ANNEXTURE
I, II & III
The term "Ombudsman" is of Scandinavian origin, meaning someone in the nature of "entrusted person". In European and other countries, he is an Investigating Officer relating to the grievances of general public against administrative actions. In issuance sector, in India, the Office of Ombudsman has been created by the Redressal of Public Grievances Rules, 1998 which have been notified by the Government of India on 11-11-1998 in exercise of the powers conferred by sub-section 1 of Section 114 of the Insurance Act, 1938 (4 of 1938). The rules creating the Office of Ombudsman have been formed with the object of resolving the complaints relating to settlement of claims on the part of insurance companies in cost effective, efficient and impartial manner. These rules are applicable to all the insurance companies operating in General Insurance business and in the Life Insurance business. The insurance companies, therefore, are not required to give their assent to be bound by these rules. However, the Central Government may exempt an insurance company from the provision of these rules if it is satisfied that an insurance company has already a grievance redressal machinery, which fulfills the requirement of these rules. So for, none of the insurance companies have approached the Central Government for exempting it from the provisions of these rules. Hence, the rules are applicable to all the insurance companies whether operating in Life Insurance business or in General Insurance business without any exception.
The Insurance Ombudsman is a quasi judicial authority who is appointed by the Governing Body of the Insurance Council, which consists of one representative from each of the insurance companies. The Governing Body appoints the Ombudsman out of a panel prepared by a Committee consisting of Chairman, IRDA, two representatives of the Insurance Council and one representative of the Central Government. The panel may be drawn from a wider circle including those who have experience or have been exposed to the industry, civil service, administrative service etc., in addition to those drawn from judicial service. Thus, although the representatives of insurance companies who would be members of the Governing Body of Insurance Council would have some say in the selection and appointment of Ombudsman, the selection is expected to be quite fair and the complaints cannot agitate that since the Ombudsman is appointed by the Governing Body of Insurance Council consisting of representatives of insurance companies, Ombudsman will not be resolving their disputes with insurance companies in a fair and unbiased manner.

Any person who has a grievance against an insurer may himself or his legal heirs make a complaint writing to the Ombudsman with whose jurisdiction the Branch or the office of the insurer complained against is located. However, the Ombudsman's jurisdiction to receive and consider complaints as stated under Rule 12 relates to:-

1. Any partial or total repudiation of claims by an insurer.
2. Any dispute in regard to premium paid or payable in terms of the policy.
3. Any dispute on the legal construction of the policies in so far as such disputes relate to claims.

4. Delay in settlement of claim.

5. Non-issue of any insurance document to customers after receipt of premium.

The Ombudsman’s decision whether the complaint is fit and proper for being considered by it or not shall be final [Rule 12(3)]. However, this provision does not empower the Ombudsman to decide disputes and asset the jurisdiction which is not covered by Rule 12 as stated above. The provision only empowers the Ombudsman to decide, wherever the complaint falls within his purview as per Rule 12 that the same is fit and proper for being considered by him and his decision with regard to that shall be final. Further, the Ombudsman is empowered to consider the complaints from individuals only under the following circumstances:

1. The complaint before making a complaint to the Ombudsman has made a written representation to the insurer named in the complaint and either the insurer had rejected the complaint or the complainant had not received any reply within the period of one month after the insurer concerned received his representation or the complainant is not satisfied with the reply given to him by the insurer.

2. The complaint is made within one year after the insurer had rejected the representation of the complainant or he has not received only reply on the representation.
3. The complaint is not on the same subject matter in respect of which any proceedings before any Court or Consumer Forum or arbitration is pending or were so earlier.

4. The Branch or office of the insurer complained against is located within the jurisdiction of the Ombudsman.

5. The Ombudsman shall act as a Counsel or mediator in matters which are within his terms of reference as per Rule 12 if requested to do so in writing by mutual agreement by the insured person and insurance company.

It appears from the Scheme of the Ombudsman as enunciated in the Rules that the Ombudsman shall consider the complaint only on the basis of papers submitted to him. The complaint shall be filed in writing by the complainant or his legal heirs and state clearly the name and address of the complainant, the name of the Branch or office of the insurer against which the complaint is made, the facts which gave rise to the complaint supported by documents, if any, relied on by the complainant, the nature and extent of the loss caused to the complainant and the relief sought from the Ombudsman. The Ombudsman may further ask the parties for necessary papers in support of their respective claims and where he considers necessary, he may collect the factual information available with the insurance company. It appears that no advocates are to be permitted to represent the complainant / insurer to argue their respective cases before Ombudsman. Further, the complainant or the representatives of insurance companies are permitted to appear in person along with necessary papers and documents in support of the claims. However, since
the Ombudsman is not a judicial authority, he does not have the powers of summoning particular persons / witnesses and examining them on oath.

The ombudsman will be disposing of the complaints in the first instance through mediation, by mutual agreement of the parties and shall make a recommendation which he thinks fair in the circumstances of the case. The complainant has the option to accept the recommendations in full and final settlement of the complaint or not to accept the recommendation. On his acceptance of the recommendations, the Ombudsman shall send to the insurance company a copy of the recommendation along with the acceptance letter received from the complainant. The insurer shall there upon comply with the terms of the recommendation within 15 days of the receipt thereof an shall inform the Ombudsman of its compliance. From the provisions, it looks that the insurer has no option to reject the recommendations.

Where the complaint is no settled by mediation as above, the Ombudsman shall pass a Speaking Award with detailed reasoning which he thinks fair in the facts and circumstances of the claim. The Award shall state the amount awarded to the complainant. However, the Ombudsman is not authorised to award any compensation in excess of that which is necessary to cover the loss suffered by the complainant as a direct consequence of the insured peril or for an amount no exceeding Rs.20.00 lakhs (including ex-gratia and other expenses), whichever is lower. Like the recommendations under Rule 15, the Award under Rule 17 is to be accepted by the complainant in full and final settlement of his claim and thereafter it shall be forwarded to the insurer who shall comply with the
Award within 15 days of the receipt of acceptance letter. Thus the Award may be accepted or not accepted by the complainant but the same is binding on the insurer. Although no machinery has been prescribed under the Rules for enforcement of either the recommendations or the Award of the Ombudsman, but since these provisions are as per rules framed under sub-section 1 of Section 114 of the Insurance Act, 1938. They are statutory in character and have got a binding effect. It may, however, be argued that since only the complainant has been given the option of either accepting the recommendation / award and the insurer has not been given any such option, this is unjust and unfair and against the principles of natural justice but the fact remains that the provisions being statutory in character, are binding on the insurers. This looks to be more unjust as their no provision for appear against the recommendation / award of the Ombudsman before any higher Forum or the Court. However, no Insurance company has so far taken up this matter before any of the High Courts or before the Supreme Court of India and the issue is quite open. But, it is felt that, there is a need for carrying out some amendments in the provisions by providing some appellate body where the insurers can approach if they are not satisfied with the recommendations / Award of the Insurance Ombudsman. Presently, under Section 47A of the Insurance Act, 1938, disputes relating to a policy of life insurance assuring a sum not exceeding Rs. 2000/- (exclusive of any profit or bonus not being a guaranteed profit or bonus) arising between a claimant and an insurer of the option of the claimant may be referred to the IRDA for decision. It is suggested that the section may be amended so as to provide for appeals
against recommendation / Award by the Insurance Ombudsman to IRDA as the present provision have lost its significance after the establishment of Office of Insurance Ombudsman and the Consumer Forums or alternatively the appeal may lie to the High Court.

