL SETTLEMENT OF CLAIM
- (iv) OTHER REASONS

STATUS OF GRIEVANCES — NON-LIFE INSURERS (HALF YEAR ENDED SEPTEMBER, 2007)

| Sl. No. | Insurer | As on 31st March, 2006 | Reported during the period | Resolved during the period | As on 30st Sept., 2007 | Break up of | | | |
|---------|----------------|---------------------------|----------------------------------|----------------------------------|---------------------------|-------------|------------|------------|-----------|
| | | | | | | (i) | (ii) | (iii) | (iv) |
| 1 | ORIENTAL | 21 | 128 | 55 | 94 | 46 | 35 | 4 | 9 |
| 2 | NEW INDIA | 189 | 113 | 94 | 208 | 73 | 88 | 42 | 5 |
| 3 | UNITED | 135 | 122 | 36 | 221 | 61 | 108 | 39 | 13 |
| 4 | NATIONAL | 172 | 172 | 101 | 243 | 55 | 138 | 38 | 12 |
| 5 | EGGC | 0 | 8 | 5 | 3 | 3 | 0 | 0 | 0 |
| 6 | BAJAJALLIANZ | 5 | 48 | 39 | 14 | 9 | 2 | 3 | 0 |
| 7 | TATAAIG | 34 | 63 | 62 | 35 | 31 | 2 | 2 | 0 |
| 8 | ROYAL SUNDARAM | 9 | 34 | 31 | 12 | 3 | 4 | 4 | 1 |
| 9 | IFFCO TOKIO | 8 | 32 | 18 | 22 | 7 | 8 | 6 | 1 |
| 10 | RELIANCE | 7 | 38 | 23 | 22 | 8 | 9 | 4 | 1 |
| 11 | CHOLAMANDALAM | 3 | 9 | 7 | 5 | 2 | 2 | 1 | 0 |
| 12 | ICICI LOMBARD | 37 | 192 | 154 | 75 | 43 | 19 | 10 | 3 |
| 13 | HDFC GENERAL | 3 | 7 | 6 | 4 | 3 | 1 | 0 | 0 |
| 14 | AIC | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | TOTAL | 623 | 966 | 631 | 958 | 344 | 416 | 153 | 45 |

(i) Policy Related Issues (Non Renewal/Cancellation/Non Insurance/Other Issues Related to Policy)

(ii) Non Settlement / Delay in Settlement of Claim

(iii) Repudiation/Partial Settlement of Claim

(iv) Other Reasons

THIRD PARTY ADMINISTRATORS - CLAIMS DATA : 2006-07

| Sl.No. | Name | No.of Claims Received | No.of Claims Settled | | | |
|--------------|---|-----------------------------|----------------------------|---------------------------|-------------------------|-------------------------|
| | | | Within 1 month | Within 1-3 months | Within 3-6 months | More than 6 months |
| 1. | Family Health Plan Ltd. | 431725 | 309977 (71.80) | 64759 (15.00) | Nil | Nil |
| 2. | Paramount Health Services Pvt. Ltd. | 351055 | 302777 (86.25) | 7272 (2.07) | 163 (0.05) | 33 (0.01) |
| 3. | TTK Healthcare Services Limited | 241994 | 217575 (89.91) | 23299 (9.63) | 5948 (2.46) | 2508 (1.04) |
| 4. | Medi Assist India Private Limited | 157204 | 88771 (56.47) | 36300 (23.09) | 5223 (3.32) | 1312 (0.83) |
| 5. | E Meditek Solutions Limited | 150102 | 145724 (97.08) | 139071 (92.65) | 6653 (4.43) | Nil |
| 6. | Genins India Limited | 104704 | 68111 (65.05) | 19838 (18.95) | 8557 (8.17) | 2585 (2.47) |
| 7. | Raksha TPA Private Limited | 88276 | 73692 (83.48) | 10438 (11.82) | 4099 (4.64) | 47 (0.05) |
| 8. | Medicare TPA Services (I) Pvt. Ltd | 65358 | 52923 (80.97) | 8809 (13.48) | 755 (1.16) | 84 (0.13) |
| 9. | Med Save Health Care Limited | 64044 | 33905 (52.94) | 13587 (21.22) | 3968 (6.20) | 1889 (2.95) |
| 10. | MD India Healthcare Services (P) Ltd. | 63067 | 49098 (77.85) | 1248 (1.98) | 217 (0.34) | Nil |
| 11. | Vipul Medcrop Private Limited | 38123 | 15736 (41.28) | 16268 (42.67) | 3423 (8.98) | 796 (2.09) |
| 12. | Heritage Health Services | 31461 | 14010 (44.53) | 14508 (46.11) | 4219 (13.41) | 796 (2.53) |
| 13. | Bhaichand Amoluk Ins. Services Pvt. Ltd. | 13245 | 6439 (48.61) | 4571 (34.51) | 862 (6.51) | 80 (0.60) |
| 14. | Alankit Healthcare | 11552 | 8410 (72.80) | 2410 (20.86) | 276 (2.39) | 27 (0.23) |
| 15. | Parekh Health Management | 10291 | 6324 (61.45) | 3071 (29.84) | 93 (0.90) | Nil |
| 16. | Park Mediclaim Consultants Pvt. Ltd | 8805 | 6617 (75.15) | 121 (1.37) | 19 (0.22) | 39 (0.44) |
| 17. | Good Health Plan Limited | 7069 | 5145 (72.78) | 1394 (19.72) | 198 (2.80) | 88 (1.24) |
| 18. | Universal Medialid Services Limited | 1513 | 1050 (69.40) | 310 (20.49) | 30 (1.98) | 6 (0.40) |
| 19. | Dedicated Healthcare Services (India) Pvt Ltd | 597 | 490 (82.08) | 7 (1.17) | Nil | Nil |
| 20. | East West Assist Private Limited | 86 | 15 (17.44) | 17 (19.77) | 8 (9.30) | 1 (1.16) |
| 21. | Anyuta Medinet Healthcare Private limited | 23 | 23 (100.00) | Nil | Nil | Nil |
| 22. | Safeway Mediclaim Services | 4 | 3 (75.00) | Nil | Nil | Nil |
| 23. | Anmol Medicare Limited | Nil | — | — | — | — |
| 24. | Focus Healthcare Pvt. Ltd | Nil | — | — | — | — |
| 25. | Dawn Services Private Limited | Nil | — | — | — | — |
| 26. | Grand Healthcare India Private Limited | Nil | — | — | — | — |
| TOTAL | | 1840298 | 1406815 (76.44) | 367298 (19.96) | 44711 (2.43) | 10291 (0.56) |

Note: Figures in brackets indicate the ratio (in Per Cent) of claims to the total claims received.

PERFORMANCE OF OMBUDSMEN AT DIFFERENT CENTRES
Complaints Disposal for the year ending 31st March, 2007 (Life insurance Combined)

| Ombudsman Centre | O/S as on 31.3.2006 | Received during the year | Total | No. of complaints disposed off by way of | | | | | | | | | Duration wise Disposal | | | Duration wise Outstanding | | |
|---------------------|---------------------------|--------------------------------|-------------|---|------------|-------------|------------|------------|-------------|-------------|-------------|------------|---------------------------|-------------|------------|------------------------------|-----------|------------|
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 7 | 8 | 9 | 7 | 8 | 9 |
| | | | | Total | | | | | | | | | Total | | | Total | | |
| Ahmedabad | 23 | 159 | 182 | - | 15 | 22 | - | 55 | 64 | 156 | 111 | 43 | 2 | 156 | 23 | 3 | - | 26 |
| Bhopal | 4 | 513 | 517 | - | 14 | 58 | - | 32 | 411 | 515 | 500 | 15 | - | 515 | 2 | - | - | 2 |
| Bhubaneshwar | 151 | 189 | 340 | - | 40 | 123 | - | - | 37 | 200 | 92 | 48 | 60 | 200 | 34 | 60 | 46 | 140 |
| Chandigarh | 61 | 472 | 533 | - | 19 | 373 | - | 73 | 22 | 487 | 373 | 114 | - | 487 | 44 | 2 | - | 46 |
| Chennai | 12 | 682 | 694 | 1 | 45 | 45 | - | 55 | 541 | 687 | 676 | 11 | - | 687 | 5 | 2 | - | 7 |
| Delhi | 147 | 195 | 342 | 4 | 199 | - | - | 10 | 2 | 215 | 22 | 86 | 107 | 215 | 36 | 72 | 19 | 127 |
| Guwahati | 34 | 177 | 211 | 103 | 39 | - | - | - | 46 | 188 | 88 | 100 | - | 188 | 19 | 4 | - | 23 |
| Hyderabad | 11 | 556 | 567 | - | 16 | 38 | - | 74 | 426 | 554 | 546 | 8 | - | 554 | 13 | - | - | 13 |
| Kochi | 6 | 166 | 172 | - | 13 | - | - | 24 | 107 | 144 | 127 | 17 | - | 144 | 24 | 4 | - | 28 |
| Kolkata | 64 | 916 | 980 | 20 | 33 | 123 | 101 | 80 | 536 | 893 | 646 | 232 | 15 | 893 | 47 | 40 | - | 87 |
| Lucknow | 29 | 896 | 925 | - | 130 | 546 | - | - | 197 | 873 | 873 | - | - | 873 | 52 | - | - | 52 |
| Mumbai | 46 | 512 | 558 | 2 | 89 | 23 | 12 | 1 | 379 | 506 | 368 | 138 | - | 506 | 21 | 30 | 1 | 52 |
| TOTAL | 588 | 5433 | 6021 | 130 | 652 | 1351 | 113 | 404 | 2768 | 5418 | 4422 | 812 | 184 | 5418 | 320 | 217 | 66 | 603 |

- | | |
|-------------------------|----------------------|
| 1 Recommendations | 6 Not Entertainable |
| 2 Awards | 7 Within 3 months |
| 3 Withdrawal/Settlement | 8 3 months to 1 year |
| 4 Non-acceptance | 9 Above 1 year |
| 5 Dismissal | |

PERFORMANCE OF OMBUDSMEN AT DIFFERENT CENTRES
Complaints Disposal for the year ending 31st March, 2007: Non-life Insurance

| Ombudsman Centre | O/S as on 31.3.2006 | Received during the year | Total | No. of complaints disposed off by way of | | | | | | | | | Duration wise | | | | | |
|---------------------|---------------------------|--------------------------------|-------------|---|-------------|------------|------------|------------|-------------|-------------|-------------|-------------|---------------|-------------|------------|------------|------------|-------------|
| | | | | Disposal | | | | | | | | | Outstanding | | | | | |
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | Total | 7 | 8 | 9 | Total | |
| Ahmedabad | 123 | 367 | 490 | - | 126 | 43 | - | 187 | 74 | 430 | 171 | 250 | 9 | 430 | 56 | 4 | - | 60 |
| Bhopal | 5 | 130 | 135 | - | 11 | 27 | 4 | 25 | 63 | 130 | 130 | - | - | 130 | 5 | - | - | 5 |
| Bhubaneshwar | 181 | 110 | 291 | 6 | 59 | 5 | - | - | 17 | 87 | 10 | 21 | 56 | 87 | 25 | 80 | 99 | 204 |
| Chandigarh | 126 | 392 | 518 | - | 166 | 95 | - | 161 | 18 | 440 | 178 | 262 | - | 440 | 76 | 2 | - | 78 |
| Chennai | 18 | 557 | 575 | - | 95 | 37 | 2 | 33 | 396 | 563 | 478 | 85 | - | 563 | 12 | - | - | 12 |
| Delhi | 386 | 347 | 733 | 2 | 155 | 17 | 73 | 125 | 51 | 423 | 33 | 79 | 311 | 423 | 93 | 190 | 27 | 310 |
| Guwahati | 53 | 169 | 222 | 89 | 65 | - | 6 | - | 12 | 172 | 45 | 127 | - | 172 | 42 | 8 | - | 50 |
| Hyderabad | 21 | 358 | 379 | 1 | 87 | 51 | - | 44 | 161 | 344 | 299 | 45 | - | 344 | 35 | - | - | 35 |
| Kochi | 14 | 218 | 232 | - | 44 | 2 | - | 52 | 98 | 196 | 154 | 42 | - | 196 | 32 | 4 | - | 36 |
| Kolkata | 214 | 835 | 1049 | 69 | 116 | 79 | - | 79 | 486 | 829 | 502 | 268 | 59 | 829 | 90 | 130 | - | 220 |
| Lucknow | 4 | 292 | 296 | - | 20 | 212 | - | - | 63 | 295 | 295 | - | - | 295 | 1 | - | - | 1 |
| Mumbai | 196 | 980 | 1176 | 41 | 271 | 223 | 72 | 2 | 234 | 843 | 460 | 370 | 13 | 843 | 143 | 190 | - | 333 |
| TOTAL | 1341 | 4755 | 6096 | 208 | 1215 | 791 | 157 | 708 | 1673 | 4752 | 2755 | 1549 | 448 | 4752 | 610 | 608 | 126 | 1344 |

- 1 Recommendations
- 2 Awards
- 3 Withdrawal/Settlement
- 4 Non-acceptance
- 5 Dismissal
- 6 Not Entertainable
- 7 Within 3 months
- 8 3 months to 1 year
- 9 Above 1 year

PERFORMANCE OF OMBUDSMEN AT DIFFERENT CENTRES
Complaints Disposal for the year ending 31st March, 2007 (Life & Non-life insurance Combined)

| Ombudsman Centre | O/S as on 31.3.2006 | Received during the year | Total | No. of complaints disposed off by way of | | | | | | | | | Duration wise | | | | | |
|---------------------|---------------------------|--------------------------------|--------------|---|-------------|-------------|------------|-------------|-------------|--------------|-------------|-------------|---------------|--------------|------------|-------------|------------|-------------|
| | | | | off by way of | | | | | | | | | Disposal | | | Outstanding | | |
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | Total | 7 | 8 | 9 | Total | 7 | 8 | 9 | Total | 7 | 8 | 9 |
| Ahmedabad | 146 | 526 | 672 | 0 | 141 | 65 | 0 | 242 | 138 | 586 | 282 | 293 | 11 | 586 | 79 | 7 | 0 | 86 |
| Bhopal | 9 | 642 | 651 | 0 | 25 | 84 | 4 | 57 | 473 | 643 | 628 | 15 | 0 | 643 | 7 | 0 | 0 | 7 |
| Bhubaneshwar | 332 | 299 | 631 | 6 | 99 | 128 | 0 | 0 | 54 | 287 | 102 | 69 | 116 | 287 | 59 | 140 | 145 | 344 |
| Chandigarh | 187 | 864 | 1051 | 0 | 185 | 468 | 0 | 234 | 40 | 927 | 551 | 376 | 0 | 927 | 120 | 4 | 0 | 124 |
| Chennai | 30 | 1239 | 1269 | 1 | 140 | 82 | 2 | 88 | 937 | 1250 | 1154 | 96 | 0 | 1250 | 17 | 2 | 0 | 19 |
| Delhi | 533 | 542 | 1075 | 6 | 354 | 17 | 73 | 135 | 53 | 638 | 55 | 165 | 418 | 638 | 129 | 262 | 46 | 437 |
| Guwahati | 87 | 346 | 433 | 192 | 104 | 0 | 6 | 0 | 58 | 360 | 133 | 227 | 0 | 360 | 61 | 12 | 0 | 73 |
| Hyderabad | 32 | 914 | 946 | 1 | 103 | 89 | 0 | 118 | 587 | 898 | 845 | 53 | 0 | 898 | 48 | 0 | 0 | 48 |
| Kochi | 20 | 384 | 404 | 0 | 57 | 2 | 0 | 76 | 205 | 340 | 281 | 59 | 0 | 340 | 56 | 8 | 0 | 64 |
| Kolkata | 278 | 1751 | 2029 | 89 | 149 | 202 | 101 | 159 | 1022 | 1722 | 1148 | 500 | 74 | 1722 | 137 | 170 | 0 | 307 |
| Lucknow | 33 | 1188 | 1221 | 0 | 150 | 758 | 0 | 0 | 260 | 1168 | 1168 | 0 | 0 | 1168 | 53 | 0 | 0 | 53 |
| Mumbai | 242 | 1492 | 1734 | 43 | 360 | 246 | 84 | 3 | 613 | 1349 | 828 | 508 | 13 | 1349 | 164 | 220 | 1 | 385 |
| TOTAL | 1929 | 10187 | 12116 | 338 | 1867 | 2141 | 270 | 1112 | 4440 | 10168 | 7175 | 2361 | 632 | 10168 | 930 | 825 | 192 | 1947 |

| | |
|-------------------------|----------------------|
| 1 Recommendations | 6 Not Entertainable |
| 2 Awards | 7 Within 3 months |
| 3 Withdrawal/Settlement | 8 3 months to 1 year |
| 4 Non-acceptance | 9 Above 1 year |
| 5 Dismissal | |

First Year (including single premium) Life Insurance Premium

(Rs. Crore)

| INSURER | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 |
|-----------------------|----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| LIC | 9700.98 | 19588.77 | 15976.76 | 17347.62 | 20653.06 | 28515.87 | 56223.56 |
| | | (101.93) | (-18.44) | (8.58) | (19.05) | (38.07) | (97.17) |
| ING VYSYA | — | 4.19 | 17.66 | 72.10 | 282.42 | 283.98 | 467.66 |
| HDFC STD LIFE | 0.002 | 32.78 | 129.31 | 209.33 | 486.15 | 1042.65 | 1648.85 |
| BSLI | 0.32 | 28.11 | 129.57 | 449.86 | 621.31 | 678.12 | 882.72 |
| ICICI PRU | 5.97 | 113.33 | 364.11 | 750.84 | 1584.34 | 2602.50 | 5162.13 |
| KOTAK LIFE | — | 7.58 | 35.21 | 125.51 | 373.99 | 396.06 | 614.94 |
| TATAAIG* | — | 21.14 | 59.77 | 181.59 | 297.55 | 464.53 | 644.82 |
| SBI LIFE | — | 14.69 | 71.88 | 207.05 | 484.85 | 827.82 | 2563.84 |
| BAJAJ ALLIANZ | — | 7.14 | 63.39 | 179.55 | 857.45 | 2716.77 | 4269.80 |
| MNYL | 0.16 | 38.80 | 67.31 | 137.28 | 233.63 | 471.36 | 912.11 |
| MET LIFE | — | 0.48 | 7.70 | 23.41 | 57.52 | 148.53 | 340.44 |
| RELIANCE LIFE | — | 0.28 | 6.32 | 27.21 | 91.33 | 193.56 | 932.11 |
| AVIVA | — | — | 13.47 | 76.96 | 192.29 | 407.12 | 721.35 |
| SAHARA | — | — | — | — | 1.74 | 26.34 | 43.00 |
| SHRIRAM LIFE | — | — | — | — | — | 10.33 | 182.16 |
| BHARTIAXA | — | — | — | — | — | — | 7.78 |
| PRIVATE SECTOR | 6.45 | 268.51 | 965.69 | 2440.71 | 5564.57 | 10269.67 | 19393.69 |
| | | (4061.70) | (259.65) | (152.74) | (127.99) | (84.55) | (88.84) |
| TOTAL | 9707.40 | 19857.28 | 16942.45 | 19788.32 | 26217.64 | 38785.54 | 75617.26 |
| | | (104.56) | (-14.68) | (16.80) | (32.49) | (47.94) | (94.96) |

Note: 1) *Figures revised for the year 2002-03 and includes the Group business.

2) Figures in the bracket represent the growth over the previous year in percent.

3) — represents business not started.

4) 1 Crore = 10 Million

TOTAL LIFE INSURANCE PREMIUM

(Rs. Crore)

| INSURER | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| LIC | 34892.02 | 49821.91 | 54628.49 | 63533.43 | 75127.29 | 90792.22 | 127822.84 |
| | | (42.79) | (9.65) | (16.30) | (18.25) | (20.85) | (40.79) |
| ING VVSYA | — | 4.19 | 21.16 | 88.51 | 338.86 | 425.38 | 707.20 |
| HDFC STD LIFE | 0.002 | 33.46 | 148.83 | 297.76 | 686.63 | 1569.91 | 2855.87 |
| BSLI | 0.32 | 28.26 | 143.92 | 537.54 | 915.47 | 1259.68 | 1776.71 |
| ICICI PRU | 5.97 | 116.38 | 417.62 | 989.28 | 2363.82 | 4261.05 | 7912.99 |
| KOTAK LIFE | — | 7.58 | 40.32 | 150.72 | 466.16 | 621.85 | 971.51 |
| TATAAIG* | — | 21.14 | 81.21 | 253.53 | 497.04 | 880.19 | 1367.18 |
| SBI LIFE | — | 14.69 | 72.39 | 225.67 | 601.18 | 1075.32 | 2928.49 |
| BAJAJ ALLIANZ | — | 7.14 | 69.17 | 220.80 | 1001.68 | 3133.58 | 5310.00 |
| MNYL | 0.16 | 38.95 | 96.59 | 215.25 | 413.43 | 788.13 | 1500.28 |
| MET LIFE | — | 0.48 | 7.91 | 28.73 | 81.53 | 205.99 | 492.71 |
| RELIANCE LIFE | — | 0.28 | 6.47 | 31.06 | 106.55 | 224.21 | 1004.66 |
| AVIVA | — | — | 13.47 | 81.50 | 253.42 | 600.27 | 1147.23 |
| SAHARA | — | — | — | — | 1.74 | 27.66 | 51.00 |
| SHRIRAM LIFE | — | — | — | — | — | 10.33 | 185.15 |
| BHARTIAXA | — | — | — | — | — | — | 7.78 |
| PRIVATE SECTOR | 6.45 | 272.55 | 1119.06 | 3120.33 | 7727.51 | 15083.54 | 28218.75 |
| | | (4124.31) | (310.59) | (178.83) | (147.65) | (95.19) | (87.08) |
| TOTAL | 34898.47 | 50094.46 | 55747.55 | 66653.75 | 82854.80 | 105875.76 | 156041.59 |
| | | (43.54) | (11.28) | (19.56) | (24.31) | (27.78) | (47.38) |

- Note: 1) *Figures revised for the year 2002-03 and includes the Group business.
2) Figures in the bracket represent the growth over the previous year in percent.
3) — represents business not started.
4) 1 Crore = 10 Million

GROSS DIRECT PREMIUM OF NON-LIFE INSURANCE (WITHIN & OUTSIDE INDIA)**(Rs. Crore)**

| INSURER | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 |
|-----------------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| NATIONAL | 2227.73 | 2439.41 | 2869.87 | 3399.97 | 3810.65 | 3536.34 | 3827.12 |
| NEW INDIA | 3493.05 | 4198.06 | 4812.79 | 4921.47 | 5103.16 | 5675.54 | 5936.78 |
| ORIENTAL | 2247.10 | 2498.64 | 2868.15 | 2899.74 | 3090.55 | 3609.77 | 4020.78 |
| UNITED | 2524.00 | 2781.48 | 2969.63 | 3063.47 | 2944.46 | 3154.78 | 3498.77 |
| PUBLIC SECTOR | 10491.88 | 11917.59 | 13520.44 | 14284.65 | 14948.82 | 15976.44 | 17283.45 |
| | | (13.59) | (13.45) | (5.65) | (4.65) | (6.87) | (8.18) |
| ROYAL SUNDARAM | 0.24 | 71.13 | 184.44 | 257.76 | 330.70 | 458.64 | 598.20 |
| RELIANCE | 1.07 | 77.46 | 185.68 | 161.06 | 161.68 | 162.33 | 912.23 |
| IFFCO-TOKIO | 5.83 | 70.51 | 213.33 | 322.24 | 496.64 | 892.72 | 1144.47 |
| TATAAIG | — | 78.46 | 233.93 | 343.52 | 448.24 | 572.70 | 710.55 |
| ICICI LOMBARD | — | 28.13 | 211.66 | 486.73 | 873.86 | 1582.86 | 2989.07 |
| BAJAJ ALLIANZ | — | 141.96 | 296.48 | 476.53 | 851.62 | 1272.29 | 1786.34 |
| CHOLAMANDALAM | — | — | 14.79 | 97.05 | 169.25 | 220.18 | 311.73 |
| HDFC GENERAL | — | — | 9.49 | 112.95 | 175.63 | 200.94 | 194.00 |
| PRIVATE SECTOR | 7.14 | 467.65 | 1349.80 | 2257.83 | 3507.62 | 5362.66 | 8646.57 |
| | | (6453.98) | (188.64) | (67.27) | (55.35) | (52.89) | (61.24) |
| TOTAL | 10499.02 | 12385.24 | 14870.25 | 16542.49 | 18456.45 | 21339.10 | 25930.02 |
| | | (17.97) | (20.06) | (11.25) | (11.57) | (15.62) | (21.51) |
| ECGC | — | 338.52 | 374.78 | 445.48 | 515.55 | 577.33 | 617.66 |
| STAR HEALTH | — | — | — | — | — | — | 22.51 |
| AIC | — | — | — | 369.21 | 549.72 | 555.83 | 564.67 |

Note: 1) — represents business not started.

