CHAPTER - III
PROFILE OF THE PUBLIC SECTOR GENERAL
INSURANCE COMPANIES

This chapter deals with the profile of the four public sector general insurance companies in India. They are given below.

1. The Oriental Insurance Company Limited (OIC)

The OIC Ltd., was incorporated at Bombay on 12th September 1947. The company was a wholly owned subsidiary of the Oriental Government Security Life Assurance Company Limited, and was formed to carry out General Insurance business. The company was a subsidiary of LIC from 1956 to 1973. In 2003 all shares of the company held by the GIC of India had been transferred to Central Government.

The company in a pioneer is laying down systems for smooth and orderly conduct of the business. The strength of the company lies in its highly trained and motivated work force that covers various disciplines and has vast expertise. Oriental specialize in devising special covers for large projects like power plants, petrochemical, steel and chemical plants. The company has developed various types of insurance covers to cater to the needs of both the urban and rural population of India.

OIC Ltd., made a modest beginning with a first year premium of ` 99,946 in 1950. The goal of the company was “Service to clients” and achievement thereof was helped by the strong traditions built up overtime. OIC Ltd., with its Head Office at New Delhi has 26 Regional Offices and more than
nine hundred operating offices in various cities of the country. The company has overseas operations in Nepal, Kuwait and Dubai. The company has a strength of around fifteen thousand employees. From less than a lakh at inception, the gross premium went up to ` 58 crores in 1973 and during 2008-2009 the figure stood a mammoth ` 4077.90 crores.

Corporate mission

To contribute to the socio economic objectives of the nation by being a vibrant and viable organization, and cater to the growing insurance needs of the community, the company will strive for effective management of business operations.

Corporate objectives

1. To serve better the insurance needs of the entire community, keeping customer as the focus.
2. To strengthen our tradition of being customer-friendly, in order to provide quality service.
3. To manage business profitably, manage funds judiciously and deploy investible funds for optimum yield.
4. To optimize the retention of Indian business and conduct reinsurance and international operation in the best interest of the country.
5. To work towards minimization of losses and develop Risk Management Technologies.
6. To function as a strong and dynamic non-life insurer.

Management

OIC Ltd., is a professionally managed independent Board - run - Company. Illustrious personalities like Shri T. A. Pai (who later became
cabinet minister in the union government), Shri K. R. Puri, who rose to be the Governor of RBI and Shri B. D. Pande (who later became the Governor of West Bengal) were among past chairmen.

**Financial resources**

The company’s gross direct premium income in India during the year 2008-2009 (audited) was `3964.26 crores and the premium income outside India was `113.64 crores. The gross direct premium in India and abroad showed a growth of 4.55%. The net premium income (domestic and foreign), on the other and grew by 12.38% from `2878.67 crores in 2007-2008 to `3235.10 crores in 2008-2009.

An integrated Non-life Insurance Application Software (INLIAS) has been implemented in all the 1018 offices. This will ensure that the customer service parameters grow by leaps and bounds. The company has been enjoying the highest rating from leading Indian credit rating agencies CRISIL and ICRA. The company has also been rated as B++ very good by A. M. Best an international rating agency.

**Popular polices**

The following are some of the popular policies offered by OIC.

Rural insurance policies


2. National Insurance Company Limited (NIC)

NIC Ltd., was incorporated in 1906 with its Registered Office in Kolkata. Consequently to passing of the General Insurance Business Nationalization Act in 1972, 21 foreign and 11 Indian companies were amalgamated with it and NIC became a subsidiary of GIC of India which is fully owned by the Government of India. After the notification of General Insurance Business (Nationalization) Amendment Act, on 7th August 2002, NIC has been de-linked from its holding company GIC and presently operating as a government of India undertaking.

NIC is one of the leading public sector insurance companies of India, carrying out non-life insurance business. Headquartered in Kolkata, NIC is network of about 1,000 offices, manned by more than 16,000 skilled personnel, is spread over the length and breadth of the country, covering remote rural areas townships and metropolitan cities. NIC’s foreign operations are carried out from its branch office in Nepal.

