GIC Re
Your Partner in Risk

Global Reinsurance Solutions

GIC ReNEWS

Newsletter of GIC Re

ISSUE 01 | VOLUME 03 | DECEMBER 2009
For Private Circulation Only

Highlights

CMD greets Dr. Mahatir Mohammad, Ex Prime Minister of Malaysia.

CMD at 16th Indonesia Rendezvous 2009, Bali, Indonesia.

CMD at a Panel Discussion at 10th SIRC, Singapore.

CMD meets Mr. George Bush, former President of United States of America.

Editor's Thoughts...

It gives me great pleasure to place before you the 2nd Anniversary Issue of 'GIC Re News'. First of all, let me take this opportunity to put on record the commendable work done by Mr. K. Raghunath, the former Editor. As the new Editor, I feel privileged to share my thoughts with you through this column.

The year just passing by has been quite eventful. It had a rather gloomy start in the backdrop of the terrorist attacks and the global economic crisis and witnessed the humbling of some mighty global organisations in our own industry. Not much affected by the global economic crisis, Indians held their head high as they stood by their rather conservative and 'boring' business strategies, not being carried away by 'irrational exuberance' or risky products and remaining firmly grounded. That the resilient economy is bouncing back and a growth of 7.8% has been recorded in the last quarter should bring cheer as the year draws to a close.

On the domestic insurance scene, barring a couple of major losses, we have been spared the wrath of catastrophic losses, which augurs well for the image of the Indian insurance industry. The market also awaits the entry of two new players, SBI General Insurance Co. Ltd. and L&T General Insurance Co. Ltd., into the general insurance arena in the coming year.

On our own turf, GIC Re continues to do well on all fronts. The current treaty renewal season saw us in good stead, as we were high in demand as a stable reinsurer. This quarter,GIC Re was represented by various teams at the conferences at Baden Baden, Malayasia, Singapore, and Indonesia.

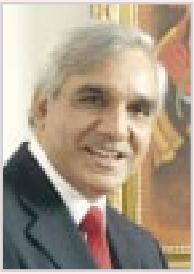
The Enterprise Risk Management initiative being undertaken currently and the EDI (Electronic Data Interchange) process are steps aimed towards professional excellence. As we gear up to become one of the top 10 reinsurers in the world and increase our foreign presence and our foreign line of business, we take pride in our human assets to take the organisation to heights unsurpassed.

An organization is only as great as its people and in a service industry like ours, development of the human capital plays a vital role in business growth. Mark Twain once said "Twenty years from now, you will be more disappointed by the things that you didn't do, than by the ones you did do. So throw out the bow lines. Sail away from the safe harbour. Catch the trade winds in your sails. Explore. Dream. Discover.'' May the coming year help us to realise our dreams as we tread new terrains as a committed reinsurer.

Wishing you all a happy and prosperous 2010.

Alice Vaidyan G.

Inside



From CMD's Desk

In the last couple of months I have had the occasion to attend several international insurance/ reinsurance conferences. The theme of all these, minor variations notwithstanding, was the same : 'Global Financial Crisis and its impact on the Insurance Markets across the Globe'. The common linking thread that emerged in all these gatherings of who's who of the global insurance industry was that by and large the Asian & Emerging Economies and their insurance sectors escaped the wrath of economic recession.

The reasons ascribed for this success have been many, ranging from a still 'conservative' economic liberalization process and relative insulation from the global financial system to prudent fiscal management. Some have even described it as these countries being lulled by the calm waters as they did not venture out of the harbour! How this success came through, will be a point of debate and reasons could be many. We must, however, be able to continue to take it ahead and improve upon our performance in the coming years so that it does not become a one-day wonder! That can only be possible by a focussed, flexible and plucky approach and of course aided by some luck. And here we ought to remember that luck favours the brave!

As the New Year dawns and the Indian General Insurance sector moves into the 3rd year post- detariffication, I am sure that the industry will mature further and ensure that it remains committed to manage the interests of all its stakeholders with élan. The fact that the industry has emerged unscathed and even stronger from one of the worst economic crisis of recent times, is an indicator of its resilience.

As a reaffirmation of the faith that the international community reposes in GIC Re, the Federation of Afro-Asian Insurers and Reinsurers (FAIR) has appointed us the Managers of the FAIR NAT CAT Pool. Further, as GIC Re expands its global business share, globally the most venerable insurance institution, the Lloyd's of London has also acknowledged our growing stature. Let us keep it up.

To give the direct underwriting companies, both life and non-life, in the country, the government has decided to induct the Secretary Generals of the Councils of Life Insurance & General Insurance companies on to our Board. I am sure this would promote better professionalism, transparency and good governance in the sector.

I close with a hope that we will be able to capitalize on our gains made in the recent crisis and promote a better, stronger and healthier insurance sector in the country.

I wish GIC Re Family a Happy and Safe New Year 2010.

Yogesh Lohiya

VAPOUR CLOUD EXPLOSION AT INDIAN OIL CORPORATION DISTRIBUTION TERMINAL JAIPUR

It was 7.30 pm on Thursday, the 29th of October 2009. Life was moving at its everyday slow pace in the Sitapura Industrial suburb of Jaipur, capital city of Rajasthan, the desert state of India. The peace of the cool wintery evening was suddenly shattered by a loud explosion, the source of which was later traced to the distribution terminals of the state owned Indian Oil Corporation Limited (IOCL). The resultant fire claimed 12 lives and damaged insured property the value of which is still being quantified. The industrial/ residential units within a radius of 1.5 Km of the terminal premises experienced severe damage and some even had to be evacuated.

Facility :

The Sitapura distribution terminals receive petroleum products (Class A and Class B) including Kerosene, Petrol & Diesel from the company's Baroda refinery through pipeline. These products were stored in tanks and distributed through tankers to different petrol pumps and other outlets in and around Jaipur city.

The terminal has 11 tanks with an aggregate storage capacity of more than 1 lac kilolitres. Out of these eleven, 5 tanks are used for storing Class A product (Petrol). 3 tanks had a capacity of 5500 KL each while the remaining two had a capacity of 8500 KL each. The other 6 tanks were used for storage of Class B products (Kerosene, Diesel). It is understood that all the tanks were provided with Medium Velocity Water Spray (MVWS) System and foam protection system as a fire protection measure as per the norms of Oil Industry Safety Directorate (OISD). Most of the tanks had floating roofs.