2) Figures in the bracket represent the growth over the previous year in percent.

3) 1 Crore = 10 Million

**INDIVIDUAL BUSINESS (WITHIN INDIA)
Business in force (Number of policies)**

(In '000)

| INSURER | Non-Linked Business | | | | | | | | | | Total Business Inforce as at 31-03-'07 | | |
|-----------------|-----------------------------------|------------------------|----------------------------------|----------------------------------|------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|--|-------|--------|
| | Life | | General Annuity and Pension | | | | Health | | Linked | | | | |
| | Business Inforce as at 01-04-2006 | Additions* Deletions** | Business Inforce as at 31-03-'07 | Business Inforce as at 01-04-'06 | Additions* Deletions** | Business Inforce as at 31-03-'07 | Business Inforce as at 31-03-'07 | Business Inforce as at 31-03-'07 | Business Inforce as at 31-03-'07 | Business Inforce as at 31-03-'07 | | | |
| BajajAZ Life | 395 | 196 | 80 | 511 | 6 | 0 | 0 | 0 | 6 | 0 | 0 | 2458 | 3653 |
| Reliance Life | 77 | 162 | 49 | 189 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 326 | 803 |
| AVIVALife | 34 | 41 | 24 | 51 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 438 | 587 |
| Birla Sun Life | 159 | 109 | 34 | 234 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 713 | 1249 |
| HDFC Std Life | 590 | 198 | 36 | 752 | 73 | 4 | 3 | 74 | 0 | 0 | 0 | 520 | 2249 |
| ICICI Pru Life | 473 | 426 | 165 | 734 | 50 | 5 | 2 | 53 | 93 | 0 | 0 | 2407 | 4408 |
| ING Vysya Life | 193 | 108 | 48 | 253 | 31 | 6 | 0 | 38 | 0 | 0 | 0 | 169 | 847 |
| LIC | 179564 | 22959 | 13104 | 189419 | 2923 | 176 | 190 | 2909 | 0 | 0 | 0 | 20240 | 431484 |
| Max NY Life | 562 | 315 | 164 | 713 | 8 | 0 | 1 | 8 | 0 | 0 | 0 | 351 | 2122 |
| Met Life | 106 | 44 | 38 | 112 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 95 | 397 |
| Kotak OM Life | 108 | 37 | 22 | 123 | 6 | 0 | 0 | 6 | 0 | 0 | 0 | 189 | 494 |
| SBI Life | 352 | 148 | 89 | 411 | 64 | 14 | 2 | 77 | 0 | 0 | 0 | 499 | 1657 |
| TATAAIGLife | 453 | 243 | 129 | 567 | 22 | 3 | 3 | 22 | 72 | 0 | 0 | 195 | 1709 |
| Sahara Life | 22 | 26 | 7 | 42 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20 | 118 |
| Shriram Life | 21 | 42 | 9 | 53 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 54 | 179 |
| Bharti AXA Life | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 7 |
| TOTAL | 183109 | 25056 | 14000 | 194164 | 3186 | 209 | 202 | 3193 | 165 | 28678 | 451963 | | |

Note: * Includes New policies issued, Old policies reinstated/revived.

** Includes Policy terminations by death, maturity, lapse, surrenders or cancellations.

Source of Data : Actuarial Report and Abstract as on 31-03-2007 of the life insurers.

**INDIVIDUAL BUSINESS (WITHIN INDIA)
Business in force (Sum Assured)**

(Rs. Crore)

| INSURER | Non-Linked Business | | | | | | | | | | | | |
|-----------------|----------------------------------|---------------|---------------|----------------------------------|-------------------------------|--------------|-------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------|-------|
| | Life | | | General Annuity and Pension | | | | | Health | | Linked | | Total |
| | Business Inforce as at 01-04-'06 | Additions* | Deletions** | Business Inforce as at 31-03-'07 | Business Inforce as 01-04-'06 | Additions* | Deletions** | Business Inforce as at 31-03-'07 | Business Inforce as at 31-03-'07 | Business Inforce as at 31-03-'07 | Business Inforce as at 31-03-'07 | | |
| Bajaj AZ Life | 10619 | 4562 | 2627 | 12554 | 288 | 20 | 68 | 239 | 0 | 64816 | 0 | 95793 | |
| Reliance Life | 1767 | 2691 | 1118 | 3339 | 0 | 0 | 0 | 0 | 0 | 6201 | 0 | 15116 | |
| AVIVALife | 201 | 218 | 4 | 415 | 0 | 0 | 0 | 0 | 0 | 14282 | 0 | 15120 | |
| Birla Sun Life | 3933 | 1853 | 673 | 5113 | 0 | 0 | 0 | 0 | 0 | 30297 | 0 | 41869 | |
| HDFC Std Life | 11801 | 3444 | 992 | 14253 | 1478 | 105 | 98 | 1485 | 0 | 21487 | 0 | 55144 | |
| ICICI Pru Life | 13438 | 3890 | 1925 | 15403 | 1560 | 83 | 85 | 1559 | 4043 | 56319 | 0 | 98306 | |
| ING Vysya Life | 4393 | 1508 | 865 | 5036 | 0 | 0 | 0 | 0 | 0 | 4804 | 0 | 16605 | |
| LIC | 1280159 | 239860 | 122551 | 1397468 | 63912 | 25460 | 2345 | 87027 | 0 | 106381 | 0 | 3325164 | |
| Max NY Life | 19191 | 8057 | 2724 | 24525 | 167 | 9 | 19 | 157 | 0 | 14906 | 0 | 69757 | |
| Met Life | 4491 | 1737 | 1211 | 5018 | 16 | 2 | 3 | 15 | 0 | 6706 | 0 | 19198 | |
| Kotak OM Life | 6083 | 1792 | 716 | 7159 | 262 | 7 | 9 | 260 | 0 | 9268 | 0 | 25556 | |
| SBI Life | 7254 | 2849 | 948 | 9155 | 249 | 89 | 7 | 331 | 0 | 10734 | 0 | 31616 | |
| TATAAIG Life | 10303 | 4318 | 2193 | 12428 | 486 | 48 | 58 | 475 | 3233 | 8504 | 0 | 42046 | |
| Sahara Life | 289 | 356 | 77 | 568 | 8 | 1 | 1 | 8 | 0 | 392 | 0 | 1699 | |
| Shriram Life | 443 | 1090 | 153 | 1380 | 0 | 0 | 0 | 0 | 0 | 1164 | 0 | 4230 | |
| Bharti AXA Life | 0 | 68 | 4 | 65 | 0 | 0 | 0 | 0 | 0 | 175 | 0 | 312 | |
| TOTAL | 1374364 | 278294 | 138782 | 1513876 | 68425 | 25825 | 2693 | 91557 | 72770 | 356437 | 72770 | 3857530 | |

Note: * Includes New policies issued, Old policies reinstated/revived , bonus additions.

** Includes Policy terminations by death, maturity,lapse,surrenders or cancellations.

Source of Data : Actuarial Report and Abstract as on 31-03-2007 of the life insurers.

INDIVIDUAL BUSINESS (WITHIN INDIA)
Forfeiture/Lapse Policies in Respect of Non-Linked Business*

| INSURER | Number of Lapsed Policies (in '000) | Sum Assured for Lapsed Policies (Rs. Crore) |
|-----------------|--|--|
| BAJAJ ALLIANZ | 77 | 2364 |
| RELIANCE LIFE | 47 | 692 |
| AVIVA | 24 | 3 |
| BSLI | 8 | 597 |
| HDFC STD LIFE | 29 | 787 |
| ICICI PRU | 180 | 2461 |
| ING VYSYA | 45 | 788 |
| LIC | 7773 | 63206 |
| MNYL | 163 | 2666 |
| MET LIFE | 37 | 1157 |
| KOTAK LIFE | 21 | 546 |
| SBI LIFE | 85 | 773 |
| TATA AIG | 151 | 3042 |
| SAHARA | 7 | 78 |
| SHRIRAM LIFE | 9 | 139 |
| BHARTI AXA LIFE | 0 | 0 |
| TOTAL | 8657 | 79300 |

* Includes Health Business, if any.

Lapse definition: For the purpose of actuarial valuation of policy liabilities.

A policy is treated as lapsed if the premium is not paid within days of grace, as allowed, by most of the Life Insurers except those mentioned below.

A policy is treated as lapsed if the premium is not paid within 60 days from the due date of premium by ING Vysya Life Insurance

A policy is treated as lapsed if the premium is not paid within 6 months from the due date of premium by LIC of India and SBI Life Insurance.

A policy is treated as lapsed if the premium is not paid within 45 days from the due date of premium by Met Life India Insurance and Tata AIG Life Insurance.

Source of Data : Actuarial Report and Abstract as on 31-03-2007 of the life insurers.

SOLVENCY RATIO OF LIFE INSURERS (2006-2007)

| INSURER | Solvency Ratio | |
|---------------|----------------|---------|
| | 2006-07 | 2005-06 |
| BAJAJ ALLIANZ | 2.45 | 2.8 |
| RELIANCE LIFE | 1.62 | 2.0 |
| BSLI | 1.80 | 2.0 |
| AVIVA | 6.31 | 2.8 |
| HDFC STD LIFE | 2.05 | 2.9 |
| ICICI PRU | 1.53 | 1.6 |
| ING VVSYA | 2.87 | 2.3 |
| LIC | 1.50 | 1.3 |
| MNYL | 2.08 | 2.0 |
| METLIFE | 1.73 | 1.7 |
| KOTAK LIFE | 1.64 | 1.8 |
| SBI LIFE | 1.78 | 2.9 |
| TATA AIG | 2.59 | 2.7 |
| SAHARA | 2.68 | 2.7 |
| SHRIRAM LIFE | 2.74 | 2.2 |
| BHARTI AXA | 1.96 | - |

Note : **Source of the data** - Actuarial Report and Abstract as on 31-03-2007
Solvency Ratio is defined as the ratio of Available Solvency Margin to the
Required Solvency Margin.

Solvency Ratios of Non-Life Insurers*

| INSURER | 2006-07 | 2005-06 |
|----------------------------|---------|---------|
| PRIVATE | | |
| BAJAJ ALLIANZ | 1.56 | 1.22 |
| CHOLAMANDALAM | 2.63 | 2.51 |
| HDFC CHUBB | 1.69 | 1.78 |
| ICICI LOMBARD | 2.08 | 1.29 |
| IFFCO TOKIO | 1.70 | 1.95 |
| RELIANCE | 1.95 | 3.04 |
| ROYAL SUNDARAM | 1.64 | 1.66 |
| TATAAIG | 1.85 | 1.68 |
| PUBLIC | | |
| NEW INDIA | 3.57 | 3.09 |
| UNITED | 3.00 | 2.23 |
| ORIENTAL | 2.17 | 1.97 |
| NATIONAL | 1.76 | 1.08 |
| SPECIALIZED INSURER | | |
| ECGC | 11.41 | 9.39 |
| STAR HEALTH | 1.91 | – |
| AIC | 2.05 | 2.16 |
| GIC | 4.10 | 3.41 |

Note: * Including the specialized Insurers

INDIVIDUAL BUSINESS (WITHIN INDIA)*
Details Foreiture/Lapse Policies in respect of Non-Linked Business

| INSURER | 2004-05 | | 2005-06 | | 2006-07 | | 2005-06 | 2006-2007 |
|-----------------|------------------------------|-------------------------|------------------------------|-------------------------|------------------------------|-------------------------|---|-----------|
| | Number of policies (in '000) | Sum Assured (Rs. Crore) | Number of policies (in '000) | Sum Assured (Rs. Crore) | Number of policies (in '000) | Sum Assured (Rs. Crore) | Lapse Ratio (Based on number of Policies) (in per cent) | |
| Bajaj AZ Life | 65.946 | 750.72 | | 2417.74 | 77.42 | 2364.27 | 20 | 17 |
| Reliance Life | 28.616 | 522.935 | 17.58 | 259.8 | 47.13 | 691.9 | 28 | 35 |
| AVIVA Life | 7.481 | 27.77 | 18.6 | 48.99 | 24.19 | 3.2305 | 65 | 57 |
| Birla Sun Life | 5.35 | 320.487 | 5.26 | 359.97 | 7.818 | 596.618 | 4 | 4 |
| HDFC Std Life | 37.715 | 620.285 | 40.55 | 793.56 | 29.32 | 787.29 | 7 | 4 |
| ICICI Pru Life | 52.473 | 1013.638 | 136.54 | 1377.46 | 179.97 | 2460.897 | 29 | 26 |
| ING Vysya Life | 38.656 | 523.5999 | 40.73 | 855.4 | 45.04 | 788.136 | 20 | 17 |
| LIC | 10211.09 | 65006.572 | 9568.88 | 61640 | 7773 | 63206.4577 | 5 | 4 |
| Max NY Life | 78.217 | 1581.146 | 104.02 | 2657.78 | 163.09 | 2666.276 | 22 | 25 |
| Met Life | 13.068 | 286.367 | 31.12 | 1008.37 | 36.867 | 1157.447 | 37 | 34 |
| Kotak OM Life | 18.225 | 358.789 | 27.07 | 520.55 | 21.31 | 546.372 | 25 | 17 |
| SBI Life | 14.885 | 180.7408 | 31.52 | 459.43 | 85.294 | 772.886 | 9 | 19 |
| TATA AIG Life | 68.844 | 1141.157 | 92.49 | 1615.67 | 150.934 | 3041.638 | 21 | 26 |
| Sahara Life | 0.002 | 0.01 | 5.24 | 61.83 | 6.74 | 77.713 | 32 | 21 |
| Shriram Life | NA | NA | 0 | 0 | 8.976 | 139.298 | 0 | 24 |
| Bharti AXA Life | NA | NA | NA | NA | 0 | 0 | NA | 0 |
| TOTAL | 10640.568 | 72334.217 | 10119.6 | 74076.55 | 8657.099 | 79300.4292 | | |

* Includes Health Business, if any.

A policy is treated as lapsed if the premium is not paid within a period ranging from 15 to 60 days.

Lapse Ratio during the year = Lapses (including forfeitures) during the year/Arithmetic Mean of the business inforce at the beginning and at the end of the year

Source of Data : Actuarial Report and Abstract as on 31-03-2005/31-03-2006/31-03-2007 of the life insurers.

INDIVIDUAL NEW BUSINESS PERFORMANCE OF LIFE INSURERS FOR 2006-07 — CHANNEL WISE

| Life Insurer | (Premium in Rs crore) | | | | | | | | | | (Policies in nos.) | | | | | | | | |
|----------------|-----------------------|---------------------|-------------------|-------------------|-------------------|------------------|------------------|-------------------|-------------------|------------------|--------------------|----------|----------------|------------------|----------------------|----------|----------|------------------|------------------|
| | Individual Agents | | | | | Corporate Agents | | | | | Referrals | | Direct Selling | | Total Individual New | | | | |
| | Banks | | Others* | | Premium | Banks | | Others* | | Premium | Brokers | | Referrals | | Direct Selling | | Business | | |
| Policies | Premium | Policies | Premium | Policies | Premium | Policies | Premium | Policies | Premium | Policies | Premium | Policies | Premium | Policies | Premium | Policies | Premium | Policies | Premium |
| Aviva** | 127525 (42.92) | 204.02 (29.56) | 24066 (8.10) | 13457 (4.53) | 0.65 (0.09) | 9365 (3.15) | 24.49 (3.55) | 122324 (41.17) | 373.71 (54.14) | 358 (0.12) | 0.63 (0.09) | 297095 | 690.25 | 358 (0.12) | 0.63 (0.09) | 297095 | 690.25 | 358 (0.12) | 0.63 (0.09) |
| Bajaj Allianz | 1396784 (67.19) | 3236.28 (76.92) | 101039 (4.86) | 451785 (21.73) | 559.50 (13.30) | 18225 (0.88) | 31.82 (0.76) | 110936 (5.34) | 224.50 (5.34) | 164 (0.01) | 1.64 (0.04) | 2078933 | 4207.18 | 164 (0.01) | 1.64 (0.04) | 2078933 | 4207.18 | 164 (0.01) | 1.64 (0.04) |
| Bharti Axa | 2908 (51.02) | 3.93 (50.57) | - | 217 (3.81) | 0.64 (8.29) | - | - | 2095 (36.75) | 3.18 (41.01) | 480 (8.42) | 0.01 (0.12) | 5700 | 7.76 | 480 (8.42) | 0.01 (0.12) | 5700 | 7.76 | 480 (8.42) | 0.01 (0.12) |
| Birla Sunlife | 363602 (85.24) | 431.22 (58.05) | 48653 (11.41) | 8084 (1.90) | 50.67 (6.82) | 4753 (1.11) | 10.13 (1.36) | 1160 (0.27) | 2.68 (0.36) | 332 (0.08) | 0.38 (0.05) | 426584 | 742.88 | 332 (0.08) | 0.38 (0.05) | 426584 | 742.88 | 332 (0.08) | 0.38 (0.05) |
| HDFC Ltd | 268980 (51.43) | 706.62 (51.47) | 215109 (41.13) | 22249 (4.25) | 57.39 (4.18) | 3860 (0.74) | 10.11 (0.74) | - | - | 12784 (2.44) | 33.34 (2.43) | 522982 | 1372.85 | 12784 (2.44) | 33.34 (2.43) | 522982 | 1372.85 | 12784 (2.44) | 33.34 (2.43) |
| ICICI Pru** | 1138571 (58.10) | 2795.02 (63.76) | 127703 (6.52) | 202316 (10.32) | 401.23 (9.15) | 12819 (0.65) | 34.18 (0.78) | 400396 (20.43) | 398.55 (9.09) | 77770 (3.97) | 114.52 (2.61) | 1959575 | 4383.49 | 77770 (3.97) | 114.52 (2.61) | 1959575 | 4383.49 | 77770 (3.97) | 114.52 (2.61) |
| ING Vysya | 205342 (89.60) | 361.07 (81.46) | 9166 (4.00) | 5436 (2.37) | 7.90 (1.78) | 116 (0.05) | 0.26 (0.06) | 9129 (3.98) | 30.05 (6.78) | - | - | 229189 | 443.26 | - | - | 229189 | 443.26 | - | - |
| Kotak Mahindra | 97273 (58.95) | 297.22 (54.40) | 14179 (8.59) | 39084 (23.69) | 86.85 (15.90) | 8128 (4.93) | 28.81 (5.27) | 1293 (0.78) | 4.66 (0.85) | 5045 (3.06) | 20.87 (3.82) | 165002 | 546.37 | 5045 (3.06) | 20.87 (3.82) | 165002 | 546.37 | 5045 (3.06) | 20.87 (3.82) |
| Max NewYork | 352389 (63.78) | 670.12 (73.95) | 16442 (2.98) | 164198 (29.72) | 167.86 (18.52) | 3482 (0.63) | 7.08 (0.78) | 3368 (0.61) | 7.16 (0.79) | 12626 (2.29) | 12.64 (1.39) | 552505 | 906.19 | 12626 (2.29) | 12.64 (1.39) | 552505 | 906.19 | 12626 (2.29) | 12.64 (1.39) |
| MetLife | 63220 (52.95) | 158.76 (50.61) | 26335 (22.06) | 8943 (7.49) | 11.92 (3.80) | - | - | 12691 (10.63) | 52.84 (16.84) | 8217 (6.88) | 4.80 (1.53) | 119406 | 313.72 | 8217 (6.88) | 4.80 (1.53) | 119406 | 313.72 | 8217 (6.88) | 4.80 (1.53) |
| Reliance Life | 423722 (94.02) | 741.62 (92.58) | 182 (0.04) | 13510 (3.00) | 19.64 (2.45) | 4558 (1.01) | 6.81 (0.85) | 145 (0.03) | 0.19 (0.02) | 8566 (1.90) | 32.56 (4.06) | 450683 | 801.09 | 8566 (1.90) | 32.56 (4.06) | 450683 | 801.09 | 8566 (1.90) | 32.56 (4.06) |
| Sahara** | 31687 (76.55) | 28.82 (68.35) | - | 9708 (23.45) | 13.34 (31.65) | - | - | 1 (0.002) | 0.0004 (0.001) | - | - | 41396 | 42.16 | - | - | 41396 | 42.16 | - | - |
| SBI Life | 326229 (57.70) | 1127.37 (63.90) | 223706 (39.57) | 13580 (2.40) | 15.48 (0.88) | 1207 (0.21) | 3.41 (0.19) | 2 (0.0004) | 0.09 (0.01) | 665 (0.12) | 3.22 (0.18) | 565389 | 1764.25 | 665 (0.12) | 3.22 (0.18) | 565389 | 1764.25 | 665 (0.12) | 3.22 (0.18) |
| Shriram | 69173 (72.00) | 134.38 (74.17) | - | - | - | 9 (0.01) | 0.01 (0.01) | 26755 (27.85) | 46.67 (25.76) | 140 (0.15) | 0.11 (0.06) | 96077 | 181.17 | 140 (0.15) | 0.11 (0.06) | 96077 | 181.17 | 140 (0.15) | 0.11 (0.06) |
| Tata AIG | 200409 (49.03) | 252.32 (46.56) | 145098 (35.50) | 37427 (9.16) | 32.39 (5.98) | 12205 (2.99) | 21.08 (3.89) | 1638 (0.40) | 3.23 (0.60) | 11930 (2.92) | 10.62 (1.96) | 408707 | 541.96 | 11930 (2.92) | 10.62 (1.96) | 408707 | 541.96 | 11930 (2.92) | 10.62 (1.96) |
| Private Total | 5067814 (63.99) | 11148.77 (65.80) | 951678 (12.02) | 989994 (12.50) | 1425.46 (8.41) | 78727 (0.99) | 178.19 (1.05) | 691933 (8.74) | 1147.53 (6.77) | 139077 (1.76) | 235.33 (1.39) | 7919223 | 16944.58 | 139077 (1.76) | 235.33 (1.39) | 7919223 | 16944.58 | 139077 (1.76) | 235.33 (1.39) |
| LIC# | 37234093 (97.45) | 43456.53 (97.28) | 475241 (1.24) | 294791 (0.77) | 400.43 (0.90) | 180450 (0.47) | 153.44 (0.34) | 24000 (0.06) | 108.98 (0.24) | - | - | 38208575 | 44673.25 | - | - | 38208575 | 44673.25 | - | - |
| Industry Total | 42301907 (91.71) | 54605.30 (88.62) | 1426919 (3.09) | 1284785 (2.79) | 1825.89 (2.96) | 259177 (0.56) | 331.63 (0.54) | 715933 (1.55) | 1256.51 (2.04) | 139077 (0.30) | 235.33 (0.38) | 46127798 | 61617.83 | 139077 (0.30) | 235.33 (0.38) | 46127798 | 61617.83 | 139077 (0.30) | 235.33 (0.38) |

Note: Figures in brackets show percentage to total new business of each insurer procured through the respective channel

*Any entity other than banks but licensed as a corporate agent. # Does not include its overseas new business premium of Rs.18.92 crore.

**It has been confirmed by the respective insurers that the no. of policies have been taken net of all cancellations including freelooks during the financial year.

