



Dear Readers!

We are back again here with some of the pertinent Insurance Industry news which we feel would be of not only just information as also thought provoking.

Axis Bank acquires 4.99% stake in Max Life Insurance at Rs. 95.75 crore

Axis Bank has informed BSE that on February 29, 2016, the Bank has purchased 9,57,48,762 shares of face value of Rs. 10/- each, or 4.99% equity stake, in Max Life Insurance Company Limited ("MLIC") from Max Financial Services Limited ("MFSL"), formerly known as Max India Limited, and Mitsui Sumitomo Insurance Company Limited ("MSI") for a total cash consideration at par (Rs. 10/- per share) of Rs. 95.75 crores. Of this, Axis Bank has acquired 7,65,60,635 shares of face value of Rs. 10/- each, or 3.99% equity stake in MLIC, from MFSL for an aggregate cash consideration at par (Rs. 10/- per share) of Rs. 76.56 crores and 1,91,88,127 shares of face value of Rs. 10/- each, or 1% equity stake in MLIC, from MSI for an aggregate cash consideration at par (Rs. 10/- per share) of Rs. 19.19 crores, post receipt of requisite regulatory approvals. Consequent to this transaction, Axis Bank's equity stake in MLIC has increased to 5.99%. MLIC, a joint-venture between MFSL and MSI, was incorporated on July 11, 2000 and is primarily engaged in the business of life insurance in India. As of March 31, 2015, MLIC is one of the leading life insurers in India with a paid-up capital of Rs. 1,919 crores. The gross premium collected by the MLIC was Rs. 8,172 crores in financial year ended March 31, 2015, Rs. 7,279 crores in financial year ended March 31, 2014 and Rs. 6,639 crores in financial year ended March 31, 2013.

NIIT Tech zooms 8.1%; launches insurance software 'Navigator'

NIIT Technologies zoomed 8.1% to Rs. 453.50 on the BSE. The company announced the successful implementation of its next generation policy and claims administration platform, Navigator at Sompo Japan Canopus Reinsurance AG (SCRe), Sompo Canopus' reinsurance subsidiary. The scrip opened at Rs. 423 and has touched a high and low of Rs. 457.5 and Rs. 422.1 respectively. So far 306354(NSE+BSE) shares were traded on the counter. The current market cap of the company is Rs. 2565.86 crore. The BSE group 'A' stock of face value Rs. 10 has touched a 52 week high of Rs. 632 on 18-Nov-2015 and a 52 week low of Rs. 335 on 26-Mar-2015. Last one week high and low of the scrip stood at Rs. 497.2 and Rs. 409 respectively. The promoters holding in the company stood at 30.83 % while Institutions and Non-Institutions held 57.24 % and 11.93 % respectively. The stock is currently trading above its 100 DMA.

Road ministry to seek Rs 50,000 cr soft loan from LIC for expressways and other top insurance news

The road transport and highways ministry plans to tap funds from the country's largest financial entity, Life Insurance Corporation of India, to undertake its ambitious expressways development programme. (ET) Prime Minister Narendra Modi asked MPs to work towards taking the benefit of newly-announced "Pradhan Mantri Fasal Bima Yojana" to farmers. (asianage.com) A half-a-loaf package of property insurance reforms aimed at reducing fraud and overbilling cleared by the state Senate Appropriations Committee over the opposition of construction contractors and to the chagrin of the sponsor of a tougher bill that failed to advance. (sun-sentinel.com) Frontline, one of the world's largest independent tanker firms, says securing insurance for cargoes carrying oil from Iran is likely to take another two to three months, potentially limiting Iran's ability to quickly ramp up oil exports. (uk.reuters.com) Berkshire Hathaway Specialty Insurance Company (BHSI) introduced Professional FirstTM Asset Management Liability Insurance, which provides comprehensive and clearly worded professional liability, directors & officers liability, employment practices liability and crime coverage for mutual funds, alternative funds and asset managers in Asia. (businesswire.com) Private health insurance premiums will rise an average of 6 per cent from April, adding roughly \$200 a year to family cover - an almost 50 per cent increase in the past five years. (dailymail.co.uk) Suncorp New Zealand announced the structure of its new general insurance and life insurance business, designed to meet the needs of its customers while building a more resilient organisation.

Third party vehicle insurance premiums likely to go up

The Insurance Regulatory and Development Authority of India (IRDAI) has proposed a hike in the third party vehicle insurance premiums by around 3% to 30% across all categories, according to reports. If the proposal is passed, it will come into effect from April 1, 2016. As per IRDA's proposal, four wheelers with engine capacity below 1,000cc will attract a 30% hike while those with engine capacity over 1,000cc will attract a 25% hike in third party insurance premium. In case of four-wheelers that carry passengers i.e. cabs and taxis, the third party insurance premium will be dearer by 30% for vehicles with engines below 1,000cc and by 25% for vehicles with engines above 1,000cc.

from
CEO Desk

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