Further, the Ombudsman has not been armed with any powers under the Rules to enforce its recommendation / Award; neither the Rules provide for consequences of non-compliance of recommendations / Award of the Ombudsman and as the Ombudsman is not a Court, no contempt proceedings can be initiated against the insurer choosing not to comply with the recommendations / Award of the Ombudsman. In practice though, no insurer would like not to comply with the recommendations / Award of the Ombudsman unless it is beyond his jurisdiction or a malafied one but to strengthen and making more effective the office of the Ombudsman, the provisions if incorporated in the rules itself, will go a long way in making the Office of the Ombudsman more effective. It may further be stated that although the rules do not provide for any appeal, if the insurer is not satisfied with the recommendations / Award of the Ombudsman, it does not debar him to move to the High Court under Article 226 of the Constitution of India if the Ombudsman has exceeded his jurisdiction or the recommendation / Award is malafied.

Insurance Ombudsman Vis-à-vis Consumer For a, Civil Courts Lok Adalats.

Consumer Forums have been established of District level, State level and National level for the settlement of consumer disputed under the Consumer
Protection Act, 1986. A consumer can approach the Consumer Forum within its pecuniary and territorial jurisdiction for any deficiency in service by an Insurer by filing a simple complaint. If we compare the institution of Insurance Ombudsman with that of Consumer Forum, following stark differences are quite obvious.

1. The jurisdiction of Consumer Forum can be invoked in case of any deficiency in service by the Insurer. It is not restricted to disputes within the ambit of Rules 12 of Redressal of Public Grievances Rules, 1998 as is the case with Ombudsman.

2. The pecuniary jurisdiction of National Commission is unlimited and the Consumer Forum in case of proved deficiency in service are authorised to award compensation to the consumer for any loss or injury suffered by the consumer due to the negligence of the opposite party and not merely limited to 20 lakhs necessary to cover the loss suffered by the complainant as a direct consequence of the insured peril as in the case of Ombudsman.

3. The Consumer Forum can entertain complaints up to two years from the date on which the cause of action has arisen whereas Ombudsman can entertain complaints up to a period or one year only.

4. The Ombudsman's jurisdiction as far as recommendation is concerned starts only if the parties agree to be bound by his recommendation and afterwards also the complainant has got the option of either accepting the recommendation or award or reject the same. The verdict of Consumer Forum is, however, binding on both the parties.
5. The judgement of Consumer For a at all levels is appealable if either of the parties is not satisfied with the judgement. However, there is no such provision in case of the recommendation / award of Ombudsman under the Rules.

6. The Consumer For a have the same powers as vested in a Civil Court under Civil Procedure Code while trying a suit in the matter of summoning and enforcing attendance of a witness and examining them on oath as also production and discovery of documents whereas Ombudsman does not have the similar powers under the Rules.

7. The Ombudsman will not entertain the complaint if it is on the same subject matter in respect of which any proceedings before any Court or Consumer Forum or arbitrator is pending or were so earlier. However, there is no such restriction in case of proceedings before Consumer Forum where the complaint case be filed by a consumer if the award / recommendation given by the Ombudsman has not been accepted by him. It is only under the proposed amendment to Section 3 of Consumer Protection Act, it is provided that the provisions of the Act shall apply to all claims except claims in respect of which corresponding remedies of judicial nature are available under any special law for the time being in force. It is, however, open to interpretation where the remedy available before the Ombudsman is of a judicial nature and covered by amended Section.
8. For enforcement of an order of the Forum, the Consumer Protection Act itself provides the machinery and penalties while there are no such provisions in the Rules so far as the enforcement of recommendation or award of the Ombudsman is concerned.

9. The Ombudsman has, however, been vested with the powers to grant Ex-gratia payment up to Rs. 20.00 lakhs while there is no such power with the Consumer For a (National Commission in LIC of India Vs. P. Venkata Subbamma – Revision Petition No. 697 of 1994).

The policy holders have an option to approach Civil Courts or a High Court under writ jurisdiction in certain circumstances for redressal of their grievances but the remedies before these judicial bodies are costly as also time consuming. The proceedings before Consumer For a and Ombudsman are summary proceedings without involving any cost and speedy also.

The Legal Services Authorities Act, 1987 also provides for referring the pending disputes before any Court or Tribunal on a joint application by the applicant to the Lok Adalat for compromise or settlement or a District Authority may, on receipt of an application from any person that any dispute or matter pending for a compromise or settlement needs to be determined by Lok Adalat, refer such dispute or matter to the Lok Adalat for determination. The Award of the Lok Adalat thereafter will be binding like a decree of the Civil Court and no appeal will lie to a higher Court against the Award. The Award of the Lok Adalat therefore differs from the Award of the Ombudsman as it is binding on both the parties to a dispute. The Lok Adalats further have all the powers of the Civil
Court in the matter of summoning and enforcing of the attendance of any witness and discover and production of any document. However, no Court Fee is payable as in the case of proceedings before Ombudsman.

In view of the above discussions, it can be concluded that the remedy provided to insurance policy holders by establishing the office of the Ombudsman to approach him for redressal of grievances within Rules 12 is the cost free and perhaps the most speedy remedy available in the present day scenario. The Ombudsmen all over the country have been doing an yeoman's job in redressing the grievances of policy holders in the competitive scenario. As per the Annual Report of IRDA a total number of 2110 complaints have been disposed of by Ombudsmen during the year, 2000-2001. Perhaps by making insured public more aware about existence of Office of Ombudsman, by enlarging the jurisdiction of Ombudsman by including all types of disputes relating to policies in Rule 12, by providing on appellate body to whom insurers can approach in case of their non-acceptance of recommendation / Award of Ombudsman and by providing an enforcement agency for recommendation / award of Ombudsman in Rules itself, the office of Ombudsman can be more effective and inspire more confidence in general public and also with the Insurers.
Life Insurance Regulation in Perspective

The insurance regulatory system is about establishing a detailed system of checks and controls. The regulatory system is unique in that:

- It is operative industry wide and aims to establish a "end-to-end" system of regulation; every operative participant in the system (media, intermediary or hospital, for instance) comes under the regulatory control.
- It establishes uniform system of controls irrespective of the type of ownership of the participant public sector, private sector, cooperative sector etc.
- The regulatory system is expertly informed and aims to take into account such parameters of operations of the insurers which require great regulatory involvement and comprehension.