'Hammer Blind Valve of MS TANK 401 - A'

Incident :

According to various sources, on the day of the incidence at around 5.50 pm, Tank No. 401 A, containing around 5000 KL of petrol, was being lined up for transfer of product to nearby Bharat Petroleum Corporation Limited (BPCL) facility. The outlet of the tank, as per norms, was provided with three valves in series, the valve attached to the tank shell was motorized valve, the next was hammer blind valve and the last was a manually operated valve. The hammer blind was used there as per operational norms to safeguard against any mix up of products while carrying out the transfer operations. Since the tanks were connected to the pump through a common manifold, the hammer blind was specifically installed to safeguard against any product mix up due to passing of any valve. However, a constructional feature of hammer blind valve is such that it may allow the product to come out through the opening of the hammer blind while putting the blind in position if the valve attached to the shell of the tank is not closed properly.

It is understood that the person who went to operate the valve in Tank No. 401 A for putting it on line could not withstand the motor-spirit vapours arising out of the out flowing petrol through the opening of the hammer blind and fainted. On seeing this, the other operator immediately rushed to that place but he too met the same fate. Subsequently both of them succumbed to the toxic vapours and died. The Depot Officer-in-Charge also fainted when he rushed to the scene but was rescued in time and rushed to hospital. However, the gushing petrol (probably) remained unattended.

At about 7.25 pm presumably a Vapour Cloud Explosion (VCE) took place in the vicinity of the terminal and thereafter all the 11 tanks caught fire in a series and continued to burn for next five days.

Probable Cause :

It is presumed that probably the hammer blind was disengaged and the motorized valve installed between the tank shell and the hammer blind was not closed properly which allowed the petrol to come out in large quantity through the opening of the hammer blind. Further, the flow of petrol could not be checked as the operators succumbed to its vapours. The flowing liquid formed a pool of liquid over the entire surface of the tank dyke.

Petrol is a highly volatile liquid with low vapour pressure and is capable of forming vapour cloud if the vapour formation from the pool is not checked. Probably evaporation of the leaked petrol formed vapour cloud which ultimately got ignited and started the inferno. Source of ignition of vapour cloud could be anything. An electrical lamp post, friction of material or any other electrical equipment or vehicle, as the ignition energy required to ignite the vapour cloud is quite low (generally 0.2 mj). Trevor Kletz, the renowned safety professional has said "the vapour cloud formed does not worry about the source of ignition; it will get it from anywhere".

The power of explosion destroyed the fire pump room and most of the MVWS piping network for fire protection. It is quite possible that due to this reason no fire fighting system could be used and all the tanks caught fire one after another due to heat transfer by radiation and absence of fixed fire protection systems.

A computer simulation of such an incident indicates that mass of the vapour cloud could be in the range of 15 to 20 tons.

Fire Water Pump House & above Ground Fire Water Storage Tanks.

The terminal is spread over 105 acres and it also has a booster pumping station of the crude oil pipeline of IOC connecting Mundra Port and Panipat Refinery. There were two crude oil driven Rolls Royce engines for the booster pumping station and another engine was being erected. This pumping station including the engine under erection is also believed to be severely damaged in the fire. It is estimated that around 30 establishments located around the terminal have been severely damaged in the incident. However, quantum of loss is yet to be ascertained.

Lessons learnt :

This incident brings out the fact that adhering to operational safety rules and presence of a well rehearsed emergency management plan are of utmost importance for the safety of the plant where large quantities of highly flammable liquids are stored and handled. This disastrous incident could have perhaps been averted if there was a remotely operated switch outside the dyke area for the motorized valve attached to tank no 401 A or if timely action was taken to cover the spilled petrol pool with 'Hazmat' foam. Use of pressure differential plug valve instead of hammer blind could have averted the situation the situation since such valves perform the same function as hammer blind without any possibility of liquid escaping. However, several studies have indicated that most of the costly accidents occur due to human failure rather than machine failure. The exact cause of this particular accident is yet to be ascertained and any conclusion can be drawn only after all the aspects are thoroughly examined.

The fact that the incident took place at a facility that is situated in a densely populated area has also given rise to large number of public liability claims. 700 claims of third party liability are reportedly lodged with IOCL for a value of around Rs. 370 crores.

Underwriting in such cases :

In view of this experience, it is felt that market needs to rethink whether to underwrite such risks on PML basis or not. This incident also indicates the accumulation of risk in one particular area through different policies like Fire policy for tank farm and pipeline erection policy for booster pumping engine. This may be an area of concern for underwriters. This incident also emphasizes the importance of thorough pre-acceptance inspection of such kind of risks. The terms and conditions while underwriting such risks need to be given a fresh look. In this event, only contents were insured otherwise quantum of insured loss would have been much more. We hope that proper risk control measures would be adopted to minimize occurrence of such incidents in future.

Abhijit Das

Hammer Blind Valve

Product Pump House.

BROKERS' MEET 2009

CMD addresses the invitees.

Reinsurance is a relationship based business. The relation between a reinsurer and the customers, the direct underwriting companies, is often facilitated by the intermediaries or the 'producers' as they can be more appropriately addressed. And being the producers it is important to keep them posted of what is happening in the Corporation and obtain their feedback of their interaction with GIC Re.

As GIC Re transforms from a dependable preferred reinsurer in its traditional Afro-Asian markets to a trusted global reinsurer, intermediaries will have an even greater and important role to play in the growth and development of reinsurance business of the Corporation.

With this in view the Corporation organises an annual 'Brokers' Meeting' to discuss various matters of mutual interest. The annual event for the year 2009 was organised on the 16th of November. The event organised at the iconic venue of Cricket Club of India had over 50 representatives of almost all leading composite brokers present on the occasion. The entire top management of the Corporation led by Chairman-cum-Managing Director, Mr. Yogesh Lohiya was present on the occasion.

Chairman cum Managing Director and General Managers GIC Re at the Brokers Meeting 2009

Mr. Lohiya, in his welcome speech, explained the business philosophy of GIC Re. He mentioned about fast changing external environment, of the challenging times ahead and about GIC Re's preparedness. Mr. Lohiya briefed the gathering about some of the major initiatives that have been initiated and also are being planned in the organisation to bring in more professionalism, transparency, good governance and better communication with various customers. He also emphasised that the focus in the coming year would be on reducing our response time offering better service in line with its Vision to be a leading global reinsurance & risk solution provider.

A view of the invitees.

Mr. M Ramaprasad, General Manager, Reinsurance, made a detailed presentation on GIC Re, which was well received by the participants. Subsequently, Mr. R. Raghavan General Manager, International Operations & Marketing enlightened the audience about the Electronic Data Interchange initiative of GIC Re where use of IT would enable seamless data flow from - to the brokers straight through the software, thereby saving on time, eliminating some operational requirements and above all making it more transparent.