GROUP NEW BUSINESS PERFORMANCE OF LIFE INSURERS FOR 2006-07 — CHANNEL-WISE

(Premium in Rs crore) (Schemes and lives in nos.)

| Insurer | Individual Agents | | | | Corporate Agents | | | | Brokers | | | | Referrals | | | | Direct Selling | | | | Total Group New Business | | | | | | | |
|----------------|-------------------|---------|---------------|----------|------------------|---------|---------------|---------|-----------------|---------|---------------|---------|-----------------|---------|---------------|---------|-----------------|---------|---------------|---------|--------------------------|----------|---------------|----------|-------|----------|----------|--------|
| | Schemes covered | | Lives covered | | Schemes covered | | Lives covered | | Schemes covered | | Lives covered | | Schemes covered | | Lives covered | | Schemes covered | | Lives covered | | Schemes covered | | Lives covered | | | | | |
| | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | Premium | | | | |
| Aviva** | 14 | 5146 | 4.18 | (13.45) | - | 2597 | 1.77 | (5.69) | - | 356623 | 1.63 | (5.25) | 5 | 8627 | 0.52 | (1.80) | 2 | 62913 | 1.50 | (4.84) | 74 | 44044 | 21.49 | (69.12) | 95 | 479950 | 31.09 | |
| Bejaj Allianz | - | - | - | - | - | - | - | - | - | (74.30) | (5.25) | - | (5.26) | - | - | - | - | - | - | - | 283 | 847038 | 62.60 | (100.00) | 283 | 847038 | 62.60 | |
| Bharti Axa | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3 | 3067 | 0.01 | (100.00) | 3 | 3067 | 0.01 | |
| Birla Sunlife | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 162 | 66866 | 139.84 | (100.00) | 162 | 66866 | 139.84 | |
| HDFC Std | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 165 | 302505 | 276.00 | (100.00) | 165 | 302505 | 276.00 | |
| ICICI Pru** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 423 | 438420 | 778.65 | (100.00) | 423 | 438420 | 778.65 | |
| ING Vysya | 1 | 44 | 0.25 | (1.02) | 2 | 667 | 2.33 | (9.56) | - | - | - | - | 8 | 1925 | 0.09 | (2.32) | - | - | - | - | 33 | 80398 | 21.73 | (75.00) | 44 | 83034 | 24.40 | |
| Kotak | - | - | - | - | - | - | - | - | - | - | - | - | 79 | 197151 | 15.98 | (39.30) | - | - | - | - | 122 | 219931 | 52.59 | (60.70) | 201 | 417082 | 68.57 | |
| Mahindra | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 165 | 103795 | 5.91 | (100.00) | 165 | 103795 | 5.91 | |
| Max | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| NewYork | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| MetLife | 7 | 3809 | 0.30 | (1.12) | - | 4 | 7964 | 0.71 | (2.64) | - | 4 | 7964 | 0.71 | (2.64) | 78 | 188429 | 7.19 | (38.24) | (44.37) | (26.91) | 115 | 224522 | 18.52 | (56.37) | 204 | 424724 | 26.72 | |
| Reliance Life | 6 | 3804 | 0.12 | (0.09) | - | - | - | - | - | - | - | - | 73 | 91307 | 5.73 | (31.20) | - | - | - | - | 155 | 253799 | 125.17 | (66.24) | 234 | 348910 | 131.02 | |
| Sahara** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| SBI Life | - | - | - | - | - | 272 | 1475673 | 322.81 | (87.18) | (95.05) | (40.37) | - | - | - | - | - | - | - | - | - | 40 | 76848 | 476.78 | (12.82) | 312 | 1552521 | 799.59 | |
| Shriram | 1 | 200 | 0.0018 | (100.00) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 200 | 0.0018 |
| Tata AIG | 20 | 14381 | 0.78 | (2.61) | 1 | 88 | 0.07 | (0.07) | - | - | - | - | 18 | 4605 | 1.50 | (20.22) | - | - | - | - | 50 | 532460 | 100.51 | (56.18) | 89 | 551534 | 102.86 | |
| Private Total | 49 | 27384 | 5.63 | (2.05) | 275 | 1479025 | 326.98 | (13.36) | (11.53) | (25.84) | (8.17) | (0.13) | 261 | 492044 | 31.01 | (10.94) | 2 | 62913 | 1.50 | (0.06) | 1790 | 3193693 | 2079.80 | (75.05) | 2385 | 5722897 | 2448.10 | |
| LIC | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 20717 | 14164320 | 11531.39 | (100.00) | 20717 | 14164320 | 11531.39 | |
| Industry Total | 49 | 27384 | 5.63 | (2.05) | 275 | 1479025 | 326.98 | (13.36) | (11.53) | (25.84) | (8.17) | (0.13) | 261 | 492044 | 31.01 | (10.94) | 2 | 62913 | 1.50 | (0.06) | 1790 | 3193693 | 2079.80 | (75.05) | 2385 | 5722897 | 2448.10 | |
| | (0.21) | (0.14) | (0.04) | (0.04) | (1.19) | (7.44) | (2.34) | (0.03) | (0.03) | (2.35) | (2.35) | (0.02) | (1.13) | (2.47) | (0.22) | (0.01) | (0.32) | (0.01) | (0.01) | (0.01) | (97.42) | (87.28) | (97.37) | | | | | |

Note: Figures in brackets show percentage to total

* Any entity other than banks but licensed as a corporate agent.

**It has been confirmed by the respective insurers that the no. of schemes have been taken net of all cancellations including freelooks during the financial year.

STATE WISE SPREAD OF NO. OF INDIVIDUAL AGENTS — INSURER WISE AS AT 31ST MARCH, 2007

| State / Union Territory | Insurers | | | | | | | | | | | | | | Industry Total (State wise) | | | |
|-------------------------------|----------|------------------|---------------|------------------|-------------|--------------|--------------|-------------------|----------------|-------------|------------------|----------------|-------------|----------------|--------------------------------------|-------------|---------|--------|
| | Aviva | Bajaj Allianz | Bharti Axa | Birla Sunlife | HDFC Std | ICICI Pru | ING Vysya | Kotak Mahindra | Max NewYork | Met Life | Reliance Life | Sahara Life | SBI Life | Shriram AIG | | Tata AIG | Private | LIC |
| Andhra | 1900 | 18165 | 183 | 3856 | 5734 | 14159 | 6988 | 855 | 1417 | 2835 | 9748 | 178 | 2652 | 8113 | 561 | 77344 | 100314 | 177658 |
| Pradesh | - | - | - | - | - | - | - | - | - | - | - | - | 2 | 4 | - | 6 | 383 | 389 |
| Arumachal | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Pradesh | 767 | 9970 | - | 1921 | 1826 | 5208 | 312 | 1150 | 175 | 253 | 1568 | 334 | 118 | - | 1723 | 25325 | 38215 | 63540 |
| Bihar | 1051 | 13505 | - | 2892 | 716 | 5976 | - | - | 158 | 17 | 3182 | 1557 | 1262 | - | 841 | 31157 | 58983 | 90140 |
| Chattisgarh | 237 | 2705 | - | 641 | 1611 | 1111 | - | - | 152 | 1 | 163 | - | 1084 | 7 | 194 | 7906 | 17725 | 25631 |
| Goa | 84 | 316 | - | 274 | 339 | 405 | 121 | - | 130 | 2 | - | - | - | 1 | - | 1672 | 3379 | 5051 |
| Gujarat | 1755 | 10241 | 20 | 3026 | 3956 | 23098 | 1337 | 4854 | 3749 | 759 | 7397 | 550 | 1508 | - | 2032 | 64282 | 53800 | 118082 |
| Haryana | 1424 | 3088 | - | 1314 | 2447 | 3959 | 616 | 1628 | 709 | 295 | 2372 | 88 | 613 | - | 255 | 18808 | 16724 | 35532 |
| Himachal Pradesh | 11 | 1590 | - | - | 225 | 742 | 288 | - | 17 | 6 | 605 | - | 86 | - | 161 | 3731 | 8290 | 12021 |
| Jammu & Kashmir | 91 | 2921 | - | - | 732 | 2613 | 272 | - | 32 | 2 | - | - | 89 | - | - | 6752 | 6506 | 13258 |
| Jharkhand | 657 | 7561 | - | 1396 | 1286 | 4017 | - | 169 | 264 | 34 | 2048 | 660 | 831 | - | 976 | 19899 | 24387 | 44286 |
| Karnataka | 1057 | 9564 | 71 | 2883 | 2922 | 11193 | 3201 | 788 | 801 | 3389 | 5377 | 107 | 875 | 488 | 582 | 43298 | 67749 | 111047 |
| Kerala | 1603 | 14254 | - | 1814 | 8598 | 17107 | 1875 | 451 | 612 | 3111 | 6055 | - | 2266 | 116 | 2787 | 60649 | 49478 | 110127 |
| Madhya Pradesh | 1144 | 13720 | - | 2386 | 4576 | 8941 | 2072 | 804 | 1159 | 145 | 2837 | 634 | 1553 | 328 | 162 | 40461 | 45954 | 86415 |
| Maharashtra | 3332 | 14336 | 297 | 6986 | 10558 | 25032 | 1980 | 4107 | 4597 | 2158 | 6297 | 262 | 2335 | 149 | 2745 | 85171 | 124471 | 209642 |
| Manipur | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1446 | 1446 |
| Meghalaya | 65 | 370 | - | 457 | 354 | 327 | - | - | - | 2 | 435 | - | 95 | - | 16 | 2121 | 603 | 2724 |
| Mizoram | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 291 | 291 |
| Nagaland | 1 | - | - | 593 | - | - | - | - | - | 1 | - | - | 4 | - | - | 599 | 663 | 1262 |
| Orissa | 1261 | 14148 | 125 | 1257 | 1518 | 9227 | 846 | 285 | 285 | 482 | 5213 | 319 | 1931 | 6 | 1839 | 38457 | 33377 | 71834 |
| Punjab | 1159 | 9872 | 27 | 2677 | 5816 | 14839 | 922 | 1106 | 3220 | 1000 | 4806 | 32 | 683 | - | 120 | 46279 | 18953 | 65232 |
| Rajasthan | 801 | 7882 | - | 3092 | 3449 | 10605 | 1608 | 734 | 998 | 363 | 4865 | 1438 | 1347 | - | 2517 | 39699 | 51071 | 90770 |
| Sikkim | 59 | 205 | - | 4 | 873 | 365 | - | - | - | 10 | - | - | 6 | - | 13 | 1535 | 612 | 2147 |
| Tamil Nadu | 1698 | 11038 | 99 | 3296 | 4895 | 11725 | 4403 | 1213 | 1225 | 2322 | 11240 | 62 | 2471 | 1153 | 1338 | 58178 | 81331 | 139509 |
| Tripura | 157 | 741 | - | - | - | - | - | - | - | 1 | - | - | 3 | - | 37 | 939 | 1446 | 2385 |

STATE WISE SPREAD OF NO. OF INDIVIDUAL AGENTS — INSURER WISE AS AT 31ST MARCH, 2007

| State / Union Territory | Insurers | | | | | | | | | | | | | | Industry Total (State wise) | | | |
|-------------------------------|--------------|------------------|---------------|------------------|--------------|---------------|--------------|-------------------|----------------|--------------|------------------|----------------|--------------|--------------|--------------------------------------|---------------|----------------|----------------|
| | Aviva | Bajaj Allianz | Bharti Axa | Birla Sunlife | HDFC Std | ICICI Pru | ING Vysya | Kotak Mahindra | Max NewYork | Met Life | Reliance Life | Sahara Life | SBI Life | Shriram | | Tata AIG | Private LIC | |
| Uttar Pradesh | 3074 | 29849 | 133 | 7067 | 8077 | 26286 | 2232 | 1000 | 1433 | 562 | 12802 | 2790 | 1376 | - | 841 | 97522 | 132832 | 230354 |
| Uttarakhand | 70 | 1679 | - | 755 | 527 | 1051 | 421 | 304 | 304 | 159 | - | 145 | 22 | - | 13 | 5146 | 14966 | 20112 |
| West Bengal | 2301 | 13592 | 188 | 3368 | 3758 | 15980 | 1198 | 1168 | 770 | 1516 | 3399 | 249 | 1386 | - | 4542 | 53415 | 103163 | 156578 |
| Andaman & Nicobar | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 485 | 485 |
| Islands | 193 | 25 | - | 721 | - | 2835 | 974 | 537 | 420 | 162 | 1677 | 25 | 160 | - | 1522 | 9251 | 8683 | 17934 |
| Dadra & Nagahavelli | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2 | 2 |
| Daman & Diu | 1 | 11 | - | - | - | - | - | - | - | - | - | - | - | - | - | 12 | 125 | 137 |
| Delhi | 3056 | 4412 | 123 | 3496 | 4316 | 17207 | 2278 | 3920 | 2417 | 1259 | 3536 | 367 | 595 | - | 2275 | 49257 | 35450 | 84707 |
| Lakshadweep | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2 | 2 |
| Puducherry | 43 | 431 | - | 318 | - | 452 | - | - | - | 2 | - | - | 3 | 19 | 13 | 1281 | 1188 | 2469 |
| Total | 29052 | 216191 | 1266 | 56490 | 79109 | 234460 | 33944 | 24484 | 25044 | 20848 | 95622 | 9797 | 25356 | 10384 | 28105 | 890152 | 1103047 | 1993199 |

DETAILS OF NO. OF INDIVIDUAL AGENTS OF LIFE INSURERS

| Insurer | As on 1st April, 2006 | Additions | Deletions | As on 31st March 2007 |
|-----------------------|--------------------------|---------------|---------------|--------------------------|
| Aviva | 10974 | 20708 | 2630 | 29052 |
| Bajaj Allianz | 109141 | 141303 | 34253 | 216191 |
| Bharti Axa | 0 | 1354 | 88 | 1266 |
| Birla Sunlife | 17738 | 41422 | 2670 | 56490 |
| HDFC Std | 34887 | 53470 | 9248 | 79109 |
| ICICI Pru | 72383 | 199453 | 37376 | 234460 |
| ING Vysya | 18683 | 25936 | 10675 | 33944 |
| Kotak Mahindra | 12523 | 17259 | 5298 | 24484 |
| Max NewYork | 15275 | 18803 | 9034 | 25044 |
| MetLife | 9985 | 14562 | 3699 | 20848 |
| Reliance Life | 19956 | 82531 | 6865 | 95622 |
| Sahara | 78 | 9719 | 0 | 9797 |
| SBI Life | 8128 | 18343 | 1115 | 25356 |
| Shriram | 5759 | 4625 | 0 | 10384 |
| Tata AIG | 35336 | 17134 | 24365 | 28105 |
| Private Total | 370846 | 666622 | 147316 | 890152 |
| LIC | 1052993 | 197963 | 147909 | 1103047 |
| Industry Total | 1423839 | 864585 | 295225 | 1993199 |

INDIVIDUAL DEATH CLAIMS

| Life Insurer | (Benefit Amount in Rs crore) | | | | | | | | | | | | | | | | | |
|-----------------------|---------------------------------|----------------|---------------------------|----------------|----------------|----------------|----------------|----------------|-------------------|----------------|-------------------------------|----------------|---|----------------|----------------|----------------|--------------|---|
| | Claims pending at start of year | | Claims intimated / booked | | Total Claims | | Claims paid | | Claims repudiated | | Claims pending at end of year | | Break up of claims pending – duration wise (Policies) | | | | | |
| | No. of Policies | Benefit Amount | No. of Benefit | Benefit Amount | No. of Benefit | Benefit Amount | No. of Benefit | Benefit Amount | No. of Benefit | Benefit Amount | No. of Benefit | Benefit Amount | < 3 mths | 3 - < 6 mths | > 1 yr | Total | | |
| Aviva | 80 | 1.85 | 497 | 7.75 | 577 | 9.60 | 418 | 6.56 | 53 | 0.92 | 106 | 2.12 | 57 | 11 | 16 | 22 | 106 | |
| Bajaj Allianz | 335 | 6.56 | 2344 | 39.09 | 2679 | 45.65 | 1929 | 31.18 | 483 | 9.96 | 267 | 4.50 | 217 | 18 | 10 | 22 | 267 | |
| Bharti Axa | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Birla Sunlife | 12 | 2.18 | 565 | 19.42 | 577 | 21.60 | 456 | 14.84 | 111 | 4.51 | 10 | 2.25 | 2 | 2 | 1 | 5 | 10 | |
| HDFC Std | 202 | 3.49 | 1370 | 21.59 | 1572 | 25.08 | 1046 | 13.76 | 284 | 5.76 | 242 | 5.55 | 242 | - | - | - | 242 | |
| ICICI Pru | 111 | 2.62 | 3354 | 29.74 | 3465 | 32.36 | 3102 | 24.30 | 212 | 4.04 | 151 | 4.02 | 101 | 19 | 14 | 17 | 151 | |
| ING Vysya | 62 | 0.87 | 507 | 6.45 | 569 | 7.32 | 319 | 4.29 | 79 | 0.20 | 171 | 2.83 | 109 | 45 | 16 | 1 | 171 | |
| Kotak Mahindra | 99 | 2.50 | 341 | 7.83 | 440 | 10.33 | 233 | 6.38 | 62 | 1.40 | 145 | 2.55 | 62 | 24 | 21 | 38 | 145 | |
| Max NewYork | 540 | 9.63 | 1406 | 29.11 | 1946 | 38.74 | 1325 | 23.33 | 263 | 6.28 | 358 | 9.13 | 190 | 109 | 41 | 18 | 358 | |
| MetLife | 36 | 1.12 | 185 | 7.44 | 221 | 8.55 | 103 | 3.21 | 48 | 2.15 | 70 | 3.19 | 39 | 16 | 8 | 7 | 70 | |
| Reliance Life | 9 | 0.05 | 294 | 4.36 | 303 | 4.41 | 262 | 3.58 | 27 | 0.48 | 14 | 0.35 | 13 | - | 1 | - | 14 | |
| Sahara | 7 | 0.06 | 37 | 0.32 | 44 | 0.38 | 19 | 0.20 | 4 | 0.02 | 21 | 0.16 | 14 | 3 | 4 | - | 21 | |
| SBLife | 165 | 1.53 | 1115 | 14.94 | 1280 | 16.47 | 921 | 11.13 | 172 | 2.09 | 187 | 3.25 | 143 | 17 | 11 | 16 | 187 | |
| Shriram | 0 | 0.00 | 81 | 1.30 | 81 | 1.30 | 12 | 0.14 | 1 | 0.02 | 68 | 1.14 | 8 | 36 | 24 | - | 68 | |
| Tata AIG | 236 | 4.33 | 1043 | 17.66 | 1279 | 21.99 | 783 | 12.55 | 303 | 5.85 | 193 | 3.59 | 153 | 11 | 3 | 26 | 193 | |
| Private Total | 1894 | 36.80 | 13139 | 206.99 | 15033 | 243.78 | 10928 | 155.46 | 2102 | 43.68 | 2003 | 44.64 | 1350 | 311 | 170 | 172 | 2003 | |
| LIC | 9574 | 185.39 | 602425 | 4404.03 | 611999 | 4589.42 | 593250 | 4289.28 | 8767 | 94.71 | 9982 | 205.43 | 3179 | 2795 | 2375 | 1633 | 9982 | |
| Industry Total | 11468 | 222.19 | 615564 | 4611.02 | 627032 | 4833.20 | 604178 | 4444.74 | 10869 | 138.39 | 11985 | 250.07 | 4529 | 3106 | 2545 | 1805 | 11985 | |
| | | | | | | | (96.36) | (91.96) | (1.73) | (2.86) | (1.91) | (5.17) | (37.79) | (25.92) | (21.23) | (15.06) | | |

Note : Figures in brackets show percentage of the respective totals.

NO. OF LIFE INSURANCE OFFICES AS ON END MARCH*

| Insurer | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Aviva | - | 3 | 12 | 22 | 50 | 110 | 140 |
| Bajaj Allianz | 1 | 7 | 33 | 49 | 153 | 567 | 877 |
| Bharti Axa | - | - | - | - | - | 1 | 16 |
| Birla Sunlife | 2 | 19 | 29 | 41 | 53 | 97 | 148 |
| HDFC Std | - | 4 | 18 | 26 | 90 | 150 | 448 |
| ICICI Pru | 6 | 14 | 29 | 69 | 109 | 175 | 583 |
| ING Vysya | - | 4 | 18 | 26 | 38 | 68 | 183 |
| Kotak Mahindra | - | 9 | 28 | 39 | 43 | 46 | 75 |
| Max NewYork | - | 15 | 23 | 33 | 64 | 84 | 118 |
| MetLife | - | 3 | 8 | 16 | 35 | 43 | 53 |
| Reliance Life | - | 17 | 35 | 48 | 80 | 157 | 159 |
| Sahara | - | - | - | 2 | 18 | 18 | 33 |
| SBI Life | 1 | 5 | 10 | 19 | 31 | 46 | 138 |
| Shriram | - | - | - | - | - | 11 | 12 |
| Tata AIG | 3 | 6 | 13 | 26 | 40 | 72 | 89 |
| Private Total | 13 | 116 | 254 | 416 | 804 | 1645 | 3072 |
| LIC | 2186 | 2190 | 2191 | 2196 | 2197 | 2220 | 2301 |
| Industry Total | 2199 | 2306 | 2445 | 2612 | 3001 | 3865 | 5373 |

* Offices opened after seeking approval of the Authority

Note: 1) Data as furnished by the insurers

2) Nos show the cumulative count

3) Office as defined under Section 64VC of the Insurance Act, 1938.

DISTRIBUTION OF OFFICES OF LIFE INSURERS AS ON 31st MARCH, 2007*

| Insurer | Metro | Urban | Semi-urban | Others | Company Total |
|-----------------------|--------------|--------------|-------------------|---------------|----------------------|
| Aviva | 13 | 55 | 61 | 11 | 140 |
| Bajaj Allianz | 30 | 124 | 375 | 348 | 877 |
| Bharti Axa | 5 | 11 | - | - | 16 |
| Birla Sunlife | 27 | 60 | 60 | 1 | 148 |
| HDFC Std | 34 | 84 | 251 | 79 | 448 |
| ICICI Pru | 77 | 140 | 305 | 61 | 583 |
| ING Vysya | 14 | 63 | 91 | 15 | 183 |
| Kotak Mahindra | 18 | 36 | 19 | 2 | 75 |
| Max NewYork | 25 | 49 | 38 | 6 | 118 |
| MetLife | 14 | 25 | 13 | 1 | 53 |
| Reliance Life | 19 | 54 | 80 | 6 | 159 |
| Sahara | 4 | 24 | 5 | - | 33 |
| SBI Life | 14 | 68 | 43 | 13 | 138 |
| Shriram | 2 | 9 | 1 | - | 12 |
| Tata AIG | 20 | 46 | 20 | 3 | 89 |
| Private total | 316 | 848 | 1362 | 546 | 3072 |
| LIC | 233 | 499 | 797 | 772 | 2301 |
| Industry total | 549 | 1347 | 2159 | 1318 | 5373 |

* Offices opened after seeking approval of the Authority.

Note : 1) Data collected from life insurers through a special return.

2) Based on the HRA classification of places done by the Ministry of Finance.

Metro: Delhi, Mumbai, Chennai and Kolkata.

Urban: A, B-1 and B-2 class cities of the HRA classification.

Semi-urban: C class cities of the HRA classification.

Others: Places not listed in the HRA classification.