Befittingly the product ranges, of more than 200 policies offered by NIC cater to the diverse insurance requirements of its 14 million policyholders. Innovative and customized policies ensure that even specialized insurance requirements are fully taken care of.
The paid up share capital of NIC is ₹100 crores. Starting off with a premium base of 500 million rupees (50 crores) in 1974, NIC’s gross direct premium income has steadily grown to ₹42,799 million rupees (4,279.9 crores) in the financial year 2008-2009.

NIC transacts general insurance business fire, marine and miscellaneous insurance. The company offers protection against a wide range of risks to its customers. The company is privileged to cater its service to almost every sector or industry in the Indian Economy viz., Banking, Telecom, Aviation, Shipping, Information Technology, Power, Oil and Energy, Agronomy, Plantations, Foreign Trade, Healthcare, Tea, Automobile, Education, Environment, Space Research etc.

NIC is the second largest non-life insurer in India having a large market presence in Northern and Eastern India. NIC has been accorded “AAA/STABLE” financial strength rating by CRISIL rating agency, which reflects the highest financial strength to meet policyholders’ obligations, NIC recognized internationally as one of the 5 general insurance companies in the Asia Pacific.

**Products and services offered by NIC:**

**Personal**

Motor Policy, Householders Policy, Personal Accident Policy, Critical Illness Policy, NRI Accident Policy, Amartya Siksha Yojana Policy, Traffic Accident Policy, Niwas Yoana Policy, Baggage Policy, Mediclaim Policy, Professional Indemnity for Doctors, Overseas Mediclaim Policy, Baroda Health Policy.
Rural


Industrial


Commercial

Burglary (Business Premises) Policy, Shopkeepers Policy, Bankers Indemnity Policy, Office Package Policy, Glass Insurance, Money Insurance, Jewellers Block Policy, Extended Warranty Policy, Directors and Officers Liability Policy, Fidelity Guarantee Policy, Marine Cargo Insurance.

3. United India Insurance Company (UIIC)

United India Insurance Company Limited (UIIC) is a leading General Insurance Company of India. The company has more than three decades of experience in Non-life Insurance business. It was formed by the merger of 22 companies, consequent to nationalization of General Insurance. Its Head Quarters is at Chennai.

United India Insurance Company Limited was incorporated as a Company on 18th February 1938. General Insurance Business in India was nationalized in 1972.12 Indian Insurance Companies, 4 Cooperative Insurance
Societies and Indian operations of 5 Foreign Insurers, besides General Insurance operations of southern region of Life Insurance Corporation of India were merged with United India Insurance Company Limited. After nationalization United India has grown by leaps and bounds and has 18,300 work force spread across 1,340 offices providing insurance cover to more than one Crores of policy holders. The Company has variety of insurance products to provide insurance cover from bullock carts to satellites.

United India has been in the forefront of designing and implementing complex covers to large customers, as in cases of ONGC Ltd, GMR-Hyderabad International Airport Ltd, Mumbai International Airport Ltd, Tirumala-Tirupati Devasthanam etc. It has been also the pioneer in taking Insurance to rural masses with large level implementation of Universal Health Insurance Programme of Government of India & Vijaya Raji Janani Kalyan Yojana (covering 45 lakhs women in the state of Madhya Pradesh), Tsunami Jan Bima Yojana (in 4 states covering 4.59 lakhs of families), National Livestock Insurance and many such schemes. It has also made its presence in more than 200 tier II & II towns and villages through its innovative Micro Offices.

The company earned a gross premium of ` 4,277.77 crores in the financial year 2008-2009 which was ` 3,731.56 in the financial year 2007-2008. The net premium earned by the company during 2007-2008 was ` 2,880.65 crores and increased to ` 3,510.41 crores in the financial year 2008-2009.
Corporate mission

1. To provide insurance protection to all
2. To ensure customers satisfaction
3. To function on sound business principles
4. To help minimize national waste and to help develop the Indian economy.