The presentation by the two General Managers was followed by an open forum where participants expressed their views and offered comments on various issues of mutual concern.

To draw the Brokers' Meet 2009 to a close, Mrs Bhagyam Ramani, General Manager, thanked the participants. Participants appreciated the need & utility of this yearly event. The entire event was facilitated by Mr. Deepak Godbole, Assistant General Manager, International Operations.

Deepak Godbole

The Hunchback of Baden Baden and other stories

This is not about the history of Baden Baden, the picturesque Spa town in Rhineland province of Germany .If you really would like to peep into the past & present of this town ,please access the hyperlink www.baden-baden.de/en/tourism. But for those yet to be initiated, (like I was till a year back) in the last week of October every year, year after year, you will find the Insurance and Reinsurance fraternity from most developed markets gather around in a small radius of one and ½ kilometers to sniff out what is ahead of the significant renewal date of 1st January–from the Sellers and Buyers perspective.

Baden Baden is the follow up of the legendary Monte Carlo Rendezvous. In that September meet, which is basically CEO stuff, you can rub shoulders with the High and mighty decision makers of the Insurance / Reinsurance conglomerates including Warren Buffet's Blue eyed boy and Herr. Ulrich Wallin. That is a space for 'positioning statements'-typical' Leader speak' whereas in Baden Baden it is a slog festival. There are three major venues for meetings- the Europaischer HofBadischer Hof, Brenner's Park. And quite a few myriad cosy meeting places –you obviously would not know unless you were invited to meet a business prospect over there. You literally need to sprint between the venues, huffing and puffing. On an average we (Me, Bhagat and Anil) had at least ten meetings a day ,back to back. Last year my debut was worse-same number of meetings per diem but we were only two! It was raining, made us sulk on missing the din of Diwali back home (And much to the chagrin of my then 11 year old son, whom I deprived the adult supervision to burst crackers)!

So what exactly does transpire at Baden Baden?

You meet up the "Hands On" Underwriters and Marketers from North America, U.K and Continental Europe and discuss with them the way forward of progressing either your existing business association or try to establish a potential one for the ensuing January renewal. You have preliminary indications of how the year has been in terms of U/W results and in turn reciprocate with views on what you would like to do as a capacity provider. All are real meaty business dialogue and no time for gossip. You end up carrying an equal load of Corporate Brochures as much as you tried to dump on your meeting partners- Tit for Tat after all. You will notice that the crowd whole lot is "Firangiyish"-you seldom see our African friends and more so even Asian mandarins or Middle Eastern mavericks. But over the years there is a huge influx from East Europe-all aspiring companies some of them from territories you can only google to recognize- but accents you never can.

Then, you have my word for this – the materialization probability is very high (unless you have offended someone deeply). Last year we had a hit rate of almost 70 %! Keeping our fingers crossed for this year of course.

Is it all business and nothing else?

You have the lighter side too. e.g., you keep roving with your eyeballs for one Mr. James Cunningham of Black Rock Re in the smoky Europaischer Lobby without realizing he is the person standing just next to you, he being equally confused on whom to pick out of the several Indians in Black suits and Paan Parag breath, loitering around.

Or picking up the Wrong overcoat at the dinner restaurant (all of them look alike more so in the dim light setting and carrying a One Fit all shape) leaving the loser fretting. Or you find yourself literally Bare to your Birthday attire ,your grey scalp (if you still are left with one) as the only fleece on you -extremely nervous that the Indian Broker friend who had an axe to grind on you does not notice your state of Nirvana in the Caracalla Spa !

Or the contingent from our own GIPSA who managed to arrive at Paris De Gaulle Airport overshooting Frankfurt but forced to present themselves in Raincoats for meetings with the Armani & Gucci clad gentry –because their luggage had returned to Chennai ahead of them!

The ultimate of course is the Hunch Back of Baden Baden. For hapless Indian vegetarian he is both the salvation and the Nightmare. He runs the only Indian restaurant in Baden Baden and he utilizes your limitations on European cuisine to the fullest advantage.

My first rendezvous with this tyrant

Me: Can you please make this stuff less oily?

Hunch Back (HB) of BB: Mister, Is this your first visit to my Restaurant?

Me (startled): Yes

HB of BB: That is why you ask such silly questions!

Me (More humble now): Can you please ensure that the pakoras are served without onions?

HB of BB: Mister, I will hand over all the ingredients and you better make your dish the way you want it.

(After this repartee even if he had served Steak calling it Reshmi Paratha I would have gulped it)!

Don't blame me if this reminded me of our market before liberalization.

Insurance and Reinsurance apart ,one would love to visit this German County for its endless walking paths through serene forests, the pristine glades, amusing vineyards and nearby promise of an alluring Blackforest.

This autumn, it was a glorious display of red and yellow foliage which was ubiquitous and overwhelming in the lucky spell of bright sunshine.

R Raghavan

Global warming – A Reinsurer's perspective

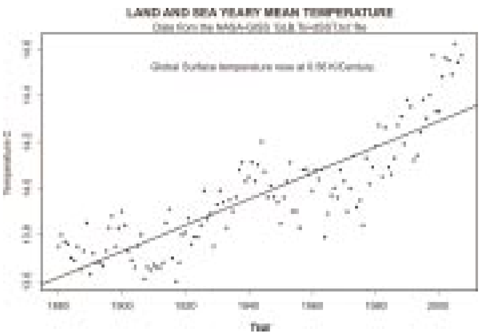
All eyes were set at Copenhagen climate summit where delegates and country heads from 192 countries came together for finalizing an international treaty on combating the impacts of Global Warming. The summit which commenced on 7th Dec09 came to an end on 19th Dec09 after it was extended for one full day in an attempt to strike a deal. The aim of the summit was to reach an agreement to ensure that all countries committed themselves to take such measures that the temperature rise is contained within 2 degree centigrade.

The summit concluded with a document termed as Copenhagen Accord which is the first global agreement of the 21st century to comprehensively influence the flow and share of natural resources. It demands that increase in global temperatures be kept below 2 degree centigrade on the basis of equity.

Let us understand what is global warming. Earth is surrounded by an atmosphere that contains various gases like nitrogen, oxygen, carbon-di-oxide, methane, water vapor and suspended particles. Some of these like carbon-di-oxide, methane and water vapor act like a semi transparent cover which partially traps the heat received by earth through sun rays by preventing it from escaping the earth surface. This helps the Earth to remain warm and has been a positive feature till now as it helped provide conducive environment for development, growth and sustenance of various forms of life. These gases are known as green house gases (GHGs). However, post-Industrialization we have been using fossil fuel in increasingly large quantities resulting into larger quantities of GHGs being emitted in the atmosphere. This results in higher concentration of GHGs in the atmosphere and thereby trapping more heat which is the most prominent cause of increase of temperature near Earth's surface which is known as Global Warming.