Characteristics:

The principal characteristics of the regulatory system are listed below:

- Comprehensiveness in scope covering every or almost every aspect corporate functioning of the insurers.
- Protects the interests of the policy holder, takes care of his entitlements at every step and provides him a system for redressal complaints and grievances speedily and economically.
- Provides a system of standardisation of practices and promotes the Best Practices in the industry so as to sustain the confidence of the inuring public.
• Develops an 'intelligent' system of controls – sensitive to the changing parameters of performance and enhances speed in responsiveness to changes.

• Prescribes parameters of healthy operations for insurers including prescription of Risk Based Capitalisation (RBC), more popularly called Solvency Margins.

• Identification ‘trigger points’ – the stage from which the insurer is on a course of tumultous developments, and so also developing ‘early warning systems’, so that the insurers can be put again into course correction.

• Providing goals of development so that the benefits of the services of the insurers reach sections of society which cannot directly afford to purchase these services – life cover, pensions, healthcare, savings and growth. The economically weaker sections, the socially deprived people living in underdeveloped areas, and those who are physically or mentally handicapped, especially need the services that insurance provides and the regulator can require that the insurers spread insurance to these segments.

• The regulator also insures development of the insurance industry so that more services come within its ambit. It this way the depth, scope and the reach of the insurance industry increases.

• The regulator is the arbiter also within the industry and in case of conflict between the insurers or between other bodies in the industry the dispute can be adjudicated upon by the regulator.
• Maintaining balance of interests between the various interested classes or groups within the industry – the policy holders, shareholders, intermediaries and others.

• Promoting the growth of professional bodies within the industry either directly under the regulator’s supervision or as ‘Self regulatory Organizations’ (SROs).

• The regulator has also to balance between various regulatory goals—adequacy of premium versus affordability and spread of insurance, for instance, or solvency and adequate provisioning for long term financial health insurers versus immediate profitability.

• Insuring that the insurance industry connects with the other sectors in the financial and economic system in a manner which contributes towards maintaining a stable and development oriented systemic architecture.

• The regulator frames regulations ensuring adequate and reliable financial disclosures which lead to transparency and comparability of the financial statements.

• The regulatory authority has to assimilate in its functioning the history of the financial sector especially in the areas of individual savings and take steps to shape the development of the insurance industry in the possible and desired direction alongwith the behavioural parameters.

• The regulator has to determine the desirable nature and degree of competition that should prevail in the life insurance industry and frame regulations accordingly.
The regulator has to address the issue of the changing legal and technological framework and the evolving economic system – the increased applications of Information Technology in the way business is done and transactions are made, as well as the possibilities inherent in the system and contract and to what extent can these be safely assimilated into the insurance industry. The regulator has to similarly insure that the insurance industry is also in sync with the developments in the fields of finance, foreign trade and contract, exchange control regulations, control on media, consumer protection and ensure that the regulatory systems grows with the development of the overall system of law and business environment.

Functions:

The functions of the IRDA may be divided into those aimed at:

- Explicitly protecting the interests of the insuring public.
- Ensuring healthy survival of the individual insurers (i.e. the companies)
- Regulating growth, and
- Promoting professional conduct in the insurance industry.

As expected, steps taken in one direction may promote the other aim also.

The Insurance Regulatory and Development Authority Act, 1999 lays down the essentials of the whole system of regulation and it is also an act stating the constitution, aims and objectives, method of funding and such matters directly relating to the functioning of the authority, IRDA.
The IRDA Act, 1999 describes in a detailed manner the scope of the Act, the range of powers of the regulators and lists the subjects upon which the IRDA can make regulations.

The Statement of Objects and Reasons at the time of presentation of the IRDA bill in the Parliament states that the authority (proposed authority, at the time) shall be a body corporate and the duties, powers and functioning of the authority, interalia, shall include:

- Issue, renew, notify, withdraw, suspend or cancel certificate of registration, that is, licences.
- Protect the interests of the policy holders, in matters including settlement of claims, nominations, terms and conditions of contract, specifying requisite qualifications, code of conduct and practical training for agents and insurance intermediaries.
- Promote efficiency in the conduct of insurance business.
- Levy fees and charges for its functioning.
- Specify manner in which the books of accounts will be maintained and accounts furnished to the regulator.

The IRDA Act, 1999 is divided into 6 chapters and has three schedules.

Main provisions of Act :

The provisions under the various chapters briefly are as follows :
Chapter-I (Section 1 and 2) contains the provisions regarding the name of the act, its jurisdiction and definitions. The Act, it states, extends to the whole of India. In the definitions clause it refers to the Insurance Act, 1938, the LIC of India Act, 1956 and the General Insurance Business (Nationalization) Act, 1972 and states that words and expressions used in the Act but not defined here but defined in these earlier Acts, shall have the same meaning as in the earlier Acts.

Chapter-II (Section 3 to 12) of the Act deal with the establishment, incorporation, composition, tenure of the regulators, grounds for their removal from office, their salaries and allowance and the provisions of staff for the regulators the IRDA has the powers of:

- Calling for information from, undertaking inspection of, conducting enquiries and investigations of the insurer or the intermediaries (including the agents) and also of other organizations connected with the insurance business.
- Regulating investment of funds of the insurers.
- Regulating maintenance of adequate margins of solvency by the insurers.
- Adjudication of disputes between insurers.
- Specifying percentage of business to be undertaken by the insurer in the rural or social sector.
- Specifying the percentage of premium income of the insurer which the insurer will be required to contribute to finance schemes for promoting and regulating professional organizations.
The IRDA comprises of the chairman, 5 whole time members and 4 part time members, all of whom shall have a maximum tenure of 5 years. However, while the Chairman and the whole time members shall retire on attaining the ages of 65 years and 62 years, respectively, the part time members have no such age of retirement. The chairman and the full time members will not be eligible for appointment with the State or Central Government or any other insurer for 2 years. The chairman will have powers of all administrative matters of the authority. Section 3(2) states that the IRDA shall be a body corporate having perpetual succession and a common seat with the right to acquire, hold and dispose of property, to contract and to sure and be sued upon by the name of ‘IRDA’. That is, the IRDA is a legal person.

