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Report to the President, IILA


At the outset, my apologies for not attending the conference in Singapore. The dates clashed with the festival of Diwali and the Hindu New Year which for us, are the most important festivals with the family. Nevertheless, I am conscious that I will be missing meeting all of you wonderful people.

In a lighter vein, we expect the bursting of crackers in Diwali to be a bit muted in Mumbai with the enormous security arrangements for the visit of President Obama on November 6/7, 2010.

On the insurance front, not much to report except for:

- 1) Two more general insurance companies starting business, viz.:
 - a) SBI General Insurance Co. Ltd. in a joint venture with IAG.
 - b) L&T General Insurance Co. Ltd., a wholly owned subsidiary of Larsen & Toubro Ltd., one of the most respected engineering construction companies.
- 2) Despite massive discounting of premium rates, insurance business continue to grow particularly in the motor and health segments.
- 3) On the adjusting front, the situation is not so upbeat because:
 - a) Insurance companies are reluctant to pay a fair fee led by a cartel of public sector insurance companies which the private sector insurers appear to be happy to follow.
 - b) For these reasons compounded by regulating requirements for getting a licence to act as an adjuster, new entrants in the profession are not commensurate with the growth of insurance business.
 - c) Claims managers in the insurance companies, particularly private sector, are system driven and seem more concerned with time schedules rather than ensuring that a proper claims adjustment is done.
 - d) As there have not been any catastrophic events this year, there is more time to smell the roses.

With best wishes to all


Saumil D. Mehta