The chart below is a plotting of annual average temperature on Earth's surface which clearly indicates a continuous trend of rising temperature near the surface confirming the phenomenon of global warming.

Scientific studies have revealed that this is a potential catastrophe for the inhabitants of this planet if we continue allowing the release of GHGs in to the atmosphere at the current pace. With this background one can easily understand the importance of the International efforts



culminating into Copenhagen Summit which just concluded on 19thDec09 with the document Copenhagen Accord (CA) being adopted.

Some of the salient features of the document CA are as under.

- It recognizes common but differentiated responsibilities of Developed and Developing countries.
- It recognizes equity in achieving the global goal of limiting temperature rise to 2 degree centigrade which means the burden of emission cuts would be shared in equitable terms.
- Establishment of Green Climate Fund.
- Agreement on peak emissions in future though without any specific cut off year being identified.

It is a step forward in the right direction and a positive outcome from the summit which had almost reached a stage of total failure. Scientific studies on the impacts of Global warming clearly indicate that we are all exposed to the risks of extreme events brought about by forces of nature. Global warming has caused changes in temperature, ocean current flow, sea level, ecosystem, economy, agriculture, industry, settlements and many others.

A refreshing spell of rain in the middle of a desert, A snow-capped mountain in the UAE, Hurricanes Katrina and Ike, Mumbai floods, Gujarat floods, Bihar floods, Phyan cyclone. They are all recent events and extraordinary occurrences indicating a sure linkage between global warming and extreme weather events.

From Reinsurance perspective Global warming presents a frightening picture. With rise in extreme weather related events higher and volatile claim experience is the most probable short term outcome which can be expected.

Reinsurance business is by nature world-wide and it deals with various risks either man made or forces of nature. Now it has to gear up to deal with the risks which are man-made but manifesting through forces of nature and is further complicated by a less understood linkage between the two. The risks arising out of global warming falls under this category. Some of the major Reinsurers have taken some initiative in this direction. A team participated in the recently concluded Copenhagen summit highlighting the concerns of global warming with special reference to insurance.

A reinsurance company primarily depends on its past data for evaluation of exposures and the prices. Various modeling tools are made use of for statistical analysis and trending. However the utility of these tools for determining the impacts of extreme weather events triggered by global warming is yet to be established for want of sufficient historical data for one and lack of understanding about the relationship between temperature rise and its manifestation in the occurrence of weather events.

Thus new challenges have been thrown open before the insurance industry by Global warming which requires to be strategically faced in a proactive manner.

The following steps can be suggested to achieve this objective.

1. Generate nationwide debate on Impact of global warming on insurance industry
2. Create dedicaated resource for research and development
3. Identify risks, challenges and opportunities
4. Run awareness programs
5. Collaborate with global peers

Taking such proactive measures will prepare us to face the challenges on insurance front thrown open by the Global Warming. We, as a sun-rise Industry in India have the responsibility to innovate and develop such products which provide adequate cover on the one hand and commensurate incentives on the other for adopting environmentally friendly practices and technology. This way we can contribute our bit to the global initiatives for containing the extent of global warming within tolerance limits for sustenance of life on the earth as we know it. It is a gigantic task. Let us all think without boundaries and collate our ideas without losing the focus in order to achieve the desired results.

A K Roy

INDUSTRY NEWS

The first decade of 2000s is drawing to a close. It saw some remarkable “tail risk” events. Last century saw tail risk playing out in asbestosis claims, in both its dimensions, prolonged development of claims and an extremely low probability of occurrence. This decade saw tail risk events in its latter sense. The beginning of decade saw WTC attacks and the middle saw the hurricanes of Katrina, Wilma and Rita. Towards the end, it was global economic crisis of unprecedented proportions shaking the very foundations of economic theories which apparently overshadowed hurricane Ike that once again highlighted the need for improving risk measurement methodologies.

Each of these events was extremely significant in its impact on the world economic trajectory and saw involvement of risk carriers, whether insurers or reinsurers in a very significant way. This was evident in reassessment the terrorism risk, reworking of the catastrophic modeling and revisiting the understanding of risk in the increasingly financializing world. The decade saw the developments in Europe in terms of furtherance of Solvency II regime. Understanding of risk in its bare form, in its financial and economic aspects and at corporate level will continue to be the focus for any commercial entity. Enterprise Resource Management is increasingly coming under focus, not only to create cost advantages but also to extract efficiency gains and safeguard reputational risks. Alongside will be the need to stick to conventional products as against exotic risk management products, conservative investment management and cycle management.

The resilience of Indian economy has been underscored time and again and pragmatic regulatory stance and timely governmental stimulus package have helped the cause. The Centre for Monitoring Indian Economy (CMIE) recently revised its GDP growth forecast for the current fiscal to 6.7% from 6.2% announced last month following favourable reassessment of crop damage from vagaries of monsoon, better-than-expected second quarter growth and turn around in exports. The Asian Development Bank (ADB) has also forecast GDP growth at 7 per cent.

Business Volume :

Non-life insurance premium (excluding credit, agricultural and stand-alone health insurance providers) for the period April-October 2009 was INR 19,671.15 crore registering a growth of 8.94% over the corresponding period of last year. This compares with 6.80% growth for April-July 2009 over same period in 2008 showing signs of economic recovery. There is no noteworthy movement in market share between public and private sectors during this period. Private sector grew by 6.8% while public sector by 10.46% during the period.

While softening of rates may continue in some measure, it seems that public sector is able to hold its own and market is stabilizing. Some private players registering negative growth indicate that focus now equally is on bottom-line, if not exclusively. With global capital availability under constraint, additional capital infusion may not be easy to come by. International reinsurers are at the same time endeavouring to discipline the market.

About 2/3rds of the growth in premium is contributed by motor and health. Way to go for the insurance players is to persist with health segment and penetrate the rural and urban markets which offer significant potential.

Markets :

SBI General Insurance, a joint venture between State Bank of India and Australia based Insurance Australia Group (IAG), received final approval from IRDA for commencing general insurance operations, taking the total number of non-life players to 22.

Life segment witnessed the entry of 23rd player - India First Life Insurance, a joint venture between Bank of Baroda, Andhra Bank and UK based Legal and General plc.