Chapter-III of the Act (Section 13) transfers to the IFDA all the assets and liabilities of the insurance regulatory authority and while the assets shall be deemed to include all rights and powers and all properties movable and immovable, the liabilities shall include debts, suits and legal proceedings which have been instituted against the interim authority or which could have been instituted against it.

Chapter-IV of the Act (Section 14) deals with the duty of the IRDA to ‘regulate promote and ensure orderly growth of the insurance and reinsurance business in India’. It goes on to list the various duties of the IRDA and here the list consists of exactly the same subjects as enunciated in the statement of objects and reasons (earlier described). Therefore, through the measures taken by the individual insurers is to be controlled, it has also to be insured that the
insurance industry progresses as a result of the steps taken and acquires greater reach, takes deeper roots and incorporates within its ambit new types of products and services.

The duties of the IRDA enumerated in the Section 14 of the Act are:

- To issue, modify, renew, suspend or cancel certificate of registration i.e. license.
- Protecting the interest of the policyholders on matters like settlement of claims, assignment and nomination, determination of insurable interest, interpretation of terms and conditions of the contracts of insurance.
- Specifying qualification, code of conduct, practical training for agents and intermediaries.
- Promoting efficiency in the conduct of insurance business – speed as well as economy of operations.
- Promoting and regulating professional organizations.
- Levying specified fees from insurers for the purpose of providing finance for the working of the regulator.
- Calling for information from, inspecting, conducting investigation, auditing insurers, insurance intermediaries or other organizations connected with insurance business.
- Control and regulation of premium rates.
- Specifying the manner in which books of accounts shall be maintained by insurers and the form in which accounts shall be furnished by insurers and insurance intermediaries.
• Regulating investment of funds by insurers.

• Regulating maintenance of margins of solvency.

• Specifying the percentage of premium income of the insurer to finance schemes for promoting and regulating professional organizations.

• Specifying the percentage of life insurance business to be undertaken by the insurer in the rural or social sector.

Besides these 'such other powers as may be prescribed' can be exercised by the regulator. That is the scope of activity or the role of the IRDA can be broadened or expanded if the government desires.

Chapter-V of the Act (section 15, 16 and 17) deals with the grants that can be made by the central government for meeting the expenses towards salaries, allowances and other remuneration of the members, officers and other employees of the authority as well as other expenses of the authority. The IRDA itself is required to render accounts annually to the Controller and Auditor General of India which after auditing and certifying that account shall forward it to the Central Government and the Government shall put it before each House of Parliament.

Chapter-VI of the Act (Sections 18 to 32) deals with Miscellaneous provisions but each of these is a provision of very far-reaching significance.

Section 18 states that the Central Government shall issue directions to the IRDA on policy matters in writing from time to time and these policy directions shall be binding on the IRDA.
Section 19 states that if the IRDA is not able to discharge its functions on account of circumstances beyond its control or is persistently defaulting in complying with the directions of the Central Government or if circumstances require it in the interest of the public, the Central Government may issue a notification (stating the reason thereof) suspending the authority and appointing a person to act as the Controller of Insurance (with all the powers and functions under Section 2B of the Insurance Act, 1938).

Section 20 provides that the IRDA shall furnish to the Central Government returns, statements and particulars about programme for development and promotion of the insurance industry within nine months after the close of the financial year and these documents shall be placed by the government before each House of Parliament. The Central Government also has the power to call for such information anytime in the year.

Section 21 states that the members of the IRDA, the officers and other employees of the authority, shall be deemed to be public servants under Section 21 of the Indian Penal Code.

Section 22 states that no suit or legal proceedings can be instituted against the Central Government, the IRDA or any of the officers or employees for any things done or proposed to be done in good faith. It also states that these persons do not enjoy any absolute immunity under this Act.

Section 23 provides that the IRDA may delegate powers to the Chairman or to special committees formed under the Act.
Section 24 gives the Central Government power to make rules regarding the functioning of the IRDA.

Section 25 provides for the establishment of the Insurance Advisory Committee (IAC) which shall consist of up to 25 members. In addition, the IAC will have representatives from commerce industry, agriculture, agents, intermediaries, research bodies and employee associations as ex-officio members. The Chairman and members of the IRDA shall be ex-officio chairman and members of the IAC and the IAC shall have the function of advising the IRDA on matters on which the IRDA is to make regulations.

Section 26 gives the general power to the IRDA to make regulations to carry out the purposes of this act, that is, to protect the interests of policy holders, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto.

There regulations will first be placed before the Parliament as per section 27 and the Parliament has the power to amend or modify a proposed regulation before making it effective, provided the notification is agreed upon by both Houses and is not contravening or goes against any earlier provision.

Section 28 provides that the provisions of the IRDA Act, 1999 are in addition to existing provisions of any other law which is in force. Thus the provisions of the Insurance Act, 1938, LIC of India Act, 1956 and other Acts and Rules which are not expressly superseded by the IRDA Act 1999 continue to have force.
Section 29 states the special provisions that till up to 2 years after the notification of this Act, if any difficulty arises in giving effect to the provisions of the Act the Central Government may make orders through publication in the Official Gazette for removal of such difficulties. Such order will have to be placed before the Parliament at the earliest.

Section 30, 31 and 32 provide for amendment to the Insurance Act, 1938, LIC of India Act, 1956 and General Insurance Business (Nationalization) Act, 1972, respectively, as per the First, Second and Third Schedules in that order. The principal effect of these provisions is ending the monopoly of the LIC and the coming of the competitive era.

THE FIRST SCHEDULE:

The First Schedule gives the details of the changes to the Insurance Act, 1938 and through these amendments effect is given to some very salient conditions that mark the insurance industry in the liberalised scenario. The most important of these provisions are:

- The power of the Controller of Insurance get vested in the Regulator under the IRDA Act, 1999.
- Upto 26% shares of the paid-up equity capital of an Indian insurance company can be held by a foreign company, either by itself or through a subsidiary.
- No insurer other than an Indian insurance company can carry on insurance business in India.
- An insurer shall carry on only one of the three classes of business life insurance, general insurance or reinsurance.
- Registration obtained by an insurer prior to this act coming into force shall be deemed to be license obtained from the IRDA. Thus, LIC, for instance, is not required to obtain fresh license.
- The IRDA can charge fee upto Rs. 50,000 for application for registration.
- The requirement as to capital for registration is paid up equity capital of Rs. 100 Crore for a life insurance (or a general insurance company) and of Rs. 200 Crore for a reinsurance company.
- In granting of registration the IRDA shall give preference to an applicant, whether a life a general insurer, who proposes to do business for providing health cover to individuals or groups.
- The IRDA has the right to suspend or cancel a registration but before making an order to such effect the party concerned will be given a reasonable opportunity of being heard by the IRDA.
- If a certificate or registration is lost or destroyed the IRDA may issue a duplicate of the same upon payment of a fees of Rs. Five thousand.
- In case of transfer of shares, if the nominal value of the shares to be transferred exceeds 1% of the paid up equity capital of the insurer, prior approval of the IRDA will have to be obtained for transfer. This will also apply if the shares are held by a "group" or "body" corporate under the same management.
• A promoter holding more than 26% of the paid up equity capital in an Indian insurance company shall be required to divest in a phased manner after 10 years the shareholding in excess of 26%. The manner in which this divesting shall be made will be specified by IRDA at some subsequent date. *(It is possible, we can say, that this prescribed of 26% maximum shareholding may change at a subsequent date).*

• An insurer will keep with the Reserve Bank of India deposits of 1% of his total gross premium written in India in any financial year, subject to a maximum of Rs. 10 crore in case of a life insurer and Rs. 20 crore in case of a re-insurer.

• Every insurer shall maintain separate accounts relating to the funds of shareholders and policyholders and at the end of every financial year submit in relation to the year a balance sheet, a profit and loss account, a separate account of receipts and payments and revenue account in accordance with the regulations made by the IRDA.

• An insurer will be required to get valuation done of its assets and liabilities every year. However, the new insurers may not get valuation done in the first two years of operation. The IRDA has also prescribed a form in which the report of the actuary is to be submitted by the insurers to the regulator.

• The IRDA Act, 1999 prohibits any investment by the insurer of funds outside India. The IRDA can give directions for the time, manner and other conditions regarding the investment of funds by the insurers. Also, the IRDA, taking into account the nature of business, issue directions.
regarding the manner in which the assets should be held, so as to protect the interests of the policy holders.

- The IRDA shall by notification in the official Gazette prescribe the compulsory life insurance business (or general insurance business) in the rural sector, unorganised or informal sector, economically vulnerable or backward classes and other disadvantaged sections of society, like the physically or the mentally handicapped persons. The IRDA has subsequently published the IRDA (Obligations of Insurer to Rural or Social Sector) Regulations, 2000.

- The IRDA can direct in writing a person to investigate the affairs of an insurer and to submit report thereof. A copy of the investigation report will also be given to the insurer. The investigating authority may examine any manager, director or other officer and he can also cause an inspection to be made. The IRDA, upon receiving the report may require the insurer to take certain steps or even cancel the registration. The IRDA may instruct that, an insurer liquidate his business.

- The IRDA has the power to issue a person a license to act as an insurance intermediary or agent for the purpose of soliciting or procuring insurance business. The IRDA shall levy a fee of Rs. 250/- for issuing such license and the license shall be valid for three years and can be renewed for the same period. When required the IRDA can also issue duplicate license.
The person who wants to act as an insurance agent should not be disqualified on the ground of being minor, of unsound mind, found guilty of criminal misappropriation, or not having undergone the requisite training & passed the prescribed examination. In case he is found guilty of any disqualification the IRDA may cancel the licence. In case a person tries to solicit or procure insurance business without a valid license he is liable to be fined. With regard to the provisions regarding licensing of insurance intermediaries it has to be kept in mind that the term "person" includes company of firm. In case of default the company or firm is similarly liable and punishable through all the directors. It may also be mentioned here that licences issued prior to commencement of the IRDA Act, 1999 and valid, as on the date of notification, continue to be valid for the rest of the period for which the license was issued.

- The solvency margin for life insurers shall be a minimum of Rs. 50 Crore or the aggregate of 5% of the mathematical reserves and 1% of the sum of risk. The mathematical reserves means the provision made by an insurer to cover liabilities arising under the life insurance policies and includes specific provisions for adverse deviation in mortality, expenses (death) or mortality experience (diseases), expense rates and any provisions explicitly made in the valuation of liabilities in accordance with the regulations.

- In case any person defaults in complying with the provisions of this Act, or with the provisions of regulations made under this Act or fails to furnish,
statements, accounts or records or fails to maintain the required margin of solvency, he shall be liable to be fined upto Rs. 5 lakh for each such failure. Further, if a person carries out insurance business without valid license or submits false statements, accounts or reports he shall be liable to be fined upto Rs. 5 lakh for each such failure and a addition he shall be liable to be imprisoned for upto three years. In case of the defaulter being a 'Company' the persons responsibility for the running of the company, that is the directors will be liable in the above manner. ‘Company’ here includes a firm, an association of persons or a body of individuals whether incorporated formally or not.

- The IRDA has the power to make regulations and these regulations will be required to be notified in the Official Gazette. The regulations will be made to give effect to the purposes of this Act. The regulations can pertain to matters like:
  - Registration of insurers and renewal suspension or an cancellation of their registration i.e. licences and issue of duplicate license.
  - Procedure for divesting promoters share capital in excess of 26%.
  - Preparation of reports, returns, statements etc., - balance sheet, profit and loss account, account of receipts and payments, revenue account.
  - Manner in which abstract of the report of the actuary is to be submitted.
- Manner is which the insurer will maintain information and offer them for regulation of the authorities representing the IRDA.
- Licensing of insurance agents, (intermediaries or insurance intermediaries) their partical training, requisite qualification, examination and code of conduct.
- Maintenance of margins of solvency.
- Valuations of assets and liabilities
- Matters relating to redressal of grievances of policy holders.
- Protection of interests of the policy holders and insuring orderly growth of the insurance industry.

THE SECOND AND THIRD SCHEDULES:

The Second Schedules and the Third Schedule to the Act make amendments to the monopoly clauses in the LIC of India Act, 1956 and the General Insurance Business (Nationalisation) Act, 1972 stating that their "exclusive previlege" to do business in their respective field shall case.

CONCLUSION:

The IRDa Act, 1999 is a landmark legisation changing the structure of the insurance industry and the method of regulation of the industry, it fulfils its purpose by stating in detail the structure and power of the regulatory authority and also giving the basic provisions which will mark the regulatory supervision in the liberalised scenario. The capital structure of the insurance companies is presented in the IRDA Act and also the amount of the deposits compulsorily to be maintained and most importantly the Act has put great emphasis on the
concept of risk based capitalisation through the prescription of solvency margins. These mark a departure from the past. The IRDA Act, 1999 lays down the foundation upon which a very elaborate and effective regulatory edifice has been built. The complete regulatory picture emerges through the various regulations.
National Insurance: SAMPOORNA SURAKSHA BIMA

Scope of Cover:

The policy, applicable to any individual, is a combination of seven sections of Personal Line insurances:

Section I  Personal Effects of proposer and family members
Section II  Residential building
Section III  Personal Accident for the proposer and family members
Section IV  Mediclaim Insurance for the proposer and family members
Section V  Professional Indemnity for the proposer
Section VI  Personal Computer of the proposer and family members
Section VII  Motor Package Insurance (Private Car/two-wheeler of the proposer)

Requirements for taking Policy

Section is compulsory and there should be at least two more sections chosen out of the other six.