GEOGRAPHICAL DISTRIBUTION OF OFFICES*

| State / Union Territory | Aviva | Bajaj Allianz | Bharti Axa | Birla Sunlife | HDFC Sid | ICICI Pru | ING Vysya | Kotak Mahindra | Max NewYork | Met Life | Reliance Sahara Life | SBI Life | Shriram | Tata AIG | State Total (Private) | LIC | State Total (Industry) |
|---------------------------|------------|---------------|------------|---------------|------------|------------|------------|----------------|-------------|-----------|----------------------|-----------|-----------|-----------|-----------------------|-------------|------------------------|
| Andhra Pradesh | 6 | 69 | 1 | 10 | 41 | 42 | 35 | 3 | 7 | 5 | 26 | 1 | 5 | 5 | 269 | 198 | 467 |
| Arunachal Pradesh | - | 1 | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 2 | 3 |
| Assam | 4 | 25 | - | 4 | 8 | 9 | 1 | 3 | 1 | - | 1 | 1 | - | 4 | 63 | 56 | 119 |
| Bihar | 2 | 41 | - | 7 | 1 | 15 | 1 | - | 1 | - | 1 | 3 | - | 2 | 80 | 68 | 148 |
| Chattisgarh | 1 | 8 | - | 2 | 11 | 2 | 1 | - | 1 | - | 1 | 1 | - | 1 | 33 | 35 | 68 |
| Goa | 1 | 1 | - | 1 | 1 | 2 | 1 | - | 1 | 1 | - | - | - | - | 10 | 14 | 24 |
| Gujarat | 11 | 55 | 1 | 11 | 23 | 50 | 10 | 20 | 10 | 3 | 9 | 2 | - | 6 | 218 | 157 | 375 |
| Haryana | 8 | 17 | - | 7 | 12 | 15 | 5 | 4 | 4 | 1 | 2 | 1 | - | 2 | 82 | 44 | 126 |
| Himachal Pradesh | - | 11 | - | - | 4 | 3 | 1 | - | 1 | - | 1 | - | - | - | 22 | 27 | 49 |
| Jammu & Kashmir | 1 | 13 | - | - | 3 | 4 | 1 | - | - | 2 | - | - | - | - | 25 | 20 | 45 |
| Jharkhand | 3 | 30 | - | 5 | 4 | 9 | 1 | 1 | 2 | - | 2 | 6 | - | 4 | 68 | 41 | 109 |
| Karnataka | 8 | 48 | 1 | 10 | 27 | 32 | 21 | 3 | 6 | 8 | 16 | 1 | 2 | 6 | 195 | 154 | 349 |
| Kerala | 12 | 79 | 1 | 7 | 61 | 48 | 21 | 2 | - | 9 | 18 | - | 1 | 8 | 276 | 95 | 371 |
| Madhya Pradesh | 7 | 55 | 1 | 6 | 27 | 28 | 5 | 2 | 4 | - | 2 | 2 | 1 | 1 | 146 | 130 | 276 |
| Maharashtra | 12 | 76 | 4 | 21 | 58 | 75 | 11 | 14 | 17 | 7 | 22 | 1 | 1 | 15 | 348 | 291 | 639 |
| Manipur | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4 | 4 |
| Meghalaya | 1 | 3 | - | 1 | 1 | 1 | - | - | - | - | - | - | - | - | 8 | 1 | 9 |
| Mizoram | - | 1 | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 1 | 2 |
| Nagaland | - | - | - | 1 | - | - | - | - | - | - | - | - | - | - | 1 | 4 | 5 |
| Orissa | 6 | 34 | 1 | 3 | 14 | 20 | 4 | - | 1 | 1 | 1 | 1 | - | 2 | 95 | 62 | 157 |
| Punjab | 7 | 50 | 2 | 5 | 23 | 33 | 10 | 5 | 32 | 2 | 5 | - | - | 3 | 181 | 69 | 250 |
| Rajasthan | 6 | 45 | - | 8 | 24 | 18 | 7 | 2 | 3 | 1 | 4 | 3 | - | 8 | 136 | 120 | 256 |
| Sikkim | 1 | 3 | - | - | 1 | 1 | - | - | - | - | - | - | - | - | 7 | 1 | 8 |
| Tamil Nadu | 10 | 46 | 1 | 10 | 29 | 37 | 26 | 5 | 5 | 6 | 31 | 1 | 2 | 6 | 228 | 193 | 421 |
| Tripura | 1 | 2 | - | - | 2 | 1 | - | - | - | - | - | - | - | - | 6 | 4 | 10 |
| Uttar Pradesh | 15 | 80 | 1 | 12 | 43 | 57 | 11 | 1 | 6 | 1 | 11 | 10 | - | 3 | 262 | 240 | 502 |
| Uttarakhand | 1 | 11 | - | 1 | 5 | 3 | 1 | - | 1 | - | - | - | - | - | 23 | 36 | 59 |
| West Bengal | 10 | 55 | 1 | 7 | 15 | 45 | 3 | 4 | 5 | 3 | 5 | 1 | - | 8 | 173 | 154 | 327 |
| Andaman & Nicobar Islands | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 1 |
| Chandigarh | 1 | 1 | - | 1 | 1 | 3 | 1 | - | 1 | - | - | 1 | - | - | 12 | 9 | 21 |
| Dadra & Nagarhaveli | - | - | - | - | - | - | - | - | 1 | - | - | - | - | - | 1 | - | 1 |
| Daman & Diu | - | - | - | - | - | 1 | - | - | - | - | - | - | - | - | 1 | - | 1 |
| Delhi | 4 | 14 | 1 | 8 | 8 | 28 | 3 | 6 | 8 | 3 | 1 | 1 | - | 4 | 91 | 67 | 158 |
| Lakshadweep | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Puducherry | 1 | 3 | - | - | 1 | 1 | 2 | - | - | - | - | - | - | 1 | 10 | 3 | 13 |
| Company Total | 140 | 877 | 16 | 148 | 448 | 583 | 183 | 75 | 118 | 53 | 159 | 33 | 12 | 89 | 3072 | 2301 | 5373 |

* Offices opened after seeking approval of the Authority

Note: 1) Data as furnished by the insurers 2) Office as defined under Section 64VC of the Insurance Act, 1938

INDIVIDUAL NEW BUSINESS UNDERWRITTEN STATEWISE

| State/Union Territory | Aviva* | | Bajaj Allianz | | BhartiAxa | | Britia Sunlife | | HDFC Std | | ICICI Pru* | | ING Vysya | | Kotak Mahindra | | Max NewYork | | MetLife | | Reliance Life | |
|-----------------------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|
| | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium |
| Andhra Pradesh | 22679 | 36.11 | 155219 | 322.82 | 1227 | 1.50 | 24535 | 20.94 | 34903 | 71.02 | 88449 | 210.06 | 43512 | 87.06 | 4109 | 13.02 | 32852 | 35.51 | 10928 | 31.69 | 78429 | 96.10 |
| Andhachal Pradesh | 34 | 0.10 | 550 | 1.95 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Assam | 3668 | 7.92 | 57833 | 118.49 | 1 | 0.003 | 9204 | 11.04 | 3675 | 9.50 | 16830 | 41.54 | 994 | 1.28 | 2594 | 6.80 | 12885 | 11.26 | 101 | 0.08 | 5199 | 9.37 |
| Bihar | 5246 | 10.23 | 159667 | 241.90 | 4 | 0.004 | 11363 | 13.51 | 5174 | 10.30 | 18463 | 33.94 | 997 | 1.41 | - | - | 26797 | 20.43 | 1 | 0.021 | 3714 | 6.05 |
| Chattisgarh | 810 | 1.49 | 12460 | 23.37 | 2 | 0.003 | 2886 | 2.94 | 5850 | 10.99 | 6201 | 13.37 | 875 | 0.90 | - | - | 1736 | 2.15 | - | - | - | - |
| Goa | 1629 | 5.08 | 3815 | 0.11 | - | - | 2146 | 5.26 | 2166 | 10.46 | 4789 | 21.67 | 889 | 2.08 | 200 | 0.73 | 2652 | 4.79 | - | - | 987 | 5.43 |
| Gujarat | 14761 | 31.79 | 122457 | 255.22 | 36 | 0.06 | 22834 | 31.83 | 36316 | 108.74 | 153136 | 382.56 | 15125 | 28.24 | 30826 | 101.62 | 51278 | 102.49 | 1994 | 6.56 | 44145 | 94.64 |
| Haryana | 16348 | 33.55 | 48446 | 96.58 | 96 | 0.24 | 8505 | 21.38 | 11729 | 30.98 | 14570 | 29.31 | 6029 | 10.04 | 7157 | 20.95 | 82237 | 136.38 | 317 | 1.56 | 14681 | 26.36 |
| Himachal Pradesh | 616 | 0.80 | 5133 | 10.61 | - | - | - | - | 2538 | 6.40 | 4824 | 12.14 | 3580 | 6.17 | - | - | 707 | 0.80 | - | - | 2501 | 4.40 |
| Jammu & Kashmir | 3246 | 4.71 | 19952 | 44.09 | - | - | - | - | 2043 | 4.57 | 12443 | 28.63 | 1716 | 3.55 | - | - | 1526 | 2.57 | 10982 | 19.64 | - | - |
| Jharkhand | 4236 | 8.31 | 74152 | 129.79 | 4 | 0.004 | 7780 | 3.55 | 3656 | 8.64 | 27151 | 57.83 | 181 | 0.31 | 306 | 0.73 | 7509 | 6.03 | - | - | 3353 | 7.66 |
| Karnataka | 11527 | 33.48 | 107543 | 228.56 | 345 | 0.43 | 39543 | 31.09 | 21589 | 89.39 | 98095 | 262.36 | 33857 | 65.92 | 4894 | 15.68 | 15911 | 33.10 | 23117 | 55.52 | 29198 | 54.57 |
| Kerala | 9793 | 30.22 | 155085 | 386.00 | 4 | 0.01 | 18886 | 13.15 | 28989 | 120.15 | 111905 | 405.71 | 12639 | 31.53 | 7380 | 24.61 | 6908 | 11.43 | 15129 | 59.66 | 28873 | 83.49 |
| Madhya Pradesh | 7144 | 13.06 | 33320 | 64.87 | 1 | 0.003 | 24303 | 14.66 | 28875 | 39.25 | 44189 | 99.64 | 8071 | 10.74 | 3226 | 11.66 | 8533 | 11.75 | 25 | 0.03 | 5545 | 8.43 |
| Maharashtra | 31615 | 88.25 | 221392 | 539.62 | 1354 | 1.65 | 51622 | 393.63 | 163547 | 306.24 | 590271 | 837.95 | 14976 | 33.16 | 27102 | 95.47 | 76158 | 147.29 | 16395 | 44.88 | 56493 | 99.32 |
| Manipur | 50 | 0.17 | 244 | 0.62 | - | - | 5386 | 0.04 | 2 | 0.02 | 499 | 0.73 | 24 | 0.04 | - | - | - | - | - | - | - | - |
| Meghalaya | 110 | 0.23 | 3328 | 9.80 | - | - | 1109 | 2.17 | 882 | 1.78 | 1160 | 2.37 | 14 | 0.02 | - | - | - | - | - | - | 1161 | 6.21 |
| Mizoram | 22 | 0.05 | 1309 | 14.56 | - | - | - | - | - | - | - | - | - | - | - | - | 19 | 0.02 | - | - | - | - |
| Nagaland | 125 | 0.24 | 752 | 1.61 | - | - | 1701 | 1.83 | - | - | - | - | 8 | 0.01 | - | - | 396 | 0.28 | - | - | - | - |
| Orissa | 6095 | 12.90 | 129505 | 225.48 | 137 | 0.33 | 12128 | 7.10 | 4109 | 9.22 | 41109 | 80.97 | 4565 | 8.16 | - | - | 7559 | 7.15 | 1520 | 1.39 | 7967 | 11.70 |
| Punjab | 43115 | 81.92 | 56267 | 142.07 | 558 | 0.11 | 13318 | 14.48 | 20450 | 73.90 | 121090 | 366.78 | 6209 | 13.87 | 5888 | 20.50 | 40539 | 67.27 | 1931 | 4.27 | 16998 | 30.49 |
| Rajasthan | 14649 | 15.69 | 83155 | 162.29 | 2 | 0.001 | 17745 | 17.96 | 15667 | 40.96 | 53921 | 118.90 | 7687 | 11.82 | 3642 | 11.53 | 10651 | 18.02 | 1657 | 3.53 | 10417 | 14.96 |
| Sikkim | 318 | 1.19 | 2920 | 13.95 | - | - | - | - | 1862 | 3.78 | 1033 | 2.73 | 6 | 0.01 | - | - | - | - | - | - | - | - |
| Tamil Nadu | 19531 | 58.97 | 216865 | 376.11 | 474 | 0.44 | 30224 | 16.55 | 30890 | 103.01 | 131166 | 351.15 | 33040 | 72.05 | 8167 | 27.04 | 30028 | 50.20 | 11184 | 26.28 | 61280 | 103.28 |
| Tripura | 826 | 1.17 | 5532 | 10.60 | - | - | - | - | 132 | 0.97 | 1649 | 4.01 | 28 | 0.01 | - | - | 2375 | 1.99 | - | - | - | - |
| Uttar Pradesh | 18497 | 43.54 | 200943 | 396.32 | 294 | 0.37 | 58876 | 54.13 | 34196 | 92.32 | 145499 | 362.56 | 11285 | 15.92 | 3725 | 11.65 | 30202 | 45.22 | 210 | 2.92 | 46533 | 78.75 |
| Uttarakhand | 980 | 1.73 | 2957 | 5.84 | - | - | 3153 | 5.91 | 2377 | 5.81 | 9514 | 22.45 | 2871 | 4.09 | - | - | 1501 | 1.99 | - | - | 3713 | 5.10 |
| West Bengal | 22568 | 57.66 | 169884 | 315.50 | 542 | 0.84 | 17301 | 18.76 | 23191 | 65.93 | 98042 | 201.92 | 6156 | 13.21 | 11171 | 41.18 | 48468 | 56.46 | 9549 | 23.92 | 12271 | 22.56 |

INDIVIDUAL NEW BUSINESS UNDERWRITTEN STATEWISE

| State/Union Territory | Aviva* | | Bajaj Allianz | | BhartiAxa | BirlaSunlife | | HDFCStd | ICICI Pru* | | INGVysya | | Kotak Mehindra | | Mx NewYork | | MetLife | | Reliance Life | | | |
|---------------------------|-----------------|---------------|-----------------|----------------|------------|-----------------|-----------------|--------------|--------------|-----------------|---------------|-----------------|----------------|-----------------|--------------|-----------------|---------------|-----------------|---------------|-----------------|---------|-----------------|
| | No. of policies | Premium | No. of policies | Premium | | No. of policies | No. of policies | | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies |
| Andaman & Nicobar Islands | 9 | 0.03 | 378 | 0.68 | - | - | - | - | - | - | 59 | 0.01 | - | - | - | - | - | - | - | - | | |
| Chandigarh | 3364 | 7.86 | 893 | 2.04 | - | 5360 | 7.19 | 1 | 0.09 | - | 1476 | 1.82 | 2507 | 7.82 | 1861 | 3.76 | - | - | 4975 | 10.62 | | |
| Dadra & Nagarhaveli | 28 | 0.05 | 127 | 0.22 | - | - | - | - | - | - | 32 | 0.04 | - | - | - | - | - | - | - | - | | |
| Daman & Diu | 47 | 0.08 | 204 | 0.33 | - | - | - | - | - | - | 162 | 0.07 | - | - | - | - | - | - | - | - | | |
| Delhi | 33162 | 101.01 | 23838 | 58.89 | 615 | 1.74 | 35885 | 33.20 | 38172 | 148.39 | 163577 | 432.22 | 11462 | 19.13 | 42108 | 135.37 | 51132 | 127.79 | 14366 | 31.77 | 10438 | 18.76 |
| Lakshadweep | 1 | 0.0009 | 30 | 0.05 | - | - | - | - | - | - | 70 | 0.001 | - | - | - | - | - | - | - | - | - | - |
| Puducherry | 246 | 0.66 | 2777 | 6.23 | 5 | 0.002 | 791 | 0.60 | 1 | 0.03 | - | 594 | 0.58 | - | 85 | 0.05 | - | - | 1812 | 2.83 | | |
| Company Total | 29795 | 690.25 | 208933 | 4207.18 | 570 | 776 | 426594 | 74288 | 52882 | 13726 | 195575 | 4333.49 | 22989 | 46302 | 54637 | 906.19 | 119406 | 313.72 | 463683 | 801.09 | | |

*It has been confirmed by the respective insurers that the no. of policies have been taken net of all cancellations including freelooks during the financial year.

Does not include its overseas new business premium of Rs.18.92 crore.

INDIVIDUAL NEW BUSINESS UNDERWRITTEN STATEWISE

(Premium in Rs crore)

| State / Union Territory | Sahara* | | SBI Life | | Shriram | | Tata AIG | | State Total (Private) | | LIC # | | State Total (Industry) | |
|-------------------------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------|---------|-----------------------|---------|-----------------|---------|------------------------|---------|
| | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium | No. of policies | Premium |
| Andhra Pradesh | 1677 | 2.10 | 51496 | 143.98 | 60074 | 110.34 | 16502 | 18.00 | 626591 | 1200.25 | 3963914 | 3949.80 | 4590505 | 5150.05 |
| Arunachal Pradesh | - | - | - | - | - | - | - | - | 943 | 2.60 | 10835 | 14.07 | 11778 | 16.67 |
| Assam | 795 | 0.51 | 15190 | 13.74 | - | - | 12985 | 14.59 | 141954 | 246.12 | 798775 | 724.13 | 940729 | 970.26 |
| Bihar | 6504 | 6.49 | 22219 | 55.60 | - | - | 5569 | 6.41 | 265717 | 406.30 | 1750177 | 1388.87 | 2015894 | 1795.18 |
| Chattisgarh | 510 | 0.64 | 20954 | 66.80 | - | - | 412 | 1.39 | 52695 | 124.04 | 858191 | 886.85 | 910886 | 1010.89 |
| Goa | - | - | 565 | 2.64 | - | - | - | - | 19838 | 58.24 | 100828 | 136.34 | 120666 | 194.58 |
| Gujarat | 3025 | 2.41 | 34266 | 105.39 | - | - | 23767 | 29.57 | 553967 | 1281.11 | 1845845 | 2212.61 | 2399812 | 3493.73 |
| Haryana | 362 | 0.35 | 11722 | 45.74 | - | - | 6396 | 7.64 | 228594 | 461.05 | 636185 | 1094.86 | 864779 | 1555.91 |
| Himachal Pradesh | - | - | 3109 | 11.71 | - | - | - | - | 23008 | 53.04 | 309163 | 757.56 | 332171 | 810.59 |
| Jammu & Kashmir | - | - | 1585 | 4.74 | - | - | - | - | 53493 | 112.51 | 170388 | 383.42 | 223881 | 495.92 |
| Jharkhand | 751 | 1.14 | 13071 | 39.22 | - | - | 5652 | 10.46 | 147802 | 273.68 | 757356 | 722.19 | 905158 | 995.87 |
| Karnataka | 452 | 0.67 | 24310 | 87.92 | 4958 | 7.57 | 27546 | 35.65 | 442885 | 1001.90 | 2797491 | 2701.95 | 3240376 | 3703.85 |
| Kerala | - | - | 37588 | 168.73 | 1436 | 2.63 | 28878 | 35.74 | 463493 | 1373.04 | 1574917 | 2540.33 | 2038410 | 3913.36 |
| Madhya Pradesh | 2179 | 2.08 | 34572 | 107.41 | 2665 | 5.16 | 2618 | 1.22 | 205266 | 389.96 | 1801623 | 1956.98 | 2006889 | 2346.94 |
| Maharashtra | 895 | 1.11 | 54814 | 170.01 | 3321 | 6.11 | 64096 | 122.07 | 1374052 | 2886.77 | 4108629 | 4302.98 | 5482681 | 7189.75 |
| Manipur | - | - | 793 | 1.82 | - | - | - | - | 6998 | 3.44 | 33893 | 49.92 | 40891 | 53.36 |
| Meghalaya | - | - | 1057 | 1.37 | - | - | - | - | 8821 | 23.95 | 13840 | 21.40 | 22661 | 45.35 |
| Mizoram | - | - | 16 | 0.01 | - | - | - | - | 1366 | 14.64 | 6950 | 36.34 | 8316 | 50.98 |
| Nagaland | - | - | 379 | 0.35 | - | - | - | - | 3361 | 4.32 | 20571 | 41.08 | 23932 | 45.41 |
| Orissa | 2233 | 1.66 | 39047 | 102.92 | - | - | 16164 | 17.39 | 272138 | 486.39 | 1076835 | 815.84 | 1348973 | 1302.23 |
| Punjab | 81 | 0.04 | 18356 | 53.68 | - | - | 5667 | 6.92 | 350467 | 876.31 | 589717 | 1464.17 | 940184 | 2340.48 |
| Rajasthan | 6454 | 7.21 | 26063 | 69.07 | - | - | 24920 | 23.61 | 276630 | 515.55 | 1836161 | 2722.06 | 2112791 | 3237.61 |
| Sikkim | - | - | 192 | 0.73 | - | - | - | - | 6331 | 22.39 | 17213 | 29.34 | 23544 | 51.73 |
| Tamil Nadu | 109 | 0.16 | 76543 | 267.11 | 23623 | 49.37 | 30533 | 35.04 | 703657 | 1536.78 | 3124128 | 4077.78 | 3827785 | 5614.57 |
| Tripura | - | - | 316 | 0.46 | - | - | - | - | 10858 | 19.22 | 116811 | 121.86 | 127669 | 141.07 |
| Uttar Pradesh | 12007 | 12.37 | 30525 | 100.26 | - | - | 12800 | 13.30 | 605592 | 1229.63 | 4415855 | 4692.78 | 5021447 | 5922.41 |
| Uttarakhand | 494 | 0.46 | 3039 | 9.06 | - | - | - | - | 30599 | 62.43 | 476805 | 549.11 | 507404 | 611.54 |
| West Bengal | 1604 | 1.38 | 29251 | 79.40 | - | - | 63636 | 83.41 | 513634 | 982.14 | 3317660 | 2734.41 | 3831294 | 3716.55 |

INDIVIDUAL NEW BUSINESS UNDERWRITTEN STATEWISE

| State / Union Territory | (Premium in Rs crore) | | | | | | | | | | | | |
|---------------------------|-----------------------|---------------|----------------|--------------|-----------------------|---------------|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Sahara* | SBI Life | Shriram | Tata AIG | State Total (Private) | LIC # | State Total (Industry) | No. of policies | Premium | No. of policies | Premium | No. of policies | |
| Andaman & Nicobar Islands | - | 198 | 3.95 | - | 644 | 4.66 | 30830 | 44.10 | 31474 | 48.76 | | | |
| Chandigarh | 0.14 | 2542 | 7.09 | - | 7201 | 10.43 | 30330 | 58.87 | 285673 | 794.75 | 316003 | 853.61 | |
| Dadra & Nagarhaveli | - | 65 | 0.31 | - | 252 | 0.62 | 61 | 0.01 | 313 | 0.64 | | | |
| Daman & Diu | - | 54 | 0.14 | - | 467 | 0.62 | 4477 | 5.45 | 4944 | 6.07 | | | |
| Delhi | 1.24 | 9561 | 37.61 | - | 52927 | 68.53 | 488358 | 1215.64 | 1322108 | 2660.42 | 1810466 | 3876.06 | |
| Lakshadweep | - | - | - | - | 101 | 0.06 | 144 | 0.02 | 245 | 0.07 | | | |
| Puducherry | 1572 | 4.75 | - | 438 | 8320 | 16.32 | 34526 | 39.47 | 42846 | 55.79 | | | |
| Company Total | 41396 | 565389 | 1764.25 | 96077 | 181.17 | 408707 | 541.96 | 7919223 | 16944.58 | 38208575 | 44673.25 | 46127798 | 61617.83 |

*It has been confirmed by the respective insurers that the no. of policies have been taken net of all cancellations including freelooks during the financial year.

Does not include its overseas new business premium of Rs.18.92 crore.