While portability of cell phone numbers is being implemented, non-life sector is preparing plans for portability of health insurance coverage which may be available from April 2010.

It is expected that with the panel set up by IRDA for reviewing bancassurance regulations, banks will probably be able to represent more than one insurer, from life and non-life segment each. Alongside the report of the Committee on Investor Awareness and Protection, chaired by Mr D Swarup, Chairman of the Pension Fund Regulatory and Development Authority (PFRDA), if implemented might bring some changes in commission structure for agents. With cap on foreign investment likely to be revised sooner rather than later, it appears that competitive pressures in the industry will persist as momentum of financial liberalization is maintained.

Hitesh Joshi

ACHIEVEMENT

Mr. Ashok Goenka receives the award from Mr. Tadashi Baba, MD, Sompo Japan Asia Holdings

Mr. Ashok Goenka, former Chairman of General Insurance Corporation of India was conferred the Lifetime Achievement Award instituted by Asia Insurance Review (Singapore) and The Review (London) in Singapore on 9 November 2009.

Mr. Goenka was conferred this award in recognition of his continuing commitment to the insurance industry and the myriad of other successes throughout his long career.

Mr. Goenka was the Chairman of the General Insurance Corporation of India (GIC), from 1981 to 1991. He is a highly respected figure not only within Asia’s general insurance industry but also in international circles, including through his active involvement in the UNCTAD Insurance Programme in Geneva during his stint there from 1991 to 1993 and as a dedicated lecturer in the insurance degree course over a period of nine years at the Nanyang Technological University in Singapore.

LLOYD'S OF LONDON

It is highly unlikely that a person who is associated with insurance has not heard about Lloyd's of London. As many of us already know, the coffee house of Mr. Edward Lloyd's around 1688 in Tower Street, London was frequented by many sailors, merchants and ship owners. Mr. Lloyd used to provide them with reliable shipping news. The concept of insurance – sharing of losses of few by many is said to have originated and developed at this coffeehouse. The regular visitors finalized the 'insurance' deals at the coffee shop which later relocated to Lombard street. Although Mr. Lloyd died in 1713, the arrangement continued to take place at the coffee shop until 1774. In that year the participating members of the insurance arrangement formed a committee which became known as The Society of Lloyd's which operated from the Royal Exchange. From an unincorporated association in 1774 it was incorporated by the Lloyd's Act 1871. It is currently governed under the Lloyd's Acts of 1871 through to 1982.

The structure of Lloyd's has evolved with passage of time. Lloyd's is not an insurance company but a society of members, both corporate and individual. Lloyd's itself does not underwrite insurance business, but plays the role of a market regulator, setting rules under which members operate and offering centralized administrative services to those members.

The **Council of Lloyd's** is responsible for the management and supervision of the Lloyd's market. The Council comprises of six working, six external and six nominated members. The working and external members are elected by the members. The Chairman and Deputy Chairmen are elected annually by the Council from among its members. The Council delegates some of the functions to the Lloyd's Franchise Board and other committees.

The **Membership** of Lloyd's comprises a mix of corporate members and individuals. Each member of Lloyd's is required to provide capital as a security which would determine the amount of insurance business the member can underwrite. The capital so provided is called Funds at Lloyd's. The members conduct their business in '**Syndicates**'. Syndicates employ underwriters, experts and insurance professionals and truly underwrite business. As at 31.12.2008 there were 80 Syndicates in Lloyd's. Each Syndicate is run by a **Managing Agent**. A Managing Agent canvases members for commitments of capacity, creates the syndicate, hires underwriters and oversees activities of the Syndicate. One Managing Agent may manage more than one Syndicate. The managing agent is usually a company specifically established for the purpose of managing one ore more syndicates. As at 31.12.2008 there were 51 Managing Agents in Lloyd's.

The brokers accredited by Lloyd's (known as **Lloyd's Brokers**) bring business on behalf of clients / insurers / intermediaries. The risks placed in Lloyd's may originate from any part of the world.

The Financial Services Authority, the regulator in UK, regulates Lloyd's as a whole and also regulates the managing agents, members' agents and Lloyd's brokers. FSA has agreed arrangements with Lloyd's for the co-operation on supervision and enforcement whereby duplication in regulations is minimised.

Today, Lloyd's is well recognised and trusted brand worldwide. Lloyd's have licenses to write insurance and reinsurance business in over 75 countries with business sourced from over 200 countries. During the recent turmoil in the financial world Lloyd's did not deviate from their time-tested products and stayed away from complex financial products and markets keeping their capital position as strong as before. Lloyd's enjoys excellent rating S&P

A+(Strong) with Stable Outlook, AM Best A(Excellent) with Stable Outlook and Fitch A+(Strong) with Stable Outlook.

In the recent meeting with CMD, GIC Re, Mr. Richard Ward, Chief Executive Officer, Lloyd's. mentioned that if GIC Re was considering formation of a Syndicate in Lloyd's as one of its options for enhancement of its UK operations, he would be honoured to welcome GIC Re in Lloyd's thereby acknowledging the growing stature of GIC Re in the international market. Kudos to Lloyd's and to GIC Re.

Sanjay Mokashi

AGRICULTURE REINSURANCE

Agriculture in India sustains 70% of the population and provides 50% of the employment though it generates 17% of GDP. Agriculture in India plays an extremely important role in the socio economic condition of the country and is highly susceptible to various risks mainly weather related which affects the crop yield and farmers income. It is pertinent to understand the agriculture insurance in India and in the world before going into the subject of agriculture reinsurance.

Crop Insurance in India :

GIC Re has a rich experience in implementing various crop insurance schemes since 1972. From 1972-80, GIC Re experimented with individual approach scheme at different locations. With experienced gained a pilot crop insurance scheme (PCIS) was implemented in 1979-80 to 1985.

Based on the experience of PCIS, in the year 1985, an all risk comprehensive crop insurance scheme (CCIS) was launched and operated by GIC Re till 1999 covering basically loanee farmers across 16 states and two UT's. The scheme in its 14 yrs of operations covered 7.63 crores of farmers for a premium of 403 crores and paid a claim of Rs. 2319 crores thus generating a claim ratio of 575%. The Central and State Governments shared the premium and claims in the ratio of 2:1 and also paid the management expenses on running the scheme to GIC.