Premium to be paid for all the Sections chosen. While a flat premium is mentioned plan wise for Section-I, for the other section II to VII, individual rates/premium is indicated.

Sections-I Personal effects (of the proposer and family members staying with the proposer)

Comprises five subsections:
Subsection IA  Personal Effects in the House – against several perils including Fire, lightning, explosion, implosion not, strike, malicious damage, storm, flood, impact damage, bursting and/or overflowing of water tanks, earthquake.

Subsection IB  Personal Effects in the House – against Burglary, housebreaking, larcency and theft.

Subsection IC  Specified Domestic Appliances – Breakdown.

Subsection ID  TV sets – Breakdown, Accidental damage and Third Party Liability.

Subsection IE  Jewellery & Valuables – All Risks (as defined) anywhere in India.

Level Of Plans:

Depending upon the value of the contents specified in each sub-section, the proposer has to choose a Plan from the six plans, based on his/her requirements. If he/she finds the value of items in his/her house more than the sum insured mentioned in the sub-sections, he/she must choose a higher plan.

Special Feature:

The policy is on replacement value basis except for sub-sections IA & IB. In sub-sections IC, ID and IE the sum insured should be the New Replacement Value at the time of loss. Indemnity for repairable/partial losses in subsection IC, ID and IE is B "new for old". In subsections IA & IB, the sum insured should reflect the value (depreciation deducted) at the time of loss.
<table>
<thead>
<tr>
<th>Subsection</th>
<th>PLAN 1</th>
<th>PLAN 2</th>
<th>PLAN 3</th>
<th>PLAN 4</th>
<th>PLAN 5</th>
<th>PLAN 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cover/Perils covered</td>
<td>Sum Insured, items covered</td>
<td>Sum Insured, items covered</td>
<td>Sum Insured, items covered</td>
<td>Sum Insured, items covered</td>
<td>Sum Insured, items covered</td>
<td>Sum Insured, items covered</td>
</tr>
<tr>
<td>IA</td>
<td>Rs. 1 lac Personal Effects in house</td>
<td>Rs. 2 lac Personal Effects in house</td>
<td>Rs. 3 lac Personal Effects in house</td>
<td>Rs. 5 lac Personal Effects in house</td>
<td>Rs. 7 lac Personal Effects in house</td>
<td>Rs. 10 lac Personal Effects in house</td>
</tr>
<tr>
<td>IB</td>
<td>Rs. 1 lac Personal Effects in house</td>
<td>Rs. 2 lac Personal Effects in house</td>
<td>Rs. 3 lac Personal Effects in house</td>
<td>Rs. 5 lac Personal Effects in house</td>
<td>Rs. 7 lac Personal Effects in house</td>
<td>Rs. 10 lac Personal Effects in house</td>
</tr>
<tr>
<td>IC</td>
<td>Rs. 20,000 Fridge Machine Geyser One &amp; all Of these Appliances</td>
<td>Rs. 40,000 Fridge Washing Machine Mixie Geyser Wet-grinder One &amp; all Of these Appliances</td>
<td>Rs. 65,000 Fridge Washing Machine Mixie Geyser Wet-grinder Microwave One &amp; all Of these Appliances</td>
<td>Rs. 1,00,000 Fridge Washing Machine Mixie Geyser Wet-grinder Microwave AC One &amp; all Of these Appliances</td>
<td>Rs. 1,50,000 Fridge Washing Machine Mixie Geyser Wet-grinder Microwave AC Music deck (cassette/ACD) One &amp; all Of these Appliances</td>
<td>Rs. 2,00,000 Fridge Washing Machine Mixie Geyser Wet-grinder Microwave AC Music deck (cassette/ACD) One &amp; all Of these Appliances</td>
</tr>
<tr>
<td>ID</td>
<td>Rs. 12,000 TV sets</td>
<td>Rs. 16,000 TV sets</td>
<td>Rs. 20,000 TV sets</td>
<td>Rs. 35,000 TV sets</td>
<td>Rs. 40,000 TV sets</td>
<td>Rs. 50,000 TV sets</td>
</tr>
<tr>
<td>IE</td>
<td>Rs. 20,000 Jewellery Watches Cameras</td>
<td>Rs. 30,000 Jewellery Watches Cameras</td>
<td>Rs. 50,000 Jewellery Watches Cameras</td>
<td>Rs. 75,000 Jewellery Watches Cameras Video-Cameras</td>
<td>Rs. 1,25,000 Jewellery Watches Cameras Video-Cameras Laptops</td>
<td>Rs. 1,50,000 Jewellery Watches Cameras Video-Cameras Laptops</td>
</tr>
</tbody>
</table>

** Fire and Allied Perils and Earthquake – As defined under Cover Of Subsection 1A.**

** TPL – Legal liability of the insured to pay compensation to third parties for loss/damage to third party/property.**

PREMIUM Rs. 464 Rs. 825 Rs. 1,254 Rs. 2,035 Rs. 2,931 Rs. 3,966
SUB SECTION IA : Personal Effects in the House

Cover: Personal effects against several perils including fire, lighting, explosion, implosion not, strike, malicious damage, storm, flood, impact damage, bursting and/or overflowing of water tanks, earthquake.

Major Exclusions

(a) Loss of or damage to articles of daily consumption.
(b) Loss of or damage to money, securities, stamps, stamp collections, bullion, livestock, motor vehicles and pedal cycles.
(c) Loss of documents, currency, jewellery etc.

SUB SECTION IB : Personal Effects in the House

Cover: Personal effects against burglary, housebreaking, larceny and theft.

Major Exclusions

(a) Loss or damage by Burglary and/or Housebreaking where any member of the Insured’s family is concerned as principal or associate.
(b) Loss of or damage to livestock, motor vehicles and pedal cycles.
(c) Loss of damage to any external antennae or fittings by theft.

SUB SECTION IC : Specified Home Appliances

Cover: This subsection covers Mechanical and Electrical Breakdown of specified home appliances selected whilst in the insured premises.

Indemnity: Partial/Repairable Losses are paid without applying depreciation.
Major Exclusions

(a) Loss or damage due to faults existing at the time of commencement of the insurance.