INSURANCE COMPANIES OPERATING IN INDIA**LIFE INSURERS**

| Public Sector | Private Players |
|--|---|
| 1. Life Insurance Corporation of India (LIC) | 1. Bajaj Allianz Life Insurance Co. Ltd. |
| | 2. Birla Sun Life Insurance Co. Ltd. (BSLI) |
| | 3. HDFC Standard Life Insurance Co. Ltd. (HDFC STD LIFE) |
| | 4. ICICI Prudential Life Insurance Co. Ltd. (ICICI PRU) |
| | 5. ING Vysya Life Insurance Co. Ltd. (ING VYSYA) |
| | 6. Max New York Life Insurance Co. Ltd. (MNYL) |
| | 7. MetLife India Insurance Co. Pvt. Ltd. (METLIFE) |
| | 8. Kotak Mahindra Old Mutual Life Insurance Co. Ltd. |
| | 9. SBI Life Insurance Co. Ltd. (SBI LIFE) |
| | 10. TATAAIG Life Insurance Co. Ltd. (TATAAIG) |
| | 11. Reliance Life Insurance Company Ltd. |
| | 12. Aviva Life Insurance Co. Pvt. Ltd. (AVIVA) |
| | 13. Sahara India Life Insurance Co. Ltd. (SAHARA LIFE) |
| | 14. Shriram Life Insurance Co. Ltd (SHRIRAM LIFE) |
| | 15. Bharti AXA Life Insurance Co. Ltd. (BHARTI AXA) |
| | 16. Future Generali India Life Insurance Co. Ltd. (FUTURE GENERALI INDIA LIFE) |

NON-LIFE INSURERS

| Public Sector | Private Players |
|---|---|
| 1. New India Assurance Co. Ltd. (NEW INDIA) | 1. Bajaj Allianz General Insurance Co. Ltd. (BAJAJ ALLIANZ) |
| 2. National Insurance Co. Ltd. (NATIONAL) | 2. ICICI Lombard General Insurance Co. Ltd. (ICICI LOMBARD) |
| 3. The Oriental Insurance Co. Ltd. (ORIENTAL) | 3. IFFCO Tokio General Insurance Co. Ltd. (IFFCO TOKIO) |
| 4. United India Insurance Co. Ltd. (UNITED) | 4. Reliance General Insurance Co. Ltd. (RELIANCE) |
| 5. Export Credit Guarantee Corporation Ltd. (ECGC) | 5. Royal Sundaram Alliance Insurance Co. Ltd. (ROYAL SUNDARAM) |
| 6. Agriculture Insurance Company of India Ltd. (AIC) | 6. TATAAIG General Insurance Co. Ltd. (TATAAIG) |
| | 7. Cholamandalam MS General Insurance Co. Ltd. (CHOLAMANDALAM) |
| | 8. HDFC General Insurance Co. Ltd. (HDFC CHUBB) |
| | 9. Star Health and Allied Insurance Company Limited (STAR HEALTH) |
| | 10. Apollo DKV Insurance Co. Ltd. (APOLLO DKV) |
| | 11. Future Generali India Insurance Co. Ltd. (FUTURE GENERALI INDIA) |

RE – INSURER: General Insurance Corporation of India (GIC)

REGULATIONS FRAMED UNDER THE IRDA ACT, 1999

| Sl.No. | Notification |
|--------|---|
| 1 | IRDA (Member of Insurance Advisory Committee) |
| 2 | IRDA Appointment of Insurance Advisory Committee Regulations, 2000 |
| 3 | IRDA (The Insurance Advisory Committee) (Meeting) Regulations, 2000 |
| 4 | IRDA (Appointed Actuary) Regulations, 2000 |
| 5 | IRDA (Actuarial Report and Abstract) Regulations, 2000 |
| 6 | IRDA (Licensing of Insurance Agents) Regulations, 2000 |
| 7 | IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000 |
| 8 | IRDA (General Insurance-Reinsurance) Regulations, 2000 |
| 9 | IRDA (Registration of Indian Insurance Companies) Regulations, 2000 |
| 10 | IRDA (Insurance Advertisements and Disclosure) Regulations, 2000 |
| 11 | IRDA (Obligations of Insurers to Rural Social Sectors) Regulations, 2000 |
| 12 | IRDA (Meetings) Regulations, 2000 |
| 13 | IRDA (Investment) Regulations, 2000 |
| 14 | IRDA (Conditions of Service of Officers and other Employees) Regulations, 2000 |
| 15 | IRDA (Insurance Surveyors and Loss Assessors (Licensing, Professional Requirements and Code of Conduct)) Regulations, 2000 |
| 16 | IRDA (Life Insurance - Reinsurance) Regulations, 2000 |
| 17 | IRDA (Investment) (Amendment) Regulations, 2001 |
| 18 | IRDA (Third Party Administrators - Health Services) Regulations, 2001 |
| 19 | IRDA (Re-Insurance Advisory Committee) Regulations, 2001 |
| 20 | IRDA (Investments) (Amendment) Regulations, 2002 |
| 21 | IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 |
| 22 | IRDA (Protection of Policyholders' Interests) Regulations, 2002 |
| 23 | IRDA (Insurance Brokers) Regulations, 2002 |
| 24 | IRDA (Obligations of Insurers to Rural and Social Sectors) Regulations, 2002 |
| 25 | IRDA (Licensing of Corporate Agents) Regulations, 2002 |
| 26 | IRDA (Licensing of Insurance Agents) (Amendment) Regulations, 2002 |
| 27 | IRDA (Protection of Policyholders' Interests) (Amendment) Regulations, 2002 |
| 28 | IRDA (Manner of Receipt of Premium) Regulations, 2002 |
| 29 | IRDA (Distribution of Surplus) Regulations, 2002 |
| 30 | IRDA (Registration of Indian Insurance Companies) (Amendment) Regulations, 2003 |
| 31 | IRDA (Investment) (Amendment) Regulations, 2004 |
| 32 | IRDA (Qualification of Actuary) Regulations, 2004 |
| 33 | IRDA (Obligations of Insurers to Rural / Social Sectors) (Amendment) Regulations, 2004 |
| 34 | IRDA (Insurance Advisory Committee) Regulations, 2005 |
| 35 | IRDA (Micro-Insurance) Regulations, 2005 |
| 36 | IRDA (Maternity Leave) Regulations, 2005 |
| 37 | IRDA (Obligations of Insurers to Rural or Social Sector) (Amendment) Regulations, 2005 |
| 38 | IRDA (Reinsurance Cession) (Notification) Regulations, 2007 |

**APPOINTED ACTUARIES OF LIFE INSURERS
(as on 31st March, 2007)**

| | |
|---|-----------------------------|
| Bajaj Allianz Life Insurance Co. Ltd. | Mr. Andrew Wakeling* |
| Reliance Life Insurance Co. Ltd. | Ms. Pournima Gupte |
| Aviva Life Insurance Co. India Pvt. Ltd. | Mr. Chandan Khasnobis |
| Birla Sun Life Insurance Co. Ltd. | Mr. Fabien Jeudy |
| HDFC Standard Life Insurance Co. Ltd. | Mr. N. D. Taket |
| ICICI Prudential Life Insurance Co. Ltd. | Mr. Azim Mithani |
| ING Vysya Life Insurance Co. Ltd. | Ms. Hemamalini Ramakrishnan |
| Life Insurance Corporation of India | Mr. G. N. Agarwal |
| Max New York Life Insurance Co. Ltd. | Mr. John Charles Poole |
| MetLife India Insurance Co. Pvt. Ltd. | Mr. K. P. Sarma |
| Kotak Mahindra Old Mutual Life Insurance Ltd. | Mr. A Venkatasubramanian |
| Sahara India Life Insurance Co. Ltd. | Mr. K. K. Dharni |
| SBI Life Insurance Co. Ltd. | Mr. I. Sambasiva Rao |
| Tata AIG Life Insurance Co. Ltd. | Mr. Heerak Basu |
| Shriram Life Insurance Co. Ltd. | Mr. N S Sastry |
| Bharti AXA Life Insurance Co. Ltd. | Mr. G L N Sarma |

* Mr. Anil Kumar Singh was appointed with effect from 01st July, 2007

APPOINTED ACTUARIES OF NON-LIFE INSURERS
(as on 31st March, 2007)

| | |
|--|------------------------|
| Agriculture Insurance Co. of India Ltd. | Mr. S. Chidambaram |
| Bajaj Allianz General Insurance Co. Ltd. | Ms. Asha J Joshi |
| Cholamandalam MS General Insurance Co. Ltd. | Mr. M. Venkatesan |
| General Insurance Corporation of India (Life Re-Insurance Department) | Mr. T. Bhargava |
| General Insurance Corporation of India (Non-Life Re-Insurance Department) | Mr. D. K. Pandit |
| HDFC Chubb General Insurance Co. Ltd. | Mr. N. Lakshmanan |
| ICICI Lombard General Insurance Co. Ltd. | Mr. Liyaquat Khan |
| IFFCO Tokio General Insurance Co. Ltd. | Mr. A. P. Peethambaran |
| National Insurance Co. Ltd. | Mr. B. Chatterjee |
| The New India Assurance Co. Ltd. | Mr. A. R. Prabhu |
| Reliance General Insurance Co. Ltd. | Mr. N. G. Pai |
| Royal Sundaram Alliance Insurance Co. Ltd. | Mr. O. Lakshminarayana |
| TATA AIG General Insurance Co. Ltd. | Mr. K. Hanumantha Rao |
| The Oriental Insurance Co. Ltd. | Mr. P. C. Gupta |
| United India Insurance Co. Ltd. | Mr. S. Krishnan |
| Star Health and Allied Insurance Co. Ltd. | Mr. R. Soundararajan |

INDIAN ASSURED LIVES MORTALITY (1994-96) (modified) ULTIMATE

| Age | Mortality rate | Age | Mortality rate |
|-----|----------------|-----|----------------|
| 0 | 0.001630 | 50 | 0.005244 |
| 1 | 0.000960 | 51 | 0.005819 |
| 2 | 0.000670 | 52 | 0.006443 |
| 3 | 0.000620 | 53 | 0.007116 |
| 4 | 0.000470 | 54 | 0.007839 |
| 5 | 0.000420 | 55 | 0.008611 |
| 6 | 0.000380 | 56 | 0.009433 |
| 7 | 0.000400 | 57 | 0.010294 |
| 8 | 0.000400 | 58 | 0.011025 |
| 9 | 0.000400 | 59 | 0.011951 |
| 10 | 0.000380 | 60 | 0.013073 |
| 11 | 0.000450 | 61 | 0.014391 |
| 12 | 0.000530 | 62 | 0.015904 |
| 13 | 0.000650 | 63 | 0.017612 |
| 14 | 0.000713 | 64 | 0.019516 |
| 15 | 0.000770 | 65 | 0.021615 |
| 16 | 0.000823 | 66 | 0.022724 |
| 17 | 0.000873 | 67 | 0.025617 |
| 18 | 0.000919 | 68 | 0.028823 |
| 19 | 0.000961 | 69 | 0.032372 |
| 20 | 0.000999 | 70 | 0.036294 |
| 21 | 0.001033 | 71 | 0.040623 |
| 22 | 0.001063 | 72 | 0.045392 |
| 23 | 0.001090 | 73 | 0.050639 |
| 24 | 0.001113 | 74 | 0.056404 |
| 25 | 0.001132 | 75 | 0.062728 |
| 26 | 0.001147 | 76 | 0.069655 |
| 27 | 0.001159 | 77 | 0.077231 |
| 28 | 0.001166 | 78 | 0.085502 |
| 29 | 0.001170 | 79 | 0.094519 |
| 30 | 0.001170 | 80 | 0.104331 |
| 31 | 0.001171 | 81 | 0.114992 |
| 32 | 0.001201 | 82 | 0.126553 |
| 33 | 0.001246 | 83 | 0.139067 |
| 34 | 0.001308 | 84 | 0.151077 |
| 35 | 0.001387 | 85 | 0.162298 |
| 36 | 0.001482 | 86 | 0.174149 |
| 37 | 0.001593 | 87 | 0.186638 |
| 38 | 0.001721 | 88 | 0.199775 |
| 39 | 0.001865 | 89 | 0.213560 |
| 40 | 0.002053 | 90 | 0.227995 |
| 41 | 0.002247 | 91 | 0.243072 |
| 42 | 0.002418 | 92 | 0.258782 |
| 43 | 0.002602 | 93 | 0.275109 |
| 44 | 0.002832 | 94 | 0.292031 |
| 45 | 0.003110 | 95 | 0.309522 |
| 46 | 0.003438 | 96 | 0.327549 |
| 47 | 0.003816 | 97 | 0.346073 |
| 48 | 0.004243 | 98 | 0.365052 |
| 49 | 0.004719 | 99 | 0.384436 |

**MORTALITY RATES OF ANNUITANTS IN LIC OF INDIA
LIC A (96-98) ULTIMATE**

| Age | Mortality rate | Life Expectation | Age | Mortality rate | Life Expectation |
|-----|----------------|------------------|-----|----------------|------------------|
| 20 | 0.000919 | 57.45 | 65 | 0.013889 | 17.33 |
| 21 | 0.000961 | 56.50 | 66 | 0.015286 | 16.56 |
| 22 | 0.000999 | 55.56 | 67 | 0.017026 | 15.81 |
| 23 | 0.001033 | 54.61 | 68 | 0.019109 | 15.08 |
| 24 | 0.001063 | 53.67 | 69 | 0.021534 | 14.36 |
| 25 | 0.001090 | 52.72 | 70 | 0.024301 | 13.67 |
| 26 | 0.001113 | 51.78 | 71 | 0.027410 | 12.99 |
| 27 | 0.001132 | 50.84 | 72 | 0.030862 | 12.35 |
| 28 | 0.001147 | 49.89 | 73 | 0.034656 | 11.72 |
| 29 | 0.001159 | 48.95 | 74 | 0.038793 | 11.13 |
| 30 | 0.001166 | 48.01 | 75 | 0.043272 | 10.56 |
| 31 | 0.001170 | 47.06 | 76 | 0.048093 | 10.01 |
| 32 | 0.001170 | 46.12 | 77 | 0.053257 | 9.49 |
| 33 | 0.001171 | 45.17 | 78 | 0.058763 | 9.00 |
| 34 | 0.001201 | 44.22 | 79 | 0.064611 | 8.53 |
| 35 | 0.001246 | 43.28 | 80 | 0.070802 | 8.08 |
| 36 | 0.001308 | 42.33 | 81 | 0.077335 | 7.66 |
| 37 | 0.001387 | 41.38 | 82 | 0.084210 | 7.26 |
| 38 | 0.001482 | 40.44 | 83 | 0.091428 | 6.88 |
| 39 | 0.001593 | 39.50 | 84 | 0.098988 | 6.52 |
| 40 | 0.001721 | 38.56 | 85 | 0.106891 | 6.19 |
| 41 | 0.001865 | 37.63 | 86 | 0.115136 | 5.87 |
| 42 | 0.002053 | 36.70 | 87 | 0.123723 | 5.56 |
| 43 | 0.002247 | 35.77 | 88 | 0.132652 | 5.28 |
| 44 | 0.002418 | 34.85 | 89 | 0.141924 | 5.01 |
| 45 | 0.002602 | 33.93 | 90 | 0.151539 | 4.76 |
| 46 | 0.002832 | 33.02 | 91 | 0.161495 | 4.52 |
| 47 | 0.003110 | 32.11 | 92 | 0.171794 | 4.29 |
| 48 | 0.003438 | 31.21 | 93 | 0.182436 | 4.07 |
| 49 | 0.003816 | 30.32 | 94 | 0.193419 | 3.87 |
| 50 | 0.004243 | 29.43 | 95 | 0.204746 | 3.68 |
| 51 | 0.004719 | 28.56 | 96 | 0.216414 | 3.50 |
| 52 | 0.005386 | 27.69 | 97 | 0.228425 | 3.33 |
| 53 | 0.006058 | 26.84 | 98 | 0.240778 | 3.17 |
| 54 | 0.006730 | 26.00 | 99 | 0.253473 | 3.01 |
| 55 | 0.007401 | 25.17 | 100 | 0.266511 | 2.86 |
| 56 | 0.008069 | 24.35 | 101 | 0.279892 | 2.72 |
| 57 | 0.008710 | 23.55 | 102 | 0.293614 | 2.59 |
| 58 | 0.009397 | 22.75 | 103 | 0.307679 | 2.46 |
| 59 | 0.010130 | 21.96 | 104 | 0.322087 | 2.33 |
| 60 | 0.010907 | 21.18 | 105 | 0.336836 | 2.19 |
| 61 | 0.011721 | 20.41 | 106 | 0.351928 | 2.05 |
| 62 | 0.011750 | 19.64 | 107 | 0.367363 | 1.89 |
| 63 | 0.012120 | 18.87 | 108 | 0.383139 | 1.70 |
| 64 | 0.012833 | 18.10 | 109 | 0.399258 | 1.45 |
| | | | 110 | 0.415720 | 1.08 |

LIFE INSURANCE PRODUCTS CLEARED DURING THE FINANCIAL YEAR 2006-07

| Sl. No. | Life Insurer | Name of the Product /Riders |
|----------------|---------------------|---|
| 1. | BAJAJ ALLIANZ LIFE | Bajaj Allianz Samraksha Bajaj Allianz New Unit Gain Super Bajaj Allianz Capital Unit Gain Bajaj Allianz New Unit Gain Easy Pension Plus - SP Bajaj Allianz Unit Gain Guarantee - SP Bajaj Allianz New Unit Gain Premier - SP Bajaj Allianz New Unit Gain Plus - SP Bajaj Allianz New Unit Gain Easy Pension Plus - RP Bajaj Allianz New Family Gain Bajaj Allianz New Unit Gain Plus Bajaj Allianz New Unit Gain Bajaj Allianz New Group Gratuity Care Bajaj Allianz New Group Superannuation Care Bajaj Allianz New Secure First Bajaj Allianz New Risk Care UL Accidental Death Benefit UL Accidental Permanent Total/Partial Disability Benefit UL Critical Illness Benefit UL Hospital Cash Benefit UL Mahila Gain Benefit |
| 2. | RELIANCE LIFE | Reliance Connect 2 Life Plan Reliance Group Superannuation Plan Reliance Golden Years Plan Reliance Market Return Plan Reliance Golden Years Plan - Plus Reliance Golden Years Plan - Value Reliance Group Gratuity plan Reliance Money Guarantee Plan Reliance Auto Invest Plan |
| 3. | AVIVALIFE | Home Builder Life Long Unit Linked Life Long With Profits Life Bond Unit Linked Life Bond With Profits Life Bond 5 Life Bond Plus Life Saver Unit Linked Life Saver With Profits Freedom Life Plan Group Gratuity Plan Young Achiever Unit Linked Young Achiever With Profits Pension Plus Unit Linked Pension Plus With Profits Treasure Plus Unit Linked Easy Life Plus Unit Linked Easy Life Plus With Profits Save Guard Save Guard Junior Group Superannuation Plan Life Saver Plus Grameen Suraksha Aviva Dhan Vriddhi |

| Sl. No. | Life Insurer | Name of the Product /Riders |
|----------------|-----------------------|--|
| 4. | BIRLA SUN LIFE | Classic Life Premier Prime Life Single Premium Bond Prime Life Premier Life Companion Money Back Plan Life Companion Endowment Plan Birla Sun Life Group Gratuity Product Birla Sun Life Group Superannuation Product Birla Sun Life Flexi SecureLife Retirement Plan II Flexi Insurance Solutions Simply Life Supreme Life Birla Sun Life Dream Plan Birla Sun Life Children's Dream Plan Birla Sun Life Group Gratuity Guaranteed Interest Credit Product Birla Sun Life Group Leave Encashment Guaranteed Interest Credit Product Birla Sun Life Group Superannuation Guaranteed Interest Credit Product |
| 5. | HDFC STANDARD LIFE | HDFC Unit Linked Young Star HDFC Unit Linked Young Star Plus HDFC Unit Linked Young Star Suvidha HDFC Unit Linked Young Star Suvidha Plus HDFC Unit Linked Endowment HDFC Unit Linked Endowment Plus HDFC Unit Linked Endowment Suvidha HDFC Unit Linked Endowment Suvidha Plus HDFC Unit Linked Pension HDFC Unit Linked Pension plus |
| 6. | ICICI PRUDENTIAL LIFE | Cash Plus Diabetes Care (Critical Illness Insurance) Diabetes Care Plus (Critical Illness + Life Insurance) ICICI Pru Group Superannuation ICICI Pru Group Superannuation Platinum ICICI Pru Group Superannuation Plus Smartkid New Unit Linked Single Premium Invest Shield Cash Back Invest Shield Life -New Life Time plus Life Time Super Pension Premier Life Gold Smart Kid New UL RP ICICI Pru Group Gratuity platinum ICICI Pru Group Gratuity ICICI Pru Group Gratuity Plus Life Link Super Pension LifeTime Super Life Link Super ICICI Pru Credit Assure Hospital Care Cancer Care Plus ICICI Pru New Group Superannuation ICICI Pru New Group Superannuation Plus ICICI Pru New Group Superannuation Platinum Critical Illness Rider Accident Death and Disability Benefit Rider Waiver of Premium Rider Income Benefit Rider Diabetes Enhanced Rider |

| Sl. No. | Life Insurer | Name of the Product /Riders |
|---------|-------------------------------------|---|
| 7. | ING VYSYALIFE | ING Vysya Life Group Decreasing Mortgage Cover Plan High Life High Life Plus ING Vysya Life Group Superannuation Plan - Defined Benefit Scheme New Freedom plan New Future perfect plan New One Life Plan ING Vysya Group Gratuity ING Life Plus |
| 8. | LIFE INSURANCE CORPORATION OF INDIA | LIC's New Bima Gold LIC's Gratuity Plus LIC's Market Plus Jeevan Akshay - V LIC's Jeevan Madhur LIC's Money Plus LIC's Child Career Plan LIC's Child Future Plan LIC's Premium Waiver Benefit Rider (with Auto Cover) LIC's Critical Illness Benefit Rider |
| 9. | MAX NEWYORK LIFE | Unit Linked Group Gratuity Plan Life Invest Plan Max Amsure Secure Returns Builder Life Maker Pension Plan Life Maker Unit Linked Investment Plan Unit Linked Group Superannuation Plan Life Maker Premium Investment Plan |
| 10. | MET LIFE | Met Smart Plus Met Smart Premier Met Advantage Plus Non-Par Immediate Annuity Met Smart Plus -Single Pay Met Smart Premier - Single Pay Met Group Gratuity Met Ultimate Premier Met Ultimate Plus Critical Illness Rider (Linked) Accident Death Benefit Rider (Linked) |
| 11. | KOTAK MAHINDRA OLD MUTUAL LIFE | Kotak Flexi Plan Kotak Headstart Future Protect (Joint Life Plan) Kotak Headstart Future Protect (Single Life Plan) Kotak Headstart Assure Wealth (Joint Life Plan) Kotak Headstart Assure Wealth (Single Life Plan) Sukhi Jeevan Kotak Retirement Income Plan (Unit Linked) -without cover plan Kotak Retirement Income Plan (Unit Linked) - Single Premium plan Kotak Safe Investment Plan II Kotak Privileged Assurance Plan Kotak Easy Growth Plan (with 1.25 times cover) Kotak Easy Growth Plan (With 5 Times Cover) Kotak Retirement Income Plan (Unit Linked) - with cover plan Kotak Superannuation Grouplan Kotak Gratuity Grouplan - KGGP Kotak Platinum Advantage Plan |

| Sl. No. | Life Insurer | Name of the Product /Riders |
|---------|-------------------|--|
| 12. | SBI LIFE | SBI Life Group Leavencashment cum Life Cover Scheme SBI Life Horizon II SBI Life Unit Plus II Regular SBI Life Unit Plus II Single SBI Life - Group Superannuation SBI Life Horizon II Pension SBI Life Unit Plus II Pension SBI Life Golden Gratuity SBI Life Group Immediate Annuity |
| 13. | TATA AIG LIFE | Navakalyan Yojana Ayushman Yojana Invest Assure Plus Sampoorn Bima Yojana Invest Assure II Invest Assure Gold TATA AIG Unit Linked Gratuity Scheme II (ULGS-II) TATA AIG Unit Linked Super Annuation scheme II - Defined Contribution (ULSS-II) |
| 14. | SAHARA INDIA LIFE | Sahara Sahayog (Micro Endowment Insurance without profit plan) Sahara Ankur Sahara Sanchay - R Sahara Samriddhi Sahara Swabhimaan Sahara Premium Waiver Benefit Rider for Unit Linked Plan Sahara Accidental Death Benefit and Accidental Total and Permanent Disability Benefit Rider (for unit linked plans) |
| 15. | SHRIRAM LIFE | Shriplus Shri Laab Shri Vivah ShriPlus (SP) Shri Vidya Immediate Annuity Plan Shri Vishram Shri Sahay Accident Shield Accident Benefit Rider (SP) Family Income Benefit Rider (SP) |
| 16. | BHARTI AXA LIFE | Wealth Confident Future Confident Bharti AXA FutureConfident II Bharti AXA Secure Confident Bharti AXA Save Confident Bharti AXA ServSuraksha Bharti AXA Invest Confident Bharti AXA Group Suraksha Critical Illness Rider Accidental Death and Disability Benefit Rider |

NON-LIFE PRODUCTS FILED BY INSURANCE COMPANIES UNDER FILE & USE PROCEDURES DURING THE FINANCIAL YEAR 2006-07

| Name of the Insurer | Name of the Product |
|--------------------------------|---|
| Agriculture Insurance Co. Ltd. | Potato Crop Input Insurance Poppy Insurance-Micro Insurance Bio-Fuel Insurance Policy Wheat Insurance Wheat Insurance (Modified) Weather Insurance (Rabi Crops) Weather Based Crop Insurance Scheme Varsha Bima - Microinsurance Policy Rainfall Insurance - Microinsurance Weather Insurance (Rabi Crops)- Microinsurance Rainfall Insurance |
| Bajaj Allianz | Coconut Palm and Yield Insurance Senior Citizen Health Plan Sankat mochan Policy Packaged Products Overseas Travel Policy Health Guard F&U Product- Health Ensure |
| Cholamandalam | Home Total Policy Office Total Policy Shop Total Policy Educational Institution Hotel Package Enterprise Package |
| ECGC | Individual post shipment guarantee |
| GIC | Terrorism Risk Insurance Pool |
| HDFC-CHUBB | Business Suraksha ClassiK Machinery Loss of Profit Advance Loss of Profit Educators Policy Employment Practices Liability Insurance Information and Network Technology Errors or Omissions Liability Insurance Commercial General Liability Insurance Livestock (Sheep & Goat) Insurance New Healthwise Policy |

| Name of the Insurer | Name of the Product |
|---------------------|--|
| ICICI Lombard | Pharma guard Autoguard Secure mind policy Tax gain health insurance |
| IFFCO Tokio | Diamontaries Block Insurance Policy Errors & Omissions Technology Policy Dhanam Bon Voyage Nri Dhan Yatra Dhanam Vidhya Dhanam Micro Insurance Policy Fine Art Policy (Pvt Collectors' Policy) Fine Art Policy (Art Dealers and Gallery Owner Policy) Pravasi Bhartiya Bima Yojana Individual Medishield Kisan Suvidha Bima Policy Weather Insurance Policy Dhanam Suraksha PNB-Housing Finance Comprehensive General Liability Policy Extended Warranty Policy |
| National Insurance | Parivar Mediclaim Vidyarthi Mediclaim Dhanvawntri Mediclaim SBBJ National Medikavach Star National Swasthya Bima Varishta Mediclaim for senior citizens National Swasthya Bima Allbank National Mediclaim Scheme Naini National Health Mediclaim Insurance Policy Group Personal Accident – Kidzee Policy Individual & Group Mediclaim Policy DOS (Potatoes) |
| New India Assurance | Individual Mediclaim Policy, Group Mediclaim Policy, Janata Mediclaim, Family Floater Policy Senior Citizens Mediclaim Policy |
| Oriental Insurance | Micro-Insurance -Swasthya Bima Policy |
| Reliance General | Student Care Corporate Flexi Travel Home Loan Insurance Bankers Indemnity |

| Name of the Insurer | Name of the Product | | | |
|---------------------|---|---|--|---|
| Royal Sundaram | Healthy Family Auto Loan Care Personal Loan Care Port Package Special Contingency Inland Travel Care Hotel and Restaurant Package Double Protect Insurance Health Care Insurance Health Infiniti Insurance Health Forever Insurance Medishield Insurance Income Protector Insurance Wind Energy Farmers Package | | | |
| | Star Health | Accident Trauma Care (Individual) Star Pravasi Bharatiya Bima Yojana STAR Care 'n' cash insurance Star Health Registration files Package Policies Star HIV Care Insurance Mediclassic Insurance (group) (Revised) Micro Health care Insurance Policy (Revised) | | |
| | | TATA-AIG General | Business Guard - Shop Policy (Small Business) Business Guard - Educational Institutions Policy (Small Business) Business Guard - Office Policy (Small Business) Business Guard - Package Policy (Small Business) Business Guard - Society (Small Business) Home Secure-Householders Accident & Health-Domestic Travel Protection Policy Accident & Health-Student Guard Plus Policy Accident & Health Product-Rural Insurance-Group PA Policy Accident & Health Product-Rural Insurance-Individual PA Policy Accident & Health Product-Micro Insurance-Individual PA Policy Accident & Health Product-Micro Insurance-Group PA Policy Accident & Health Product-Injury Guard Policy Business Guard-Agri-Pump Set (Small Business Solutions) Overseas Travel Insurance - Travel Guard | |
| | | | United India | Omp for schengen countries Uni micro insurance |