Based on the experience gained from CCIS, a more broad based "National Agriculture Insurance Scheme (NAIS)" was introduced by the Government of India in 1999. This scheme is compulsory for loanee farmers and voluntary for non-loanee farmers. NAIS is an all risk insurance scheme providing compensation against any shortfall in yield compared with the predetermined threshold yield. The scheme operates on the "Area approach" basis where area can be a Village, Gram Panchayat, Mandal, Block, Taluk or District. If the average yield of insured crop per unit area falls below the guaranteed threshold yield all insured farmers in the notified area get similar percentage of indemnity payment on the sum insured. The Government of India and the State Governments act as reinsurer of the last resort and settle all claims when the claims exceeds the premium income in any season. This scheme was implemented by GIC Re till March 2003. Thus GIC Re has more then 31 years of unparalleled experience in implementing various crops insurance schemes.

Considering the importance of agriculture insurance in the country, the Government of India mandated that a separate company namely "Agriculture Insurance Company of India Ltd." be promoted by GIC & erstwhile subsidiaries and NABARD. The newly formed AIC of India is implementing the NAIS since April, 2004.

Since inception the NAIS generated a premium of 4426 crores as against claims of 14772 crores generating a claim ratio of 334%. NAIS is the world's largest crop insurance scheme considering the number of farmers covered.

To overcome certain shortcomings in NAIS, AIC has developed a "Weather based crop insurance scheme (WBCIS)" based on rainfall outputs for Kharif season and a composite weather index based insurance like raising temperature, un-seasonal rainfall, humidity, frost etc for Rabi season. During Kharif 2009 season WBCIS has generated a premium of Rs 240 Crore in the country. Weather based schemes are easy to administer and are actuarially priced. The growth in weather insurance is expected to be tremendous in the coming years.

Global Agriculture Insurance Sector :

Globally agriculture insurance includes: (i) Crop, (ii) Live stock and (iii) Forestry and related property like building, machinery etc. Global crop insurance premium alone is estimated to be USD 16 billion as given in table I.

Rank	Country	Estimated Premium (USD 000,000)
1.	USA	10,200
2.	Canada	1,400
3.	China	1,200
4.	Japan	500
5.	Spain	495
6.	France	385
7.	Italy	325
8.	Brazil	250
9.	Argentina	210
10.	Germany	205
11.	India	195
12.	Australia	125
13.	Mexico	105
14.	South Africa	95
15.	Austria	80
16.	Turkey	45
17.	Isreal	40
18.	South Korea	35
	Total	15,890

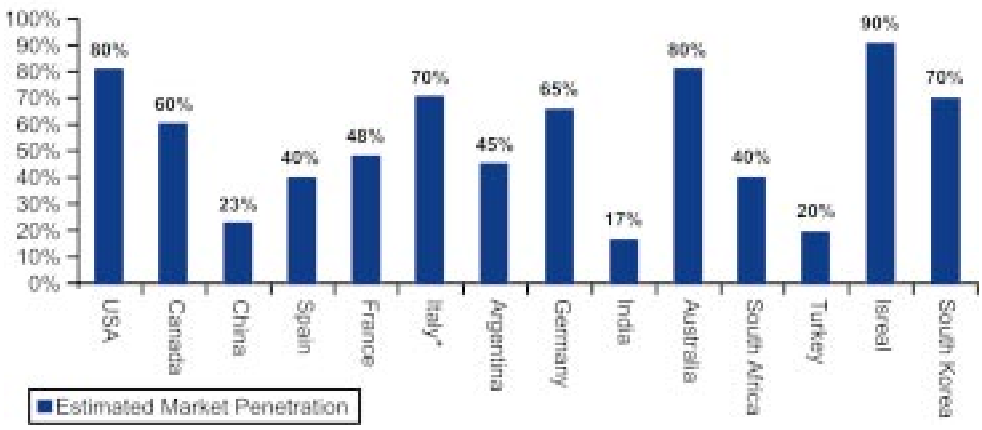
USA tops the list with a premium of USD 10 billion and India is in eleventh position with premium of USD 195 million.

It is to be noted that the crop insurance premium in India is subsidized and when the schemes like NAIS move to actuarial regime, the crop insurance premium in India would jump to more than USD 1 billion bringing India within the top three countries.

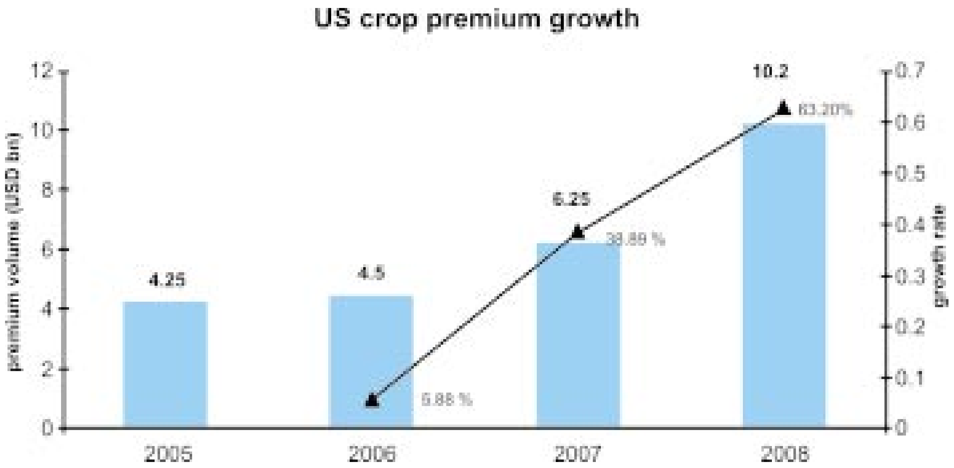
The penetration level of major world crop markets is given in picture I.

It can be seen that the penetration level in India is 17% and there is a lot of space for growth.