(b) Loss or damage for which the manufacturer or supplier of the property is responsible.

(c) Cost of transport to the repair shop and back to the insured's premises of any insured item arising out of any damage to such item.

SUB SECTION ID : Television Sets

Cover: Under this subsection, the television sets are covered against electrical and mechanical breakdown, accidental damage and Third Party Liability (TPL). While the TPL cover is up to Rs. 25,000/-, damage to insured's property due to breakage or collapse of antenna up to Rs. 3,000/- cover against fire, allied perils, earthquake, burglary and theft are already provided under subsection IA & IB.

Indemnity: Partial/Repairable Losses are paid without applying depreciation.

Major Exclusions

(a) Loss of or damage caused by or traceable to erection, repairing or dismantling of the Television Apparatus.

(b) Loss of or damage for which the manufacturer or supplier of the television apparatus is responsible.

SUB SECTION IE : Specified Jewellery and Valuables
Cover: Specified jewellery and valuables against all risks or accident or misfortune anywhere in India.

Major Exclusions

(a) Loss or damage due to cracking, scratching or breakage of lens or glass and loss or damage to floppy disk, compact disk, records and other articles of brittle or fragile nature unless such loss or damage arises from accident to railway train or aircraft or vehicle by which such item is being conveyed.

(b) Loss of or damage caused by mechanical derangement or electrical, Mechanical or any other breakdown.

(c) Unexplained disappearance of any of the items insured.

Indemnity: Partial Losses are paid without applying depreciation.

Terrorism cover: Cover for loss or damage by terrorism under Section-1 is optional and can be provided at an additional premium of 0.03% on the Sum Insured of Section IA or IB.

SECTION II – RESIDENTIAL BUILDING

Cover: The building where the contents are kept is covered against the same perils as mentioned in Sub-section IA under Section I.

Terrorism cover: If loss or damage caused by terrorism is to be included in the cover the same can be provided at an additional premium of 0.03% on the Sum Insured.

Major Exclusions
(a) “SPECIAL EXCEPTIONS” (a) and (b) mentioned under Sub-section IA above.

(b) 5% of each and every claim subject to a minimum of Rs. 10,000/- in respect of loss or damage by earthquake.

(c) Loss of or damage to deeds, bills of exchange, promissory notes shares and stock certificates, business books, manuscripts, documents of any kind, unset precious stones and jewellery and valuables unless specifically declared.

Sum Insured:

The insurance of residential building is on reinstatement value basis. Proposer is advised to fix the Sum Insured accordingly.

Reinstatement Value means the cost of replacing or reinstating with property of the same kind or type.

Rate of Premium – 0.06% on the Sum Insured.

SECTION III – Personal Accident

Cover: Under this section a specified percentage of the Sum Insured as mentioned below will be paid in the unfortunate event of the insured/spouse/children sustaining bodily injury solely and directly caused by accidental violent external and visible means resulting in death or disablement.
<table>
<thead>
<tr>
<th>Contingencies covered</th>
<th>Amount payable as percentage of Capital Sum Insured (CSI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Death</td>
<td>100</td>
</tr>
<tr>
<td>2. Loss of sight or both eyes, or loss two limbs or</td>
<td>100</td>
</tr>
<tr>
<td>loss of sight of one eye and loss of one limb</td>
<td></td>
</tr>
<tr>
<td>3. Loss of one limb or sight of one eye</td>
<td>50</td>
</tr>
<tr>
<td>4. Permanent Total Disablement</td>
<td>100</td>
</tr>
<tr>
<td>5. Permanent Partial Disablement</td>
<td>The percentage as mentioned in the policy</td>
</tr>
</tbody>
</table>

**Major Exclusions:**

Death, injury or disablement arising from Intentional self-injury, suicide, when under the influence of intoxicating liquor or drugs, venereal diseases, insanity, breach of the law with criminal intent. Capital Sum Insured (C.S.I.) Rs. 1 lakh in multiples of Rs. 1 lakh.

<table>
<thead>
<tr>
<th>Risk Profile</th>
<th>Proposer Type</th>
<th>Rate of Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>NORMAL</td>
<td>Bureaucrats, Doctors, Lawyers and such Persons engaged in administrative work</td>
<td>0.072% on CSI</td>
</tr>
<tr>
<td>MEDIUM</td>
<td>Builders, Contractors, Engineers engaged in Superintending functions, Drivers, Veterinary Doctors, etc.</td>
<td>0.10% on CSI</td>
</tr>
<tr>
<td>HEAVY</td>
<td>Persons working in underground mines, Explosives factories, High tension supply workers etc.</td>
<td>0.152% on CSI</td>
</tr>
</tbody>
</table>

**FAMILY DISCOUNT:** 5% - If more than one member of the eligible family members are covered.

**SECTION IV – Mediclaim (Modified)**

**Cover:** Provides reimbursement of the hospitalisation expenses as an in-patient and limited O.P.D. treatment expenses – to the insured, spouse, children and dependant parents.

(a) Room, Boarding Expenses as provided by the hospital/nursing home.
(b) Nursing Expenses

(c) Surgeon, Anaesthetist, Medical Practitioner, Consultant, Specialist Fees.

(d) Anaesthesia, Blood, Oxygen, Operation Theatre Charges, Surgical Appliances, Medicines and Drugs, Diagnostic Materials and X-Ray, Dialysis, Chemotherapy, Radiotherapy, Cost of Pacemaker, Artificial Limbs and Cost of organs and similar expenses.

Expenses incurred for treatment as 'out patient' in a hospital shall be payable up to maximum 1% of the sum insured provided the expenses incurred is either for treatment of injuries sustained in a motor vehicle accident in respect of which on F.I.R. is lodged or for treatment of multiple fracture occurring in an accident. Such payment of outpatient charges is further subject to either of the accident mentioned happening while the insured person is on four.

**Cost of health Checkup :**

1% of average Sum insured once at the end of four consecutive claim free years.

**Cumulative Bonus:**

Sum-insured progressively increased by 5% for every claim free year up to 10 years.

**Major Exclusions :**

- All pre-existing diseases/injuries, diseases contracted during the first 30 days from the commencement of the policy and diseases such as
Cataract, Benign Prostatic Hypertrophy, Hysterectomy for Menorrhagia or Fibromyoma, Hernia, Hydrocele, Congenital Internal diseases, Fistula in anus, Piles, Sinsitis and related disorders, contracted during the first year of the Policy.

- Convalescence, general debility, 'run-down' condition or rest cure, congenital external disease or defects or anomalies, sterility, venereal disease, intentional self injury and use of intoxicating drugs, alcohol, AIDS.