OBLIGATORY CESSIONS RECEIVED BY GIC

| CLASS | LIMIT OF CESSION IN SUM INSURED OR PML | Reinsurance Commission | Profit Commission |
|---|--|---|-----------------------------|
| Fire, IAR, CL | Rs. 100 Crores PML per risk | 35% | 25% |
| Mega Risks | Rs. 100 Crores PML per risk | Lead Terms | 20% |
| Marine Cargo, War & SRCC | Rs. 10 Crores sum insured per policy | 25.00% | 10% at the end of 36 months |
| Marine Hull, War & SRCC | Rs.16 Crores sum insured per vessel | Net rated risks: 5% Gross rated risks: 17.5% | |
| Motor | No limit | 20% | Nil |
| Workmen's Compensation | No limit | 20% | Nil |
| General Aviation Hull | No limit | 12.50% | Nil |
| General Aviation Liability | No limit | 12.50% | Nil |
| Aviation (Airlines) | Rs. 120 crores sum insured per risk on hull and corresponding percentage share on other insurances | Average Terms | Nil |
| Oil and Energy | Rs. 15 crores sum insured per risk | 5% | 20% at the end of 36 months |
| All Liability Products excluding financial liability | Rs. 5 Crores per policy including USA/ Rs. 10 Crores per policy excluding USA | 25% | Nil |
| Financial, credit & guarantee lines, mortgage insurance, special contingency policies, etc. | Rs. 10 Crores sum insured per event | 10% | Nil |
| Crop/Weather Insurance | Rs. 10 Crores sum insured per event | 20% | Nil |
| Other Miscellaneous | No limit* | 25% | Nil |
| Machinery Breakdown, Boiler Explosion and related loss of profits | Rs.30 crores PML but where PML exceeds 33.3%, Rs. 90 crores sum insured on each risk, material damage and loss of profits combined | 30% | 25% |
| Contractor's All Risks, Erection All Risks, Advance Loss of Profits, DSU insurances | Rs. 60 crores PML but where PML exceeds 33.3%, Rs. 180 crores sum insured on each risk material damage and loss of profits combined. | 30% | 25% |

REGISTERED BROKERS (STATE-WISE)

| S.No | State | No of Licensed Brokers as on 30-08-2007 | | |
|------|----------------|---|-----------|-------------|
| | | Direct | Composite | Reinsurance |
| 1 | Maharashtra | 53 | 19 | 4 |
| 2 | Delhi | 48 | 7 | 1 |
| 3 | West Bengal | 21 | 1 | 0 |
| 4 | Tamil Nadu | 18 | 2 | 0 |
| 5 | Andhra Pradesh | 17 | 2 | 0 |
| 6 | Uttar Pradesh | 15 | 0 | 0 |
| 7 | Punjab | 11 | 0 | 0 |
| 8 | Karnataka | 10 | 0 | 0 |
| 9 | Gujarat | 10 | 0 | 0 |
| 10 | Kerala | 6 | 0 | 0 |
| 11 | Rajasthan | 5 | 0 | 0 |
| 12 | Chandigarah | 5 | 0 | 0 |
| 13 | Madhya Pradesh | 3 | 0 | 0 |
| | Total | 222 | 31 | 5 |

No of licenses granted to Brokers (Calendar year wise) as on 30-08-2007

| Year | Direct | Composite | Reinsurance | Total |
|--------------|------------|-----------|-------------|------------|
| 2003 | 111 | 22 | 4 | 137 |
| 2004 | 42 | 6 | Nil | 48 |
| 2005 | 33 | 1 | Nil | 34 |
| 2006 | 21 | 1 | Nil | 22 |
| 2007 | 15 | 1 | 1 | 17 |
| Total | 222 | 31 | 5 | 258 |

CIRCULARS / ORDERS / NOTIFICATIONS ISSUED BY THE AUTHORITY 2006-07

| Sl.No. | Ref. No. | Date of Issue | Subject |
|--------|------------------------------------|---------------|--|
| 1 | 001/NL/GEN/APR 06 | 4/19/2006 | Tendering of Insurance Covers |
| 2 | 002/IRDA/F&A/Apr-06 | 4/21/2006 | IRDA (Assets, Liabilities & Solvency Margin of Insurers) Regulations, 2000 - Requirements of stipulations under Section 64V (1)(i) of the Insurance Act. |
| 3 | 003/NL/GRV/SRP-06 | 4/22/2006 | Third Party Insurance of Motor Vehicles - Refusal |
| 4 | 004/NL/GEN/APR-06 | 4/22/2006 | Predatory Pricing Practices on the eve of De-tariffing |
| 5 | IRDA/INV/CIR/005/2006-07 | 4/28/2006 | Investment in Innovative Perpetual Debt Instruments on Bank's Tier-1 Capital and Debt Capital Instruments of Bank's Upper Tier-2 Capital. |
| | 25/F&U/ICICI-Lomb/Loan Shied/06-07 | 4/28/2006 | Direction to ICICI Lombard for withdrawal of Loan Shield Product and discontinue the marketing of the same by its offices, agents & insurance brokers. |
| 6 | 006/IRDA/GRV/MAY-06 | 5/10/2006 | Constitution of Committee to look into the existing grievance redressal systems in the PSUs and formulate guidelines for adoption by the insurers and suggest modifications to the regulations for protection of policy holder's interest. |
| 7 | 007/IRDA/F&A/MAY-06 | 5/11/2006 | List of Life Insurers deemed to have not contravened the provisions of Section 40B of the Insurance Act 1938 Read with Rule 17D of The Insurance Rules 1939 |
| 8 | 008/IRDA/F&A/May-06 | 5/17/2006 | IRDA (Assets, Liabilities & Solvency Margin of Insurers) Regulations, 2000 - Consideration of reserve for computation of solvency margin which is less than that created in the financial statements. |
| 9 | 009/IRDA/BRO/MAY-06 | 5/26/2006 | Brokers - On-life Filing of Annual Returns |
| 10 | 010/IRDA/Actl/May-2006 | 5/26/2006 | Life Insurance Products - Guidelines for Unit Linked Life Insurance Products |
| 11 | 011/IRDA/ATI/Jun-06 | 6/23/2006 | Addendum to On-line Agents Training Institute Guidelines. |
| | - | 6/30/2006 | Working Group on IRDA Investment Regulations |
| | ADM/ORD/76/JUNE-06 | 7/19/2006 | Expert Committee on Brokers and Broker Related Issues |
| 12 | 012/IRDA/F&A/Jul-06 | 7/24/2006 | Obligations of insurers to rural and social sectors - Sixth year requirements |
| | IRDA/GI/Detariff/06 | 8/9/2006 | Draft Revised File & USE Guidelines for General Insurance Products |
| 13 | 013/IRDA/LIFE/JUL-06 | 7/27/2006 | Guidelines on Anti-Money Laundering Programme for Insurers. |

| Sl.No. | Ref. No. | Date of Issue | Subject |
|--------|---------------------------|---------------|--|
| 14 | - | 8/16/2006 | Notice of meetings of Constitution of Expert Committee to review the Regulations governing the licensing of Brokers. |
| 15 | 015/IRDA/SURV/AUG-06 | 8/16/2006 | Authorization of Sri RC Sharma, SAD in place of Sri TS Naik, DD as signatory to sign surveyors' licenses on behalf of IRDA. |
| 16 | IRDA/SURV/016/Aug-06 | 8/23/2006 | Special Dispensation to insurers under Section 64UM (2) of the Insurance Act 1938 in view of flash floods in Surat, Gujarat. |
| 17 | IRDA/F&A/018/Aug-06 | 8/28/2006 | On-line Filing of Monthly New Business Statistics by Life Insurers |
| 18 | 019/IRDA/LIFE/SEP-06 | 9/26/2006 | Guidelines on Anti-Money Laundering Programme for Insurers. |
| 19 | 020/NL/IRDA/06 | 9/15/2006 | Guidelines on Insurance and Reinsurance of General Insurance Risks |
| 20 | 021/IRDA/F&U/SEP-06 | 9/28/2006 | Guidelines on "File and Use" Requirements for General Insurance Products. |
| 21 | 023/IRDA/F&U/Oct-06 | 10/23/2006 | Guidelines on "File and Use" Requirements for General Insurance Products. |
| 22 | 024/IRDA/F&U/Oct-06 | 10/30/2006 | F&U Guidelines - Meeting with Compliance Officers |
| 23 | 025/IRDA/R&D/Oct-06 | 11/8/2006 | Data Collection by TAC Post Detariffing |
| 24 | 026/IRDA/AML/Nov-06 | 11/9/2006 | Guidelines on Anti-Money Laundering Programme for Insurers. |
| 25 | 028/IRDA/PC/NOV-06 | 11/17/2006 | Constitution of Publicity Committee - Inclusion of Sri Prabodh Chander, Executive Director as Member |
| 26 | 029/IRDA/Leg/Nov-06 | 11/15/2006 | Constitution of Consultative Committee under Section 110G of the Insurance Act, 1938. |
| 27 | 030/IRDA/AML/Nov-06 | 11/20/2006 | Guidelines on Anti-Money Laundering Programme for Insurers. |
| 28 | IRDA/TAC/031/Nov-06 | 11/28/2006 | Sri Jagdish Prasad Meena elected as Member of the Tariff Advisory Committee |
| 29 | 032/IRDA/F&U/06-07 | 12/4/2006 | Motor Insurance Premium Rates for Third Party Liability Only Cover |
| 30 | 033/IRDA/Brok-Comm/DEC-06 | 12/4/2006 | Limits on Payment of Commission or Brokerage on General Insurance Business. |
| 31 | 034/IRDA/De-Tariff/Dec-06 | 12/4/2006 | Regulation of rates, terms and conditions of general insurance business. |
| 32 | 035/IRDA/Motor-TP/Dec-06 | 12/4/2006 | Motor Third Party Insurance - Direction under Sec.34 of Insurance Act. |

| Sl.No. | Ref. No. | Date of Issue | Subject |
|--------|---|---------------|--|
| 33 | 036/IRDA/ACTL/ARC/2006-07 | 12/8/2006 | Actuarial Review Committee - Induction of Sri PA Balasubramanian as Member |
| 34 | 037/IRDA/F&U/Dec-06 | 12/15/2006 | Guidelines on F&U requirements of general insurance products - Issuance of notices for renewals due in the month of January 2007. |
| 35 | IRDA/INV/CIR/038/2006-07 | 12/20/2006 | Investments in 8.13% oil marketing companies; GOI special bonds 2021 |
| 36 | IRDA/039/F&U/06-07 | 12/22/2006 | F&U Guidelines - Forms for submission to Board-Exposure Draft. |
| 37 | 40/IRDA/F&U/Dec-06 | 12/25/2006 | Guidelines for File & Use requirements for general insurance products - Issuance of notices for renewals due in the month of January, 2007 |
| 38 | 041/IRDA/BOO/Dec-06 | 12/28/2006 | Closure/Relocation of places of business |
| 39 | IRDA/042/For Office/06-07 | 1/8/2007 | Guidelines for opening of representative / liaison offices overseas by Indian Insurance company registered with IRDA. |
| 40 | 043/IRDA/De-Tariff/Jan-07 | 1/23/2007 | Motor Insurance Premium Rates for Third Party Liability Only Cover |
| 41 | 046/IRDA/ACTL/AAAR/Ver2.0 | 1/31/2007 | Appointed Actuary's Annual Report - Life Insurance Business. |
| 42 | 47/IRDA/ACTL/FUP/VER4.0/JAN 2007 | 1/31/2007 | File & Use Procedure - Life Insurance Products - Unique Identification Number (ID) |
| 43 | 048/IRDA/ACTL/FUP/VER3.0/JAN-2007 | 1/31/2007 | File & Use Procedure - Life Insurance Products |
| 44 | 049/IRDA/ACTL/FUP/VER4.0/JAN 2007 | 1/31/2007 | Note for the Use of Appointed Actuaries for the Preparation of Actuarial Report & Abstract for the year ended 31.3.2007. |
| 45 | 050/IRDA/Mot-TP/feb-07 | 2/5/2007 | Motor Third Party Insurance Pool |
| 46 | 053/IRDA/Actl/ULIP G/ February-07 | 2/20/2007 | Money Market Instruments in Unit Linked Products |
| 47 | 054/IRDA/F&A/FEB-07 | 2/20/2007 | Unit Linked Disclosure Norms |
| 48 | 055/IRDA/F&A/FEB-07 | 2/21/2007 | Applicability of Revised AC-15 |
| 49 | 056/IRDA/ACTL/Solvency Margin/ February-07 | 2/23/2007 | Reporting of Maintenance of Solvency Ratio - Quarterly basis. |
| 50 | 057/IRDA/AML/MAR-07 | 3/2/2007 | Guidelines on Anti-Money Laundering Programme for Insurers. |
| 51 | 25/IRDA/F&U058/06-07 | 3/13/2007 | Filing of Premium Rates for Fire & Engineering insurances (including AIR & Petrochemical) & clearance thereof |
| 52 | 59/IRDA/AGENCY/MAR2007 | 3/22/2007 | Publishing of updated details of Corporate Agents on Insurers websites. |

| Sl.No. | Ref. No. | Date of Issue | Subject |
|--------|--------------------------------------|---------------|---|
| 53 | 060/IRDA/R&O/Cir/Mar-07 | 3/23/2007 | Constitution of Core IT Team for TAC. |
| 54 | 061/IRDA/Motor-TP/Mar-07 | 3/29/2007 | Motor Third Party Insurance Pool - Direction under Sec.34 of the Insurance Act, 1938 |
| 55 | 062/IRDA/Motor-TP/Mar-07 | 3/29/2007 | Motor Third Party Insurance Pool |
| 56 | 063/IRDA/F&A/Mar-07 | 3/29/2007 | Solvency Margin in respect of Motor Pool |
| 57 | 064/IRDA/AGENCY/MAR2007 | 3/30/2007 | Insurance Qualificaiton of the Corporate Agent. |
| 58 | IRDA/F&A/001/Apr-07 | 4/16/2007 | United Linked Diclosure Norms |
| 59 | IRDA/F&A/002/Apr-07 | 4/16/2007 | Declaration of Bonus under Sec.49 of the Insurance Act, 1938. |
| 60 | IRDA/F&A/003/Apr-07 | 4/16/2007 | Monthly premium data by all non-life insurers - furnishing of details in the prescribed format. |
| 61 | 004/IRDA/IT/APR-07 | 4/26/2007 | Change of E-mail IDs of IRDA officials |
| 62 | IRDA/LEGAL/CIR/005/APR-07 | 4/27/2007 | Premanent Lok Adalat for Public Utility Services at Hyderabad. |
| 63 | IRDA/F&A/006/Apr-07 | 4/30/2007 | Regulations on Rural and Social Sector Obligations, 2007 |
| 64 | 007/IRDA/CIR/ADV/MAY-07 | 5/14/2007 | Guidelines on Advertisement, Promotion & Publicity of Insurance Companies and insurance intermediaries |
| 65 | 008/IRDA/Actl/ULIP_G/May-2007 | 5/11/2007 | Life Insurance Products - Guidelines for Unit Linked Insurance Products |
| 66 | IRDA/010/F&U/07-08 | 5/19/2007 | Filing of products and rates and terms - Authority F&U guidelines dated 28/9/2007 |
| 67 | 011/IRDA/CIR/BRO/May-07 | 5/21/2007 | Insertion of word 'Insurance Boker/Brokers/ Broking - in the name of the company. |
| 68 | 012/IRDA/NOT/BRO/MAY-07 | 5/21/2007 | Insertion of word 'Insurance Boker/Brokers/ Broking - in the name of the company applying for a Broker License. |
| 69 | 014/IRDA/NOT/BRO/MAY-07 | 5/23/2007 | Documentation & Procedural requirements for obtaining broker license. |
| 70 | 015/IRDA/CIR/LIFE/May-07 | 5/24/2007 | Furnishing of Statistics by Life Insurers |
| 71 | 017/IRDA/CIR/LIFE/June-07 | 6/8/2007 | Building up of database on places of business/ offices of insurers |
| 72 | 019/IRDA/CIR/LIFE/June-07 | 7/4/2007 | Monthly reporting of places of business/offices of insurers |
| 73 | IRDA/20/F&U/07-08 | 6/25/2007 | Amendments to File & Use Guidelines - Premium Rates of Fire, Engineering and Workmen's Compensation Classes of Insurance. |
| 74 | 021/IRDA/ACTL/FUP/ VER1.0/JULY 2007/ | 7/4/2007 | File & Use Procedure for Riders - General Instructions to Life Insurers |

| S.No. | Ref. No. | Date of Issue | Subject |
|-------|--|---------------|--|
| 75 | 022/CIR/IRDA/AML/JUL-07 | 7/6/2007 | Guidelines on Anti-Money Laundering Programme for Insurers |
| 76 | IRDA/23/F&U/07-08 | 7/9/2007 | Amendments to File & Use Guidelines - Premium Rates of Fire, Engineering and Workmen's Compensation Classes of Insurance. |
| 77 | IRDA/024/Closure-FLO/2007-08 | 7/17/2007 | Guidelines for closure of liaison office established in India by insurance companies registered outside India |
| 78 | 025/IRDA/Actl/F&U Procedure/LP/July-2007 | 7/26/2007 | Provisions made in the Proposal Forms for Unit Linked Products |
| 79 | 026/IRDA/LEGAL/CIR/JUL-07 | 7/25/2007 | Judgement of the Hon'ble Supreme Court in National Insurance Co. Ltd. Vs Smt. Sobina lakai - Period of commencement of insurance policy. |
| 80 | 027/IRDA/MOTOR/CIR/JUL-07 | 7/30/2007 | Vintage Cars - Premium rates |
| 81 | 028/IRDA/LEGAL/CIR/AUG-07 | 8/13/2007 | IRDA (Protection of Policyholder's Interests) Regulations, 2002 - Supply of copy of survey report |
| 82 | 029/IRDA/LEGAL/CIR/AUG-07 | 8/13/2007 | Imposter - Mr. J Mohapatra fraudulently representing as Advisor to IRDA. |
| 83 | IRDA/030/F&U/07-08 | 8/13/2007 | Non-life insurance - further relaxation of price controls. |
| 84 | 031/IRDA/CIR/COMPLIANCE/AUG-2007 | 8/23/2007 | Appointment of CEO/MD - Approval under Section 34A of Insurance Act, 1938. |
| 85 | 032/IRDA/ACTL/FUP/VER 5.0/SEP 2007 | 9/6/2007 | Life Insurance Products - File & Use Procedure |
| 86 | IRDA/ORD/F&A/033/SEP-07 | 9/10/2007 | Levy of Penalty under Section 105 B of the Insurance Act, 1938 - Life Insurers |
| 87 | IRDA/ORD/F&A/034/SEP-07 | 9/10/2007 | Levy of Penalty under Section 105 B of the Insurance Act, 1938 -General Insurers |
| 88 | INV/CIR/035/2007-08 | 9/10/2007 | FIMMDA Reporting Platform for corporate bond transactions - Reg. |
| 89 | IRDA/036/IR Returns/07-08 | 9/17/2007 | Submission of RI returns under Regulations 3(12) of the IRDA's (General Insurance - Reinsurance) Regulations, 2000 |
| 90 | IRDA/Life/Dist.Channel/037/ 2007-08 | 9/21/2007 | Constitution of Committee to look into the issues of Distribution Channels |
| 91 | 38/IRDA/AGENCY/Sep 2007 | 9/24/2007 | Publishing updated details of individual agents on insurers website. |

**ANNUAL STATEMENT OF ACCOUNTS FOR THE YEAR ENDED
MARCH 31, 2007**

AUDIT CERTIFICATE

I have audited the attached Balance Sheet of Insurance Regulatory and Development Authority as at 31st March 2007 and the Income and Expenditure Account, Receipts and Payments Account. Preparation of these financial statement is the responsibility of the Authority. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with applicable rules and the auditing standards generally accepted in India. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. I believe that my audit provides a reasonable basis for my opinion.

Based on our audit, I report that:

1. I have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. Subject to observations in the Audit Report annexed herewith, I report that the Balance Sheet and the Income and expenditure Account / Receipt and Payment Account deal with by this report are properly drawn up and are in agreement with the books of accounts.
3. In my opinion and to the best of my information and according to the explanations given to me:
4. (i) the accounts give the information required under the earlier prescribed format of accounts:
(ii) the said Balance Sheet, Income and Expenditure Account / Receipts and Payments accounts read together with the Accounting Policies and Notes thereon, and other matters mentioned in the Audit Report annexed herewith give a true and fair view.
 - a. In so far as it relates to the Balance Sheet of the state of affairs of the Insurance Regulatory and Development Authority as at 31st March 2007 and
 - b. In so far as it relates to the Income and Expenditure Account of the surplus for the year ended on that date.

Place: New Delhi

Date: 26.11.07

Sd/-
Director General of Audit
Central Revenues

AUDITOR'S REPORT

AUDIT REPORT ON THE ACCOUNTS OF INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD FOR THE YEAR 2006-07

Introduction

The Insurance Regulatory and Development Authority (Authority) was established on 19 April 2000 under Insurance Regulatory and Development Authority Act, 1999 with its headquarters at New Delhi, which was shifted to Hyderabad in August 2002. The main function of the Authority are to protect the interest of policy holders, bring about speedy and orderly growth of the insurance industry and set, promote, monitor and enforce high standards of integrity, financial soundness, fair dealing and competence of those it regulates.

The audit of the accounts of the Authority was conducted under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 17 of the IRDA Act, 1999.

During 2006-07, the Authority's income was Rs. 82.32 crore, mainly from fees received from various insurance companies / agents on account of registration, renewal charges and income from investments etc. The receipts of the Authority are being held in bank accounts despite directions of the Ministry of Finance for keeping the funds in Public Accounts of India as non-interest bearing account. As of 31 March 2007, funds amounting to Rs. 233.78 crore were kept in interest bearing deposits with schedule banks.

Comments on accounts

2 Balance Sheet

2.1 Liabilities

2.1.1 IRDA Fund – Rs. 8.93 lakh

As per Section 16 of IRDA Act, 1999, all the Government grants, fees and charges received by Authority are to be credited to IRDA fund after meeting day to day expense. The Authority had credited Rs. 8.93 lakh to the IRDA fund, which represented the value of assets transferred by Interim Regulatory Authority during the year 2000-01. The surplus funds of Rs. 196.83 crore after meeting the expenditure were kept in 'Surplus and Funds' which should have been transferred to IRDA fund.

Place: New Delhi
Date: 26.11.07

Though this matter was pointed out during 2002-03 to 2005-06, the Authority has not credited the surplus to the IRDA fund. As a result IRDA fund was understated to the extent of Rs. 196.83 crore.

The Authority stated (September 2006) that as per the format of account notified under IRDA (Form of Annual Statement of Accounts and Records) Rule, 2001, the excess of income over expenditure was to be added to the head 'Surplus and Fund' and any deviation in this exhibition will be a violation in the Rules made by Government of India in consultation with the CAG of India.

The reply of the Authority is not tenable as the heading IRDA funds is clearly depicted on the liability side of the Balance sheet in the format of accounts and surplus fund can be transferred to this head without any change in the format of account.