World Major Crop Markets estimated penetration rate



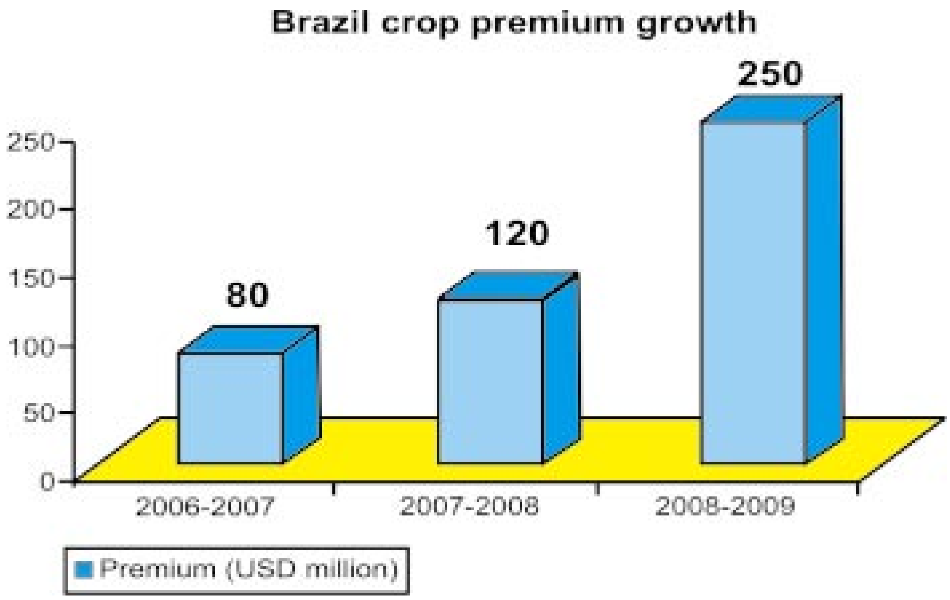
The crop insurance premium growth in US in the recent years is given in the picture II:

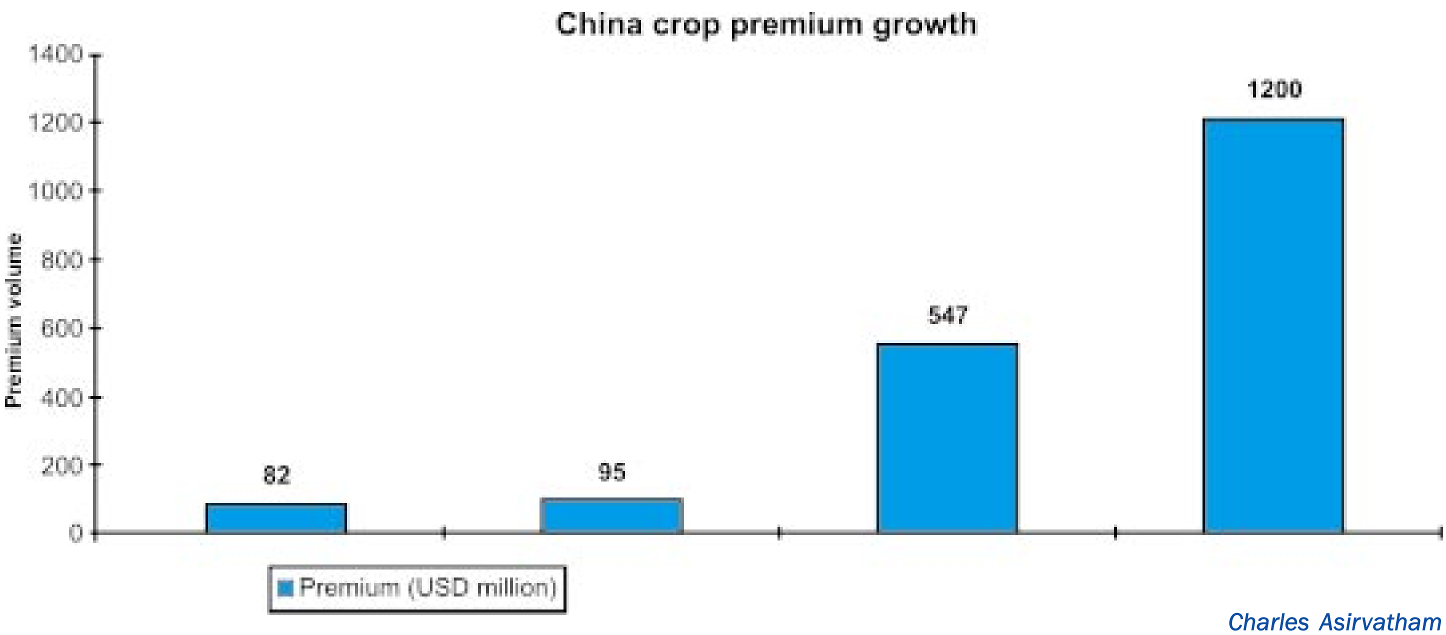


The growth in premium in USA is due to

1. Increase in the world commodity prices, which peaked in the middle of 2008. This had the effect of :
   - Increasing sum insured
   - Increased acreage under cultivation as the more marginal lands became profitable
2. Government subsidies which make products more affordable and increase size of the insurance buyers.

This growth in US premium is likely to get reflected in many countries in the world as the growth factors remain the same, which can be seen by the growth in premium of Brazil and China shown in picture III & IV :





Charles Asirvatham

KNOWLEDGE EXCHANGE INITIATIVE

The juggernaut of knowledge sharing, set in motion by the HR department, continues to roll and pollinate many a mind in GIC Re.

The two sessions held in this quarter were unique in their own way. The first one, held on 30th of October 09 commenced with an introduction to the "Whistle Blower Policy", and Mr. A.K. Roy, GM, HR briefed the team present about the genesis, importance and road map for implementation of the policy in the Corporation. Good Corporate Governance is a goal we have set for ourselves and the introduction of the Policy in the Corporation is yet another step in that direction.

Colleagues share their experiences of the Training Programme.

This was followed by our colleagues, who had returned from attending training courses abroad, sharing their gains with the rest of us. The underlying aim of this session was to have a force multiplier effect.

The first speaker was Ms Madhulika Bhaskar who had been to London. A reinsurance doyenne, she preferred to share her experiences of the training process logistics, arrangements, module et. al. While knowledge dissemination through structured approaches can be standardized, it is the back office arrangements that can make or mar a training programme. This was clearly brought out in her presentation and had lessons for the organizers of such programmes in our midst.

Mr. Savio Fernandez who had also been to UK shared his learning on the Oil & Energy business as also Marine Cargo & Marine Hull business. We have been laying a great deal of emphasis on developing our Energy portfolio and the advanced training attended by Mr Fernandez was yet another step to allow him to hone his skills.

Since any visit to London is incomplete without a visit to the Mecca of insurance and reinsurance – Lloyds, needless to add, they were both richer with the experience of having had a ringside view of the operations there.

The final speaker was Mr. Saravanabhavan who had been to Singapore for a specialized course on Property Reinsurance. The various scholastic methods used in risk rating and the Monte Carlo simulations were of great interest. It was truly an update on the tools being used by underwriters internationally.

While this session was designed as a force multiplier, the subsequent session which had a more sombre theme was held on 5th of December 09. There comes a time when one must pause in life and reflect on the gains and losses. That may be a philosopher's refrain. For an organization its feedback time. A SWOT. As someone put it – Feedback is the breakfast of champions. The house was left open for stating our shortcomings, discussing our processes or the lack of it, comparing with the prevalent best practices, sharing ideas and coming out with plausible solutions. While consultants can do an admirable job, the old adage that it is the wearer who knows best where the shoe pinches, still holds good in all situations, be they corporate or personal.