Popular policies:

Commercial insurance

Marine Insurance, Fire Insurance, Motor Insurance

Industrial insurance


Liability insurance

Workmen’s Compensation Insurance, Public Liability Insurance, Product Liability Insurance, Professional Indemnity Policy.

Miscellaneous insurance


4. The New India Assurance Company limited (NIAC)

Founded by the House of Tata founder member – Sir Dorab Tata. The New India Assurance Company came into being on July 23, 1919 and is today, ranked as number one Insurance Company in the Indian market. Consequent to
passing of the General Insurance Business Nationalization Act in 1972, wherein 21 foreign and 11 Indian companies were amalgamated. The NIAC was one of them. It was nationalized in 1973. The company is credited with a lot of “first” in its 90 years of service. A pioneer in satellite insurance, it holds a large number of offices both in India and abroad.

The NIAC boasts of having highly skilled personnel and a total of 1,068 fully automated offices across India. With a superior capital position, strong operating performance and strong market position as its base. NIAC with its Head Office at Mumbai has a network 26 Regional Offices, 393 Divisional Offices, 614 Branches Offices, 34 Direct Agent Branches and 16 Extension counters.

The NIAC gas become the sole company to extend noteworthy operations in the international forum. Initiated its overseas operations in 1920, the company has gone a long way, since then. Presently the company is functioning in 24 countries such as Japan, UK, Middle East, Fiji, Australia and so on. With a network of 19 branches, 12 agencies, 3 associate companies and 3 subsidiary companies.

The company earned a gross premium of ` 5,508.83 crores during 2008-2009 in Indian business, and in the case of foreign business the company earned ` 946.95 crores as gross premium. The global gross premium earned by the company for the financial year 2008-2009 was ` 6,455.78 crores. The net premium earned by the company during the financial year was totally ` 5,500.31 crores. It includes ` 4,260.53 crores in India and ` 1,239.78 crores in Foreign.
1. It was the first company to set up an Aviation Insurance Department in 1946.
2. It was the first company to handle the Hull Insurance requirements of the Indian Shipping Fleet.
3. It was the first company to establish its own Training School.
4. It was the first company to introduce the concept of “Model Office Training”.
5. It was the first company to create depart in engineering Insurance.
6. It was the first domestic company to be rated A (Excellent) by an International Rating Agency, A. M. Best & Co. (Europe).
7. It was the first Indian non-life company to cross ` 5,000 crores gross premium.

**Mission**

1. To develop general insurance business in the best interest of the community.
2. To provide financial security to individuals, trade, commerce and all other segments of the society by offering insurance products and services of high quality at affordable cost.

**Products:**

**Personal**

Mediclaim Policy, Janata Mediclaim Policy, Senior Citizen Mediclaim Policy, Personal Accident Policy, Overseas Mediclaim Policy, Householders Policy, Motor Policy, Money Insurance, TV/VC R/V CP Insurance, Suhana Safar Policy, Mobile / Cellular Phone Policy, Group Mediclaim Policy.
**Industrial**

Fire Policy, Burglary policy, Machinery breakdown Policy, Electronics Equipment Policy, Consequential Policy, Contractors all Risks Policy, Contractor Plant and Machinery Policy, Mega Package Policy.

**Commercial**

Jewelers Block Policy, Bankers Indemnity Policy, Shopkeepers Policy, Marine Cargo Policy, Plate Glass Insurance, Special Contingency Policy, Neon Sign Insurance, Multi Peril Policy for LPG dealers, Aviation Insurance.

**Liability**

Public Liability Policy, Products Liability Policy, Professional Indemnity Policy, Directors and Officers Liability Policy, Employers’ Liability Policy, carrier’s Policy, Golfers Indemnity Insurance.

**Social**