**Sum insured:**

Variants of sum insured ranging from Rs. 50,000 to Rs. 5,00,000 in multiples of 50,000/-.

**Age of the person to be covered and Premium payable**

<table>
<thead>
<tr>
<th>Sum Insured (Rs.)</th>
<th>Up to 35 years</th>
<th>36 to 45 years</th>
<th>46 to 55 years</th>
<th>56 to 65 years</th>
<th>66 to 70 years</th>
<th>71 to 75 years</th>
<th>76 to 80 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>50000</td>
<td>510</td>
<td>555</td>
<td>796</td>
<td>905</td>
<td>1014</td>
<td>1087</td>
<td>1342</td>
</tr>
<tr>
<td>100000</td>
<td>989</td>
<td>1075</td>
<td>1539</td>
<td>1753</td>
<td>1961</td>
<td>2101</td>
<td>2600</td>
</tr>
<tr>
<td>150000</td>
<td>1449</td>
<td>1575</td>
<td>2267</td>
<td>2585</td>
<td>2897</td>
<td>3141</td>
<td>4004</td>
</tr>
<tr>
<td>200000</td>
<td>1863</td>
<td>2025</td>
<td>2943</td>
<td>3365</td>
<td>3781</td>
<td>4129</td>
<td>5356</td>
</tr>
<tr>
<td>250000</td>
<td>2231</td>
<td>2425</td>
<td>3567</td>
<td>4093</td>
<td>4613</td>
<td>5065</td>
<td>6656</td>
</tr>
<tr>
<td>300000</td>
<td>2599</td>
<td>2825</td>
<td>4191</td>
<td>4821</td>
<td>5445</td>
<td>6001</td>
<td>7956</td>
</tr>
<tr>
<td>350000</td>
<td>2921</td>
<td>3175</td>
<td>4763</td>
<td>5497</td>
<td>6225</td>
<td>6885</td>
<td>9204</td>
</tr>
<tr>
<td>400000</td>
<td>3243</td>
<td>3525</td>
<td>5335</td>
<td>6173</td>
<td>7005</td>
<td>7769</td>
<td>10452</td>
</tr>
<tr>
<td>450000</td>
<td>3565</td>
<td>3875</td>
<td>5907</td>
<td>6849</td>
<td>7785</td>
<td>8653</td>
<td>11700</td>
</tr>
<tr>
<td>500000</td>
<td>3887</td>
<td>4225</td>
<td>6479</td>
<td>7525</td>
<td>8565</td>
<td>9537</td>
<td>12948</td>
</tr>
</tbody>
</table>

**FAMILY DISCOUNT:**

10% If more than one member of the eligible family members are covered.

**SECTION V – PROFESSIONAL INDEMNITY**
Professionals:


Major Exclusions

Claims arising out of

- Any act committed in violation of any law
- Services rendered under the influence of intoxicants
- Personal injuries such as libel, slander, false arrest, wrongful eviction, Infringement of patents, copyright, trade name
- Deliberate, wilful or intentional non-compliance of any statutory provision
- Fines, penalties, punitive, exemplary, damage

Sum Insured:

Rs 1 lac to Rs. 10 lac to be selected in multiples of Rs. 1 lac.

Rate of Premium

<table>
<thead>
<tr>
<th>Profession</th>
<th>Rate of Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctors &amp; Medical Practitioners</td>
<td>0.14% on Sum Insured</td>
</tr>
<tr>
<td>For Qualified Assistants</td>
<td>plus Rs. 80 per capita</td>
</tr>
<tr>
<td>For unqualified Assistants</td>
<td>plus Rs. 30 per capita</td>
</tr>
<tr>
<td>Professionals other than Doctors</td>
<td>0.73 % on Sum Insured</td>
</tr>
<tr>
<td>For Qualified Assistants</td>
<td>plus Rs. 80 per capita</td>
</tr>
<tr>
<td>For unqualified Assistants</td>
<td>plus Rs. 30 per capita</td>
</tr>
<tr>
<td>Architects, Engineers, Interior Decorators</td>
<td>0.73 % on Sum Insured</td>
</tr>
<tr>
<td>For Qualified Assistants</td>
<td>plus Rs. 80 per capita</td>
</tr>
<tr>
<td>For unqualified Assistants</td>
<td>plus Rs. 30 per capita</td>
</tr>
<tr>
<td></td>
<td>plus 0.08% on annual fees</td>
</tr>
</tbody>
</table>

Settlement of Claims: Awards + Legal expenses if incurred

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SECTION VI – PERSONAL COMPUTER (installed in the Residential Premises mentioned in Sub-section IA & IB)

Cover:

Against breakdown and accidental damage.

Major Exclusions

- All Major Exclusions mentioned in subsection IC.
- Loss of or damage caused by or arising out of traceable to erection, repairing or dismantling.
- Loss of or damage for which the manufacturer or supplier of the insured items is responsible either by law or contract.

Sum insured

New Replacement value.

Rate of Premium

0.758% on the Sum Insured

Settlement of Claims

Partial losses are payable without application of depreciation and subject to standard excess.

SECTION VII – PRIVATE CAR / MOTORISED TWO WHEELER PACKAGE

Important: The cover will available only if the proposer is the registered owner.

Cover:

Package cover as per India Motor Tariff

Subsection A Loss or damage to vehicle
Subsection B Liability to Third Party
Subsection C Personal Accident

Major Exclusions

(a) mechanical or electrical breakdown, failures or breakages

(b) damage to tyres and tubes unless the vehicle is damaged at the same time in which case the liability of the company shall be limited to 50% of the cost of replacement.

(c) Loss of or damage to accessories by burglary, housebreaking or theft unless the vehicle is stolen at the same time (not applicable to private cars).

(d) Any accidental loss or damage suffered whilst the insured or any person driving the vehicle with the knowledge and consent of the insured is under the influence of intoxicating liquor or drugs.

Sum Insured

Insured’s Declared Value (IDV)

Rate of Premium

As per India Motor Tariff

GENERAL

Itemising Household contents

- The advantage of this cover (Section 1) is that the proposer is free from the hassles of submitting the details of the items except in case of a dispute when the onus of proof in relation to the make, model, year of manufacture, ownership and other such aspects shall be on the insured.
Under Insurance

- In the event of a loss, if the value of the contents/property is found to be more than the sum insured, then the insured will be considered as his/her own insurer for the difference in amount and the claim will be reduced proportionately.

Proposal Form

- The brochure contains only brief details of the Policy. The proposer is requested to read the prospectus for further details before completing the proposal form.

Service Tax

- Applicable to all the sections as per Service Tax Act.