2.1.2. Non provision of rent due to LIC

No provision for expenditure on account of rent dues for 2006-07 (Rs. 24.72 lakh), variable charges and parking charges (Rs. 2.67 lakh), telephone, electricity and water charges (Rs. 0.83 lakh) had been made resulting in understatement of expenses and understatement of Sundry Debtors by the same amount.

3 General

3.1 Physical verification of fixed assets

Physical verification of the fixed asset had not been conducted during 2006-07.

4 Format of Accounts

The Authority has not adopted the common format of accounts introduced vide Ministry of Finance, Controller General of Accounts D.O.No. CDN/MF-CGA/98-99/Pt.file/576-627 dated 3.1.2002 and further clarification issued vide O.M.No.F.N.10(1)/Misc./2005/TA/450-490 dated 23.7.2006.

5 Deficiencies, warranting the attention of the management which have not been included in the audit report, have been brought to the notice of the Executive Director (Admn), IRDA through a management letter issued separately for corrective and remedial action.

Sd/-
Director General of Audit
Central Revenues

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD
Balance Sheet as at 31 st March 2007

| FIGURES FOR THE PREVIOUS YEAR (Rs.) | LIABILITIES | FIGURES FOR THE CURRENT YEAR (Rs.) | FIGURES FOR THE PREVIOUS YEAR (Rs.) | ASSETS | FIGURES FOR THE CURRENT YEAR (Rs.) |
|---|--|--|---|--|--|
| <u>GENERAL FUND</u> | | | | | |
| 893,244 | i) IRDA Fund [See Note 4] | 893,244 | 24,006,503 | -Gross Block | 30,220,890 |
| - | -At beginning of the year | - | 14,146,334 | -Less:Depreciation | 17,639,842 |
| 893,244 | -Receipts in the year | 893,244 | 9,860,168 | -Net Block | 12,581,047 |
| - | -Balance at end of the year | - | - | -Capital Work-in-Progress | - |
| <u>INVESTMENTS [See Note 2]</u> | | | | | |
| - | ii) Capital Fund | - | - | (Method of Valuation - at Cost) | - |
| - | -Capital Grants | - | - | - i) Securities of Central and State Government | - |
| - | -Balance at the beginning of the year | - | - | ii) Units | - |
| - | Add: Value of Fixed Assets received as grants during the year | - | - | iii) Fixed Deposits with scheduled Bank | 2,337,834,143 |
| 857,913,846 | iii) Surplus and Funds | 1,295,133,873 | 1,606,001,000 | iv) Others | - |
| - | -Balance as per last Balance Sheet | - | - | | - |
| 437,220,027 | Add: Excess of Income over expenditure as per Income and Expenditure Account - Annexed | 673,146,935 | - | | - |
| <u>CURRENT ASSETS, LOANS AND ADVANCES [See Note 3]</u> | | | | | |
| 1,295,133,873 | Less: Excess of Expenditure Over Income as per Income and Expenditure Account - Annexed | 1,968,280,807 | 981,038 | i) Deposits | 981,154 |
| - | - Balance at the end of the year | - | 15,071,029 | ii) Loans & Advances to Staff | 25,607,257 |
| - | iv) Gift and Donations | - | 69,100 | iii) Amount Due from Insurance Companies & Other | 69,100 |
| - | v) Other Balances | - | 48,892,921 | iv) Other Current Assets | 98,753,216 |
| - | - i) Secured (stating the security offered for the purpose) | - | - | v) Cash & Bank Balances | - |
| - | - ii) Unsecured | - | 12,291 | a) Cash in Hand | 45,000 |
| - | - iii) Loan from Government of India | - | 32,709 | b) Cash in Transit | - |
| - | - iv) Other Loans | - | 8,444,945 | c) Bank Balances | 6,083,017 |

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD

Balance Sheet as at 31 st March 2007

| FIGURES FOR THE PREVIOUS YEAR (Rs.) | LIABILITIES | FIGURES FOR THE CURRENT YEAR (Rs.) | FIGURES FOR THE PREVIOUS YEAR (Rs.) | ASSETS | FIGURES FOR THE CURRENT YEAR (Rs.) |
|---|---|--|---|--------|--|
| | CURRENT LIABILITIES AND PROVISIONS | | | | |
| | [See Note 5] | | | | |
| 51,336 | i) SUNDRY CREDITORS: | 51,336 | | | |
| 47,843,910 | -for Capital Items | 56,885,314 | | | |
| | -for Other Items | | | | |
| 106,500 | ii) PROVISIONS: | 106,500 | | | |
| - | -Provision for doubtful debts and advances | - | | | |
| - | -Provision for depletion in value of investment | - | | | |
| | iii) OTHER LIABILITIES: | | | | |
| - | 1. Unspent Grants | - | | | |
| - | 2. Interest payable to Government/Other Loans | - | | | |
| 361,040 | 3. Provident, Retirement & Other Welfare Funds: | - | | | |
| | (a) Provident Fund | - | | | |
| 5,900,382 | (b) Other Welfare Funds | 7,549,089 | | | |
| | (c) Retirement Benefit Fund and Staff Benefit Fund: | - | | | |
| 1,488,905 | 4. Others (Specify) | 1,210,790 | | | |
| 337,519,414 | -other Liabilities (Tax deducted at source) | 446,884,106 | | | |
| 66,597 | -Registration Renewal fee received in Advance | 92,747 | | | |
| | -Soft Furnishing Recovery | - | | | |
| 1,689,365,201 | | 2,481,953,934 | 1,689,365,201 | | 2,481,953,934 |

Significant Accounting Policies and Notes Forming Part of Accounts - Annexure IX

Notes

- The information relating to Fixed Assets is given in Annexure I.
- The information relating to Investments is given in Annexure II.
- The information relating to Current Assets, Loans and Advances is given in Annexure III.
- Details of IRDA Fund is given in Annexure IV (Fund includes grants received from Central Government, other organisations and bodies in terms of Section 16 of the Act).
- Details of Contingent Liabilities is given in Annexure V.
- All information relating to significant accounting policies and notes forming part of accounts is given in Annexure IX.
- All annexures to Statement of Affairs and notes/information relating to accounting policy forming part of Accounts.

Sd/-
(K. Jagan Mohan Rao)
Chief Accounts Officer

Sd/-
(G. Prabhakara)
Member

Sd/-
(R. Kannan)
Member

Sd/-
(K.K. Srinivasan)
Member

Sd/-
(C. R. Muralidharan)
Member

Sd/-
(C.S.Rao)
Chairman

**INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD
RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007**

| SL.NO. | RECEIPTS | AMOUNT (Rs.) | SL.NO. | PAYMENTS | AMOUNT (Rs.) |
|-----------------------------|--|----------------------|--|--|----------------------|
| 1 | To Balance brought forward | - | 1 | By Research and Consultation Fees | - |
| i) | Cash at Bank | 8,444,945 | 2 | By Seminars, Conference, Publications etc. | - |
| ii) | Cash in hand | 12,291 | 3 | By Rent Payments | 2,389,738 |
| iii) | Cheques on hand | - | 4 | By Development Expenditure | 2,513,653 |
| iv) | Cash / Cheques in transit | 32,709 | 5 | By Promotional Expenditure | - |
| 2 | To Registration Fees | 50,000 | 6 | By Payment to Chairperson and Members | 2,074,945 |
| -Insurance Companies | | 80,000 | (i) | Pay and Allowances | 126,478 |
| -Third Party Administrators | | 700,000 | (ii) | Other Benefits | 7,957,243 |
| -Insurance Brokers | | - | (iii) | Travelling Expenses | - |
| -Insurance Agents | | - | By Establishment Expenses | | |
| -Insurance Surveyor | | 1,525,845 | (i) | Pay and Allowances | 35,413,833 |
| -Others | | - | (ii) | Other Benefits | 2,675,015 |
| 3 | To Registration Renewal Fees | 424,992,099 | (iii) | Travelling Expenses | 10,812,225 |
| -Insurance Companies | | 60,000 | (iv) | Retirement Benefits | 4,774,877 |
| -Third Party Administrators | | - | By Office Expenses | | |
| -Insurance Surveyors | | 326,848,000 | By Interest on | | |
| -Insurance Agents | | 13,782,509 | (i) | Government Loans | - |
| -Insurance Brokers | | - | (ii) | Other Loans | 6,214,387 |
| -Others | | - | By Purchase of Assets | | |
| 4 | To Penalties, Fines from insurers and intermediaries | 2,000,000 | By Capital Work-in-Progress | | |
| 5 | To Seminar, Conferences etc. | - | By Advances to staff and others including travel advance | 29,519,015 | |
| 6 | To Income from Investments | - | By Investments | 1,960,834,143 | |
| 7 | To Sale of Investments | 1,229,001,000 | By Repayment of Government Loans/ fees | - | |
| 8 | To Grants | - | By Repayment of Other Loans | - | |
| i) | Central Government / State Govt/ Others | - | By Other Expenses | 5,000,000 | |
| ii) | Gift and Donations | - | By Payments to IIRM | 2,112,969 | |
| 9 | To Loans | - | By Fringe Benefit Tax | 119,646 | |
| 10 | To Sales of Publication etc. | - | By Security deposit paid | - | |
| 11 | To Sale of Assets | - | - | - | |
| 12 | To interest received on | 110,019,815 | - | - | |
| - Deposits | | - | - | - | |
| - Advances | | - | - | - | |
| - Others | | - | - | - | |
| 13 | To Recoveries from Employees | 21,229,074 | By Balance carried forward | 6,083,017 | |
| (a) | Loans and Advances | 151,883 | i) | Cash at Bank | 45,000 |
| (b) | Interest on Loans and Advances | 173,816 | ii) | Cash in hand | - |
| (c) | Misc. Recoveries | 616,778 | iii) | Cheques in hand | - |
| 14 | To Other Receipts | 15,000 | iv) | Cash/ Cheques in Transit | - |
| (a) | Miscellaneous Income | 119,530 | - | - | |
| (b) | Security deposit from Contractors | 7,226,814 | - | - | |
| (c) | Security deposit received back | - | - | - | |
| (d) | Receipts from PFRDA | - | - | - | |
| | | 2,147,082,108 | | | 2,147,082,108 |

Sd/-
(K.Jagan Mohan Rao)
Chief Accounts Officer

Sd/-
(K.K.Srinivasan)
Member

Sd/-
(G.Prabhakara)
Member

Sd/-
(C. R. Muralidharan)
Member

Sd/-
(R.Kannan)
Member

Sd/-
(C.S.Rao)
Chairman

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD
Schedule of Fixed Assets annexured to and forming part of Balance Sheet as on 31st March 2007

| Particulars | GROSS BLOCK | | | DEPRECIATION | | NETBLOCK | | | |
|------------------------|----------------------|---------------------------------|---|---------------------------|--------------------|------------------|-------------|---------------------|---------------------|
| | Cost as 1.04.2006 | Additions During the Year | Sold/Disposed Off During the Year | Total as on 31.03.2007 | As on 1.04.2006 | For the year | Adjustments | As at 31.03.2007 | As on 31.03.2006 |
| Office Premises | | | | | | | | | |
| (a) Land | - | - | - | - | - | - | - | - | - |
| (b) Building | - | - | - | - | - | - | - | - | - |
| Residential Flats | | | | | | | | | |
| (a) Land | - | - | - | - | - | - | - | - | - |
| (b) Building | - | - | - | - | - | - | - | - | - |
| Vehicles | 577,255 | 0 | | 577,255 | 400,092 | 45,868 | - | 445,960 | 177,163 |
| Equipments | 4,656,381 | 1,006,995 | | 5,663,376 | 1,812,290 | 460,383 | - | 2,272,673 | 2,844,091 |
| Furniture and Fixtures | 4,715,587 | 1,463,552 | | 6,179,139 | 2,250,065 | 567,296 | - | 2,817,361 | 2,465,522 |
| Computers | 13,730,216 | 3,537,648 | | 17,267,864 | 9,356,823 | 2,213,769 | - | 11,570,592 | 4,373,393 |
| Books | 327,064 | 206,192 | | 533,256 | 327,064 | 206,192 | - | 533,256 | 0 |
| Total | 24,006,503 | 6,214,387 | | 30,220,890 | 14,146,334 | 3,493,508 | 0 | 17,639,842 | 9,860,169 |

Sd/-
(K.Jagan Mohan Rao)
Chief Accounts Officer

Sd/-
(G.Prabhakara)
Member

Sd/-
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Member

Sd/-
(C. R. Muralidharan)
Member

Sd/-
(C.S.Rao)
Chairman

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD
Attached to and Forming Part of Balance Sheet as at 31 March 2007

INVESTMENTS

| | | | | | | 31-Mar-07 |
|---------------------------|-----------|--------------------|------------------|--------|------------------|------------------------------|
| Name of the Bank | Date | Amount | Rate of Interest | Period | Date of Maturity | Interest accrued but not due |
| Andhra Bank, Hyderabad | 30-Jun-05 | 50,000,000 | 6.50% | 457 | 30-Jun-08 | 6,073,459 |
| | | 50,000,000 | | | | 6,073,459 |
| Bank of India, Hyderabad | 24-Jun-03 | 5,000,000 | 6.00% | 451 | 24-Jun-08 | 1,279,291 |
| | 30-Jun-03 | 5,000,000 | 6.00% | 454 | 27-Jun-08 | 1,273,039 |
| | | 10,000,000 | | | | 2,552,330 |
| Bank of Maharashtra | 22-Sep-06 | 5,000,000 | 8.40% | 175 | 22-Sep-07 | 225,583 |
| | 23-Sep-06 | 5,000,000 | 8.40% | 176 | 23-Sep-07 | 224,367 |
| Hyderabad | 7-Nov-06 | 7,000,000 | 8.35% | 221 | 7-Nov-07 | 237,288 |
| | 13-Jan-07 | 15,000,000 | 9.25% | 288 | 13-Jan-08 | 300,625 |
| | 23-Mar-07 | 12,000,000 | 11.15% | 358 | 23-Mar-08 | 37,167 |
| | | 44,000,000 | | | | 1,025,030 |
| Canara Bank, Hyderabad | 31-Mar-07 | 327,636,453 | 11.30% | 365 | 30-Mar-08 | 102,841 |
| | 31-Mar-07 | 121,321,313 | 11.30% | 365 | 30-Mar-08 | 38,081 |
| | | 448,957,766 | | | | 140,922 |
| ICICI Bank Hyderabad | 23-Aug-06 | 15,000,000 | 8.40% | 145 | 23-Aug-07 | 786,205 |
| | 5-Sep-06 | 20,000,000 | 8.50% | 158 | 5-Sep-07 | 996,933 |
| | 29-Mar-06 | 300,000,000 | 9.35% | 365 | 30-Mar-08 | 29,732,609 |
| | 3-Jan-07 | 50,000,000 | 9.30% | 277 | 2-Jan-08 | 1,136,667 |
| | 30-Mar-07 | 109,514,766 | 11.90% | 365 | 30-Mar-08 | 72,401 |
| | 31-Mar-07 | 109,361,611 | 11.90% | 366 | 31-Mar-08 | 36,150 |
| | | 603,876,377 | | | | 32,760,965 |
| Indian Overseas Bank, Hyd | 2-Apr-05 | 30,000,000 | 7.00% | 3 | 3-Apr-07 | 4,526,770 |
| | | 30,000,000 | | | | 4,526,770 |
| ING Vysya Bank Ltd. | 12-Dec-06 | 15,000,000 | 8.15% | 12 | 12-Apr-07 | 374,925 |
| | 25-May-06 | 7,500,000 | 6.75% | 55 | 25-May-07 | 446,755 |
| | 30-Jun-06 | 16,000,000 | 7.30% | 91 | 30-Jun-07 | 909,211 |
| | 17-Aug-06 | 7,500,000 | 8.00% | 139 | 17-Aug-07 | 384,498 |
| | 31-Aug-06 | 7,500,000 | 8.00% | 153 | 31-Aug-07 | 360,222 |
| | 28-Feb-07 | 9,500,000 | 8.75% | 334 | 28-Feb-08 | 73,889 |
| | 1-Mar-07 | 8,000,000 | 8.75% | 336 | 1-Mar-08 | 60,278 |
| | 21-Mar-07 | 7,500,000 | 7.75% | 81 | 20-Jun-07 | 17,760 |
| | 31-Mar-07 | 8,000,000 | 7.75% | 91 | 30-Jun-07 | 1,722 |
| | | 86,500,000 | | | | 2,629,260 |
| Karur Vysya Bank Ltd. | 1-Nov-06 | 15,000,000 | 8.45% | 215 | 1-Nov-07 | 536,183 |
| | 22-Nov-06 | 12,500,000 | 8.40% | 236 | 22-Nov-07 | 381,617 |
| | | 27,500,000 | | | | 917,800 |

ANNUAL REPORT 2006-07

| Name of the Bank | Date | Amount | Rate of Interest | Period | Date of Maturity | Interest accrued but not due |
|----------------------------------|-----------|----------------------|--------------------|--------|------------------|------------------------------|
| Lakshmi Vilas Bank, Hyd | 12-Dec-06 | 15,000,000 | 8.05% | 12 | 12-Apr-07 | 370,308 |
| | | 15,000,000 | | | | 370,308 |
| Oriental Bank of Commerce | 2-Aug-06 | 22,500,000 | 8.20% | 124 | 2-Aug-07 | 1,262,867 |
| | 2-Feb-07 | 17,500,000 | 9.40% | 308 | 2-Feb-08 | 265,028 |
| | 16-Feb-07 | 10,000,000 | 9.70% | 322 | 16-Feb-08 | 118,556 |
| | | 50,000,000 | | | | 1,646,451 |
| Punjab National Bank | 27-Dec-06 | 135,000,000 | 9.10% | 271 | 27-Dec-07 | 3,245,757 |
| | 28-Dec-06 | 100,000,000 | 9.20% | 272 | 28-Dec-07 | 2,404,573 |
| | | 235,000,000 | | | | 5,650,330 |
| State Bank of India, Hyd. | 19-Jun-06 | 15,000,000 | 7.50% | 80 | 19-Jun-07 | 912,535 |
| | 17-Jul-06 | 15,000,000 | 7.50% | 108 | 17-Jul-07 | 820,750 |
| | | 30,000,000 | | | | 1,733,285 |
| Syndicate Bank | 26-Sep-06 | 10,000,000 | 8.40% | 179 | 26-Sep-07 | 441,437 |
| | 5-Oct-06 | 12,500,000 | 7.75% | 188 | 5-Oct-07 | 483,581 |
| | 10-Oct-06 | 15,000,000 | 8.05% | 193 | 10-Oct-07 | 585,874 |
| | 19-Dec-06 | 30,000,000 | 8.55% | 263 | 19-Dec-07 | 735,855 |
| | 20-Dec-06 | 10,000,000 | 8.55% | 264 | 20-Dec-07 | 242,859 |
| | 21-Dec-06 | 40,000,000 | 8.60% | 265 | 21-Dec-07 | 967,371 |
| | 23-Dec-06 | 70,000,000 | 8.83% | 267 | 23-Dec-07 | 1,703,186 |
| | 29-Dec-06 | 20,000,000 | 8.90% | 273 | 29-Dec-07 | 460,163 |
| | 30-Dec-06 | 40,000,000 | 8.90% | 274 | 30-Dec-07 | 910,218 |
| | 30-Dec-06 | 15,000,000 | 8.90% | 274 | 30-Dec-07 | 341,332 |
| | 9-Mar-07 | 30,000,000 | 10.50% | 344 | 9-Mar-08 | 201,250 |
| | 17-Mar-07 | 6,000,000 | 10.10% | 352 | 17-Mar-08 | 25,250 |
| | 31-Mar-07 | 250,000,000 | 11.50% | 366 | 31-Mar-08 | 79,861 |
| | | | 548,500,000 | | | |
| UCO Bank | 19-Apr-06 | 10,000,000 | 8.10% | 19 | 19-Apr-07 | 803,874 |
| | 15-Jul-06 | 15,000,000 | 8.00% | 106 | 15-Jul-07 | 883,440 |
| | | 25,000,000 | | | | 1,687,314 |
| UTI Bank Ltd. | 19-Apr-06 | 30,000,000 | 7.70% | 19 | 19-Apr-07 | 2,289,234 |
| | 20-Apr-06 | 30,000,000 | 7.70% | 20 | 20-Apr-07 | 2,282,440 |
| | 18-Jul-06 | 15,000,000 | 7.50% | 109 | 18-Jul-07 | 817,506 |
| | | 75,000,000 | | | | 5,389,180 |
| Vijaya Bank | 22-Jul-06 | 16,000,000 | 8.00% | 113 | 22-Jul-07 | 916,442 |
| | 15-Dec-06 | 12,500,000 | 8.66% | 259 | 15-Dec-07 | 322,850 |
| | 3-Mar-07 | 30,000,000 | 10.35% | 337 | 2-Mar-08 | 250,125 |
| | | 58,500,000 | | | | 1,489,417 |
| Grand Total | | 2,337,834,143 | | | | 75,771,058 |
| 2. Others | | | | | | |
| (a) Quoted-Cost and Market value | | | | | Nil | |
| (b) Unquoted | | | | | Nil | |

Sd/-
(K.Jagan Mohan Rao)
Chief Accounts Officer

Sd/-
(G.Prabhakara)
Member

Sd/-
(R.Kannan)
Member

Sd/-
(K.K.Srinivasan)
Member

Sd/-
(C. R. Muralidharan)
Member

Sd/-
(C.S.Rao)
Chairman

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD
Attached to and forming part of balance sheet as at 31st March 2007

CURRENT ASSETS, LOANS AND ADVANCES

| PARTICULARS | Figures for the Current Year Rs | Figures for the Previous Year Rs |
|---|---------------------------------------|--|
| DEPOSITS | | |
| -For Premises | 811,001 | 817,185 |
| -with Others - MTNL | 38,030 | 31,730 |
| - with Electricity | 128,123 | 128,123 |
| - For Fuel | 4,000 | 4,000 |
| | 981,154 | 981,038 |
| LOANS & ADVANCES TO STAFF | | |
| - Housing Loan to Staff | 15,437,045 | 8,278,661 |
| - Loans to Staff for other purposes | 7,528,503 | 4,805,161 |
| - Other Advances - Festival | 319,170 | 243,620 |
| - Interest Recoverable | 2,137,088 | 1,325,515 |
| - Advance - others | 185,451 | 418,072 |
| TOTAL | 25,607,257 | 15,071,029 |
| AMOUNTS DUE FROM INSURANCE COMPANIES & OTHERS | | |
| - Insurance Companies'-[Indicates the amount due from State Insurance Companies] | 69,100 | 69,100 |
| - Agents - [Indicates the amount of expired cheques in hand received from agents earlier] | - | - |
| TOTAL | 69,100 | 69,100 |
| OTHER CURRENT ASSETS | | |
| - Expense Recoverable | - | - |
| - Prepaid Expenses | 731,766 | 213,528 |
| - Interest Accrued but not due - Bank deposits | 75,771,058 | 25,075,306 |
| - Amount recoverable- others | 302,443 | 245,338 |
| - Advances on Capital Account - [For software development] | - | - |
| - Advance to Institute of Insurance and Risk Management | 21,736,133 | 16,736,133 |
| - Advance to PFRDA | - | 6,450,299 |
| - Other -Advance for Travel | 211,816 | 172,317 |
| - Advance to IRDA Superannuation Trust | - | - |
| - Advance to Prasar Bharti | - | - |
| TOTAL | 98,753,216 | 48,892,921 |
| CASH AND BANK BALANCES | | |
| - Cash in hand | 45,000 | 12,291 |
| - Cheques in hand | - | - |
| - Cash/ Cheque in transit | - | 32,709 |
| - Balances with Scheduled Banks | | |
| (a) In Current Account | 5,993,730 | 5,987,280 |
| (b) on Deposit Account | - | - |
| (c) on savings bank Account | 89,287 | 2,457,665 |
| TOTAL | 6,083,017 | 8,444,945 |
| - Balance with Non Scheduled Bank | | |
| (a) In Current Account | - | - |
| (b) In Deposit Account | - | - |
| TOTAL | - | - |

Sd/-
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Chief Accounts Officer

Sd/-
(G.Prabhakara)
Member

Sd/-
(R.Kannan)
Member

Sd/-
(K.K.Srinivasan)
Member

Sd/-
(C. R. Muralidharan)
Member

Sd/-
(C.S.Rao)
Chairman

ANNEXURE IV

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD
Attached to and forming part of balance-sheet as on 31st March 2007

| PARTICULARS | Figures for the Current Year Rs | Figures for the Previous Year Rs |
|--------------------------------|---------------------------------------|--|
| Grant from Government of India | - | - |
| Total | - | - |

Sd/-
(K.Jagan Mohan Rao)
Chief Accounts Officer

Sd/-
(G.Prabhakara)
Member

Sd/-
(R.Kannan)
Member

Sd/-
(K.K.Srinivasan)
Member

Sd/-
(C. R. Muralidharan)
Member

Sd/-
(C.S.Rao)
Chairman

ANNEXURE V

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD
Attached to and forming part of balance-sheet as on 31st March 2007

CONTINGENT LIABILITIES

| PARTICULARS | Figures for the Current Year Rs | Figures for the Previous Year Rs |
|-------------|---------------------------------------|--|
| | - | - |
| | - | - |

Sd/-
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Member

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(K.K.Srinivasan)
Member

Sd/-
(C. R. Muralidharan)
Member

Sd/-
(C.S.Rao)
Chairman

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD

Attached to and forming part of Income and Expenditure Account for the year ended 31st March 2007

PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

| PARTICULARS | Figures for the | Figures for the |
|---|-------------------|-------------------|
| | Current Year | Previous Year |
| | Rs | Rs |
| i) Salaries, Allowances, Wages and Bonus | 30,711,088 | 29,378,246 |
| ii) Contribution to Provident Fund, etc [including contribution to superannuation fund of Rs 14,05,288/-] | 4,648,498 | 3,259,240 |
| iii) Gratuity | 850,059 | 1,408,716 |
| iv) Staff Welfare Expenses | 143,776 | 165,909 |
| v) Others | | |
| -Book Grant | - | - |
| -Leave Travel Concession | 994,951 | 682,870 |
| -Insurance | - | - |
| -Canteen Expenses | - | - |
| -Monetary Award - Studies | - | - |
| -Contribution to Group Insurance Scheme | 776,421 | 446,039 |
| -Reimbursement of expenses incurred by Staff | 776,848 | 842,714 |
| -Leave Salary | 1,065,381 | 1,680,684 |
| TOTAL | 39,967,022 | 37,864,418 |

Sd/-
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Chief Accounts Officer

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(G.Prabhakara)
Member

Sd/-
(R.Kannan)
Member

Sd/-
(K.K.Srinivasan)
Member

Sd/-
(C. R. Muralidharan)
Member

Sd/-
(C.S.Rao)
Chairman

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD

Attached to and forming part of Income and Expenditure Account for the year ended 31st March 2007

ESTABLISHMENT EXPENSES

| PARTICULARS | Figures for the Current Year Rs | Figures for the Previous Year Rs |
|--|---------------------------------------|--|
| Repairs & Maintenance of Buildings & Premises | 1,311,543 | 1,353,748 |
| House Keeping - Office Maintenance | 748,994 | 904,667 |
| Repairs & Maintenance of Equipments | - | - |
| Repairs and Maintenance - Others | - | - |
| Electricity & water Exp | 1,295,324 | 1,783,699 |
| Insurance exp | 18,424 | 261,793 |
| Rates and Taxes | - | 2,500 |
| Printing and Stationery | 1,303,212 | 974,381 |
| Books/Journals etc. | 33,488 | 84,708 |
| Postage, Telegraphs, Telephones, etc. | 2,738,735 | 3,219,035 |
| Travelling and Conveyance Inland | 11,674,239 | 12,966,184 |
| Travel - Foreign | 6,966,707 | 6,169,262 |
| Legal and Professional charges | 17,886,533 | 7,938,902 |
| Education/Training/R&D/Grievances Redressal Expenses | - | - |
| Audit Fees | 225,000 | 251,920 |
| Software | - | - |
| Publicity & Advertisement | 47,280,351 | 27,764,163 |
| Recruitment | - | - |
| Expenses of Meetings of Authority & Advisory Committee & Others meeting expenses including daily allowances paid to the members of the Committee | 3,188,934 | 1,377,480 |
| Membership and Subscription | 1,507,392 | 2,879,353 |
| Security Services | 426,349 | 180,026 |
| Web Portal Development Expenses | - | 527,500 |
| Canteen Exp | 980,918 | 811,068 |
| Car Repair and Maintenance Expenses | 38,670 | 56,729 |
| Other Expenses | 492,883 | 277,927 |
| TOTAL | 98,117,694 | 69,785,045 |

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Member

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(K.K.Srinivasan)
Member

Sd/-
(C. R. Muralidharan)
Member

Sd/-
(C.S.Rao)
Chairman

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, HYDERABAD**Attached to and forming part of Income and Expenditure Account for the year ended 31st March 2007**

| PARTICULARS | Figures for the | Figures for the |
|--------------|-----------------|-----------------|
| | Current Year | Previous Year |
| | Rs | Rs |
| Government | - | - |
| Banks | - | - |
| Others | - | - |
| TOTAL | - | - |

Sd/-
(K.Jagan Mohan Rao)
Chief Accounts Officer

Sd/-
(G.Prabhakara)
Member

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(R.Kannan)
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(K.K.Srinivasan)
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(C. R. Muralidharan)
Member

Sd/-
(C.S.Rao)
Chairman

THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

NOTES TO THE ANNUAL STATEMENT OF ACCOUNT FOR THE YEAR 2006-07

[Unless otherwise specified, all amounts are in rupees]

1. BACKGROUND

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

(The Authority) was established by an Act of Parliament – Insurance Regulatory & Development Authority Act, 1999 [Act] - and was constituted on April 19, 2000 by a notification issued in the Gazette of India. The Authority was established with a view to protecting the interests of the holders of insurance policies, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto, issue to the applicant a certificate of registration, renew, modify, withdraw, suspend or cancel registration, and levy fees and other charges for carrying out the purposes of the Act. The Authority, in terms of section 13 of the Act has been vested with the assets and liabilities of the Interim Insurance Regulatory Authority as are available on the appointed day i.e. April 19, 2000. In terms of section 16 of the Act a fund shall be constituted namely "The Insurance Regulatory and Development Authority Fund" [Fund]. The Fund shall constitute of all Government grants, fees and charges received by the Authority, all sums received by the Authority from such other source as may be decided upon by the Central Government and the percentage of prescribed premium income received from the insurer. The Fund shall be applied for meeting the salaries, allowances and other remuneration of the members, officers and other employees of the Authority and the other expenses of the Authority in connection with discharge of its functions and for the purposes of the Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting save for revenue recognition on cash basis as explained hereunder, and in accordance with the applicable standards on accounting issued by the Institute of Chartered

Accountants of India. The significant accounting policies are as follows:

(a) **Fixed assets and depreciation**

Fixed assets are stated at cost less accumulated depreciation. Depreciation on fixed assets is provided pro-rata to the period of use on reducing balance method using rates determined based on the rates specified in Schedule XIV to the Companies Act, 1956. Assets costing less than 5,000 have been depreciated 100% in the year of purchase unless the assets constitutes more than 10% of the respective block, in which case the asset is depreciated at the rates specified in the said Schedule XIV.

(b) **Investments**

Investments in the nature of fixed deposits with banks are stated at cost.

(c) **Revenues**

(i) **Registration Fee**

- (a) Received from insurer seeking for the first time, registration for carrying on any class of insurance business in India is treated as income of the year of receipt.
- (b) Received in advance from insurers for renewal of registration is treated as income of the year to which it relates.

(ii) **Licence Fee**

Licence fee received from insurance agents, surveyors, brokers and other insurance intermediaries is treated as income of the year of receipt. Licences issued to insurance agents, surveyors, brokers and other insurance

intermediaries are current for those years from date of issue and subject to renewal at the end of their currency. It is not practicable to distribute the Licence fee over the years to which they relate.

(iii) **Grant from Ministry of Finance, Government of India**

Initial Grant received has been treated as income of the year in which it is received.

(d) **Foreign currency transactions**

Non-monetary foreign currency transactions are recorded at rates of exchange prevailing on the dates of the transactions. Monetary foreign currency assets and liabilities are translated into rupees at the rates of exchange prevailing on the balance sheet date. The differences in translation of foreign currency liabilities related to the acquisition of fixed assets are adjusted in the carrying value of fixed assets. Other translation differences are reflected in the Income and Expenditure Account.

(e) **Web Portal Development and Maintenance**

Expenses incurred on Web Portal Development and Maintenance is charged to the Income and Expenditure Account in the year of incurrence.

(f) **Retirement benefits**

Retirement benefits to employees comprise contribution to provident fund, gratuity fund, Superannuation fund and provision of leave encashment, which are provided in accordance with the Regulations made under the Act.

Leave encashment is provided for at the current encashable salary for the entire unavailed leave balances.

The Authority contributes to IRDA Employees Provident Fund and IRDA Superannuation Fund trust.

The liability for gratuity is determined based on actuarial valuation, in accordance with gratuity scheme framed by the Authority.

3. INCOME-TAX

No income tax provision has been made in view of income of the Authority being exempt under section 10 (23BBE) of the Income-tax Act, 1961.

4. REGISTRATION/RENEWAL FEES

(a) In pursuance of Authority's decision to scale down the levy of renewal fees for registration on the insurers to 0.1% of the gross premium from 0.2% of the gross premium, retrospectively for the financial years with effect from April 01, 2001, the income for the year has been accordingly accounted for.

(b) The renewal fees from some of the State Insurance agencies have not been accounted for in the absence of information of gross insurance premium.

5. DEPOSIT OF FUNDS OF THE AUTHORITY INTO PUBLIC ACCOUNT OF INDIA

The Authority, in the previous years received a letter from Ministry of Finance, Department of Economic Affairs dated July 17, 2002, July 9, 2005 and July 18, 2006 directing the Authority to deposit the moneys so far collected by the Authority in the Public Account of India as non-interest bearing account and allowing the Authority to withdraw a specified amount in the beginning of each year from the said Public Account for meeting its expenditure. The Authority based on a legal opinion obtained has requested for review of the direction received, in its view the funds raised by it from the insurers and the intermediaries do not have the character of Government Revenue and cannot form part of the Public Fund of India. The issue is still under correspondence.

6. HEADQUARTERS OF THE AUTHORITY

The Authority, in pursuance of the decision taken by the Government of India in November 2001 to shift the Headquarters of the Authority from New Delhi to Hyderabad, shifted the actuarial department in April 2002, other departments in August 2002 and the Surveyors Department in October 2005. The office of the Authority is located in Parisrama Bhavan where a portion of the third

floor has been given to it free of rent by Andhra Pradesh Industrial Development Corporation Limited [APIDC]. The Government of Andhra Pradesh through A. P. Industrial Infrastructure Corporation Limited [APIIC] has allotted a plot of five acres land in the financial district at Nanakramguda Village, Serilingampally Mandal, RR District, Hyderabad free of cost, the legal title of which is yet to be transferred.

7. OPERATING LEASES

There are no non-cancellable lease arrangements. The lease payments are made in accordance with the lease agreements. The Authority is in occupation of portion of

premises at Hyderabad at free of rent but is obliged to hand over the premises on a "as is where is basis" to Andhra Pradesh Industrial Development Corporation Limited upon vacation. The lease payments in respect of other premises including the premise occupied at Delhi recognized in the income and expenditure account is Rs. 15,27,943/- [Previous year Rs. 18,32,703/-].

8. PRIOR YEAR COMPARATIVES

Previous year figures have been regrouped, wherever considered necessary to make them comparable with the current year's figures.

Sd/-
(K.Jagan Mohan Rao)
Chief Accounts Officer

Sd/-
(G.Prabhakara)
Member

Sd/-
(R.Kannan)
Member

Sd/-
(K.K.Srinivasan)
Member

Sd/-
(C. R. Muralidharan)
Member

Sd/-
(C.S.Rao)
Chairman

ADDRESSES OF INSURERS AND OMBUDSMAN

LIFE INSURERS

| SL.NO. | INSURER | PRINCIPAL OFFICER | POSTAL ADDRESS | CONTACT DETETAILS |
|--------|---|----------------------|---|--|
| 1 | Reliance Life Insurance Company Ltd. | Shri P. Nandagopal | 1st Floor, Midas, Sahar Plaza Complex, Next to Kohinoor Hotel, Andheri-Kurla Road, Andheri (East), Mumbai 400 059 | Tel : 022-30479600/30479784 Fax: 022-30479650 |
| 2 | Aviva Life Insurance Co. Pvt. Ltd. | Shri Bert Paterson | 5 th Floor, JMD Regents Square Building Gurgaon – Mehrauli Road Gurgaon – 122 001 | Tel: 0124-270 9000/01, Fax: 0124-270 9007 |
| 3 | Bajaj Allianz Life Insurance Co. Ltd. | Shri Sam Ghosh | G.E. Plaza, Airport Road Yerawada Pune – 411 006 Near Marol Naka, Andheri (E), Mumbai – 400 059 | Tel : 020-4026666 Fax : 020-4026789 |
| 4 | Birla Sun Life Insurance Co. Ltd. | Shri Vikram Mehmi | 6 th Floor, Vaman Centre, Makhwana Road, Off Andheri – Kurla Road Near Marol Naka, Andheri (E), Mumbai – 400 059 | Tel : 022 5678 3333 Fax: 022 5678 3232 |
| 5 | HDFC Standard Life Insurance Co. Ltd. | Shri D.M. Satwalekar | 2 nd Floor, 'A' Wing Trade Star Building Near Hotel Kohinoor Continental Andheri – Kurla Road, Andheri (East) Mumbai – 400 059 | Tel : 022-67516666 Fax: 022-2822 8844 |
| 6 | ICICI-Prudential Life Insurance Co. Ltd. | Ms. Shikha Sharma | ICICI Prulife Towers 1089, Appasaheb Marathe Marg Mumbai – 400 025 | Tel :022-56621996 Fax: 022-56622031 |
| 7 | ING Vysya Life Insurance Co. Ltd. | Shri Kshitij Jain | 5 th Floor, ING Vysya House 22, M.G. Road Bangalore – 560 001 | Tel : 080-25328000 Fax: 080-25559764 |
| 8 | Kotak Mahindra Old Mutual Life Insurance Co. Ltd. | Shri Gaurang Shah | 9 th Floor, Godrej Coliseum, Behind Everard Nagar, Sion (East), Mumbai – 400 022 | Tel : 022-6621 5999 Fax:022-6621 5757, 6621 5858 |
| 9 | Life Insurance Corporation of India | Shri T. S. Vijayan | Yogakshema, Jeevan Bima Marg Post Box No. 19953 Mumbai – 400 021 | Tel 56598701;56598702 Fax: 22824386 E-Mail : chairman@licindia.com |

| SL.NO. | INSURER | PRINCIPAL OFFICER | POSTAL ADDRESS | CONTACT DETTAILS |
|--------|---------------------------------------|----------------------|--|--|
| 10 | Max NewYork Life Insurance Co. Ltd. | Shri Gary R. Benett | 11 th Floor, DLF Square Jacaranda Marg DLF City, Phase – II Gurgaon – 122 002 | Tel : 0124-2561717 Fax: 0124-2561764 |
| 11 | MetLife India Insurance Co. Pvt. Ltd. | Shri Rajesh Relan | Brigade Seshamahal No.5, Vani Vilas Road Basavanagudi Bangalore – 560 004 | Tel : 080-26438638 Fax: 080-26521970 Toll Free No. 1-600-44-6969 |
| 12 | Sahara India Life Insurance Co. Ltd. | Shri N.C. Sharma | Sahara India Bhavan 1, Kapoorthala Complex, Aliganj, Lucknow – 226 024 | Tel: 0522-2337777 Fax: 0522-2378200 |
| 13 | SBI Life Insurance Co. Ltd. | Shri Uday Sankar Roy | Turner Morrison Building 2 nd Floor, 16, Bank Street, Fort, Mumbai – 400 023 | Tel : 022-56392000 Fax: 022-56621471 |
| 14 | Shriram Life Insurance Company Ltd. | Shri R. Duruvasan | Regd. Office : 3-6-478, 3rd Floor, Anand Estate, Liberty Road, Himayat Nagar, Hyderabad - 500029 | Tel: 040-23434466-72 Fax: 040-23434488 |
| 15 | TATA AIG Life Insurance Co. Ltd. | Shri Trevor Bull | Peninsula Tower Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013 | Tel : 022-66516000 Fax : 022-66550711 |
| 16 | Bharti AXA Life Insurance Co.Ltd. | Shri Nitin Chopra | 61/62, Kalpataru Synergy, Vakola, Opp. Grand Hyatt Hotel, Santacruz (E), Mumbai – 400 055 | Tel: 022 – 40306300/6301 Fax: 022 - 40306347 |

NON-LIFE INSURERS

| SL.NO. | INSURER | PRINCIPAL OFFICER | POSTAL ADDRESS | CONTACT DETETAILS |
|--------|--|-------------------------|--|---|
| 1 | Agriculture Insurance Co. of India Ltd. | Shri M. Parshad | 13 th Floor, Ambadeep Bldg, 14, K.G. Marg, Connaught Place, New Delhi – 110 001. | Tel :011-41081991-4, Fax : 011-41081995 Email: aicho@aicofindia.org Web-site: www.aicofindia.org |
| 2 | Bajaj Allianz General Insurance Co. Ltd. | Shri Kamesh Goyal | GE Plaza, 1 st Floor, Airport Road, Yerawada, Pune- 411 006. | Tel : 020-6602 6666 Fax: 020-6602 6667 |
| 3 | Cholamandalam General Insurance Co. Ltd. | Shri M. Anandan | DARE House, 2 nd Floor, New No.2 (Old No.234) NSC Bose Road, CHENNAI – 600 001. | Tel : 044-42166000 Fax : 044-42166001 |
| 4 | Export Credit Guarantee Corporation Ltd | Shri Christy Fernandez | 10 th Floor, Express Towers, Nariman Point, Mumbai – 400021. | Tel :022-56590512-515 Fax : 022-56590517 022-56590530 |
| 5 | HDFC-CHUBB General Insurance Co. Ltd | Shri Suresh Menon | 6 th Floor, Leela Business Park, Andheri-Kurla Road, Andheri(East) Mumbai – 400059 | Tel : 022-6638 3600 Fax : 022-6638 3699 |
| 6 | ICICI Lombard General Insurance Co. Ltd | Shri Sandeep Bakshi | Zenith House, Mahalaxmi Keshavrao Khade Marg, MUMBAI-400 034. | Tel : 022-24906999 Fax: 022-24927624 |
| 7 | IFFCO Tokio General Insurance Co. Ltd | Shri Ajit Narain | 4 th & 5 th Floors, IFFCO Tower, Plot No.3, Sector 29, GURGAON-122001(Haryana) | Tel : 0124-2850100 Fax: 0124-2577923-2577924 |
| 8 | National Insurance Co.Ltd. | Shri V. Ramasaamy | 3, Middleton Street, P.B. No. 9229, KOLKATA 700 071. | Tel : 033-22831705 to 9 Fax : 033-22831712 |
| 9 | Reliance General Insurance Co. Ltd | Shri K. A. Somasekharan | 570, Naigaum Cross Road, Next to Royal Industrial Estate, Wadala(West), MUMBAI – 400 031 | Tel.No.022-30479602 Board no:022-30479600 Fax. No.022-330479650 |

| SL.NO. | INSURER | PRINCIPAL OFFICER | POSTAL ADDRESS | CONTACT DETTAILS |
|--------|---|---------------------|---|--|
| 10 | Royal Sundaram Alliance Insurance Co. Ltd | Shri Ajay Bimbhet | "Sundaram Towers" , 45-46, Whites Road, Royapetah CHENNAI-600 014. | Tel: 044-42227373 Fax: 044-28517376 Email:ajay.bimbhet@in.royalsun.com Web-site: ww.royalsundaram.com |
| 11 | Tata AIG General Insurance Co. Ltd | Shri Dalip Verma | Peninsula Corporate Park, Nicholas Piramal Tower, 9th Floor Ganpatrao Kadam Marg Lower Parel, MUMBAI 400 013 | Tel : 022-66699696 Fax: 022-56546464 Email: gaurav.garg@tata-aig.com www.tata-aiggeneral.com |
| 12 | The New India Assurance Co. Ltd. | Shri B. Chakrabarti | New India Assurance Bldg. 87, M.G. Road, Fort, MUMBAI - 400 001 | Tel: 022-22674617 - 22, Fax: 022-22652811 Email: cmd.nia@newindia.co.in Web-site: www.newindia.co.in |
| 13 | The Oriental Insurance Co. Ltd. | Shri M. Ramadoss | A-25/27, Asaf Ali Road New Delhi 110 002 | Tel :011-23279221-25 Direct:23265024 Fax: 23287192, 23287193, 23283971 |
| 14 | United India Insurance Co. Ltd. | Shri G. Srinivasan | 24, Whites Road CHENNAI – 600 014. | Tel : 044-28520161 Fax : 044-28523825 |
| 15 | Star Health & Allied Insurance Co. Ltd. | Shri V. Jagannathan | No.1 New Tank Street Valluvarkottam High Road Nungambakkam CHENNAI – 600 034 | Tel :044-28260053, Fax :044-28260062 |

RE-INSURER

| SL.NO. | INSURER | PRINCIPAL OFFICER | POSTAL ADDRESS | CONTACT DETTAILS |
|--------|--|--|---|---|
| 1. | General Insurance Corporation of India | Shri. Yogesh Lohia (W.e.f 28.05.2007) | Suraksha, 170, J Tata Road Church Gate Mumbai-400 020 | Tel. No. : 022-22833046 Fax : 022- 22833209, 22841231, 2282233 Email : info@gicofindia.com Web : www.gicindia.com |

INSURANCE OMBUDSMAN

| SL.NO. | CENTRE | OMBUDSMAN | POSTAL ADDRESS | CONTACT DETAILS |
|--------|-------------|----------------------|---|--|
| 1. | Ahmedabad | Mr. Amitabh | 2nd Floor, Ambica House, Near C.U. Shah College, 5 Navyug Colony, Ashram Road, Ahmedabad – 380 014 | Tel: 079-27546150, 27546139 Fax:079-27546142 E-mail: insombahd@rediffmail.com |
| 2. | Bhopal | Mr. N.A. Khan | 1st Floor, 117 Zone II, Above D.M. Motors Pvt. Ltd., Maharana Pratap Nagar, Bhopal – 462 011 | Tel: 0755-2769200, 2769202, Fax:0755-2769203 E-mail: bimalokpalbhopal@airtelbroadband.in |
| 3. | Bhubaneswar | Mr. S.K. Dhal | 62, Forest Park, Bhubaneswar – 751 009 | Tel: 0674- 2531607 Fax:0674-2531607 Email : ioobbsr@dataone.in |
| 4. | Chandigarh | Mr. K.M. Chadha | S.C.O. No.101-103, 2nd Floor, Batra Building, Section 17-D, Chandigarh – 160 017 | Tel: 0172 - 2706468 Fax: 0172-2708274 E-mail : ombchd@yahoo.co.in |
| 5. | Chennai | Mr. K. Sridhar | Fatima Akhtar Court, 4th Floor, 453 (old 312), Anna Salai, Teynampet, Chennai – 600 018 | Tel: 044 - 24335284 / 24333668 Fax: 044-24333664 E-mail : insombud@md4.vsnl.net.in |
| 6. | Delhi | Mr. R. Beri | 2/2 A, 1 st Floor, Universal Insurance Bldg. Asaf Ali Road New, Delhi – 110 002 | Tel: 011-23237532 Fax: 011-23230858 E-mail : iobdelraj@rediffmail.com |
| 7. | Guwahati | | Jeevan Nivesh, 5 th Floor, Nr. Panbazar Overbridge, S.R. Road, Guwahati – 781 001 | Tel: 0361-2415430 Fax: 0361-2414051 E-mail : omb_ghy@sify.com |
| 8. | Hyderabad | Mr. P.A. Chowdary | 6-2-46, 1 st Floor, 'Moin Court' Lane Opp. Saleem Function Palace, A.C. Guards, Lakdi-ka-pul, Hyderabad – 500 004. | Tel: 040-65504123 Fax:040-23376599 E-mail : hyd2_insombud@sancharnet.in |
| 9. | Kochi | Mr. James Muricken | 2 nd Flr., CC 27/ 2603, Pulinat Building, Opp. Cochin Shipyard, M.G. Road, Ernakulam - 682 015 | Tel: 0484-2358759 Fax:0484-2359336 E-mail: ombudsmankochi@yahoo.co.in |
| 10. | Kolkata | Mr. K. Rangabhashyam | North British Building, 29, N.S.Road, 3rd Floor, Kolkata – 700 001 | Tel: 033-22134866 Fax: 033-22134868 E-mail : iombkol@vsnl.net |
| 11. | Lucknow | Mr. M.S. Pratap | Jeevan Bhawan Phase-2, 6 th Floor Nawal Kishore Road, Hazratganj Lucknow – 226 001 | Tel: 0522-2231331 Fax:0522-2231310 E-mail: ioblko@sancharnet.in |
| 12. | Mumbai | Mr. R.K. Vashishtha | 3rd Floor, Jeevan Seva Annexe, Above MTNL, S.V. Road, Santacruz (W), Mumbai-400054 | Tel: 022-26106880 Fax: 022-26106052 Email: ombudsman@vsnl.net |

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