A great deal of excellent solutions were thrown up which have been duly noted for consideration. Interestingly, while the reinsurance department had many a suggestions to give to the house, the other departments were not found wanting. The Business Accounts Section which is an equal partner in reinsurance put forth its own ideas. Better ways of a seamless transition betwixt the two departments were discussed. The departments of Investment and Marketing also came up with ground level feedback that were agreed and appreciated by all present. The feeder departments have a vital role to play in making any organization efficient and effective. The session was made more meaningful when cutting across ranks feedback alongwith ways and means to ameliorate the situation poured in, thereby indicating that there is tremendous scope for improvement.

What emerges clearly from the entire exercise is the desire and commitment within GIC Re to make itself a better organization and to meet the expectations of its stakeholders. The quest for excellence is a never ending journey and we have embarked on it with determination and commitment.

Devesh Srivastava

A. K. Roy, General Manager makes a point during the brain storming session.

FUNDING RISK

In the last issue we had discussed the failure of internal controls and its serious repercussions on the organization because of internal fraud as part of discussion on "Operational Risk". Continuing further, in this issue we will take up an interesting case where failure in risk assessment scenario led to collapse of an organization.

Metallgesellschaft Refining and Marketing(MGRM) was the US subsidiary of Metallgesellschaft(MG) , a large German trading, engineering, and chemicals conglomerate. In 1992, it agreed to sell specified amounts of oil every month, for up to ten years, at fixed price. These prices were higher than the then ruling market price, but of course MGRM had an exposure to price risk if prices rose. To cover this, it purchased short term oil futures to hedge the long term commitments it had made. This is called a classic "stack" hedging strategy.

This hedging strategy, though, failed to take into account one detail: when oil prices drop, the gains from the fixed price contracts are only realized in the long term, but margin payments on the oil futures have to be paid immediately. During1993, the oil price started to fall steadily and by December the company had accumulated losses totaling more than $ 1 billion. Ultimately, federal officials, fearing investor panic, stepped in and shut the company down. KPMG, the liquidators estimated losses at $1.3 billion. Strangely MGRM, in its last set of accounts, showed a profit of some $50 million.

What happened?

As the oil price dropped during 1993, in order to fund itself, MGRM increasingly sold the fixed price contracts to other energy traders. Eventually the cost of rolling over the futures contracts became so high – some $88 million in October and November-that MGRM had to request funds fro its parent. The MG management, either misunderstood or disagreed with the strategy, decided to close out the positions to curtail further losses, thus crystallizing the December losses. At the same time, they cancelled the valuable fixed price contracts. However, to persuade the counterparties to accept the cancellations the contracts were inevitable settled on unfavourable terms.

Not that this helped the senior management at MG to salvage the situation . At the same time, Herr Schimmelbusch, the CEO, and several other senior managers were removed by MG's shareholders as they provided more equity through a rights issue. In January, 1995, an auditor's report commissioned by the shareholders placed the blame on Schimmelbusch and the other former MG executives.

It is interesting to note why was MGRM able to declare a profit? Under US hedge accounting, the intangible gains on the fixed price contracts are permitted to off-set the actual losses on the futures contracts. Therefore, ignoring the timing effects, the company appeared profitable. However, under German accounting practices, intangible gains are not permitted to offset actual losses, so when MGRM's accounts were transcribed to be consolidated with its parent's account, it was showing a substantial loss. External observers have frequently pointed to this as the underlying reason why MG wanted to close the positions.

There was another serious issue. About half of the fixed price contracts were with relatively small garages and retail outlets. In the event of the oil prices remaining low, MGRM's credit exposure was substantial, raising doubt whether many of the counterparties would have honoured the contracts to the full.

Ironically, oil prices started to rise again during 1994, and eventually to above their original level in 1992. The futures would have now been generating cash. There is still disagreement as to whether this marketing and risk management strategy was sound.

What lessons may be learnt :

This episode illustrates a concept that can be referred to as " funding risk"- the risk that positions which may be profitable in the long term can bankrupt a company in the short run if negative cash flows are mismatched with positive cash flows. These funding issues interacted with communication problems in the structure of the organization to create the MGRM fiasco. If proponents of the strategy are correct, then better communication between subsidiary and parent might have persuaded the parent company not to prematurely close out the open positions. If the auditors were correct, then better communication could have led MG to point out this fallacy of the strategy in enough time to prevent such large losses from mounting. In either case, there clearly was a disconnect between two parts of the organization, a condition that probably made it only a matter of time before problems arose.

More specifically, the lessons we might learn include:

It is management's responsibility to fully understand the key risks in the business. MGRM executives should have foreseen the possibility of large negative cash flows creating a liquidity crisis.

From a financial risk perspective, it is important to assess the interrelationships between market risk, liquidity risk, basis risk, and credit risk. In this case, the losses resulted from the confluence of significant market price movements, liquidity issues from cash flow mismatch and concentrated futures positions, and basis risk between forward and futures prices.

There was a failure to set limits/ boundaries. The positions continued to grow larger even as oil prices fell. According to an MG spokesperson, by the time the petroleum positions were liquidated, they were equal to 85 days worth of the entire output of Kuwait.

There was a failure of communication between the subsidiary and its parent. If MG had understood what was going on from the beginning:

- if it disagreed with the strategy, it could have prevented it
- if it supported the strategy, it might have avoided closing out the positions when they were in such a weak position.
- Either way, a loss of such magnitude might have been avoided.

To address such issues of unexpected losses, institutions have resorted to scenario modeling as there is a scarcity of accurate historical data. Institutions create a number of scenarios with discrete number of frequencies and severities of losses which can be modeled in a way as real loss data may create. As we progress gradually in this area, a suitable model may emerge which can create a capital charge commensurate with the appropriate level of confidence.

Satyajit Tripathy

21st FAIR CONFERENCE

As a founding member, GIC Re is an integral part of Federation of Afro Asian Insurers & Reinsurers (FAIR) and has always been a keen participant in all FAIR conferences and seminars.

This year GIC Re was represented by Mr. Yogesh Lohiya, Chairman-cum-Managing Director accompanied by Dy. General Managers, Mr. K Raghunath and Mrs. Alice Vaidyan and Mr. J S Karkera, Assistant General Manager.

The GIC Re stall, that proclaimed 'Enter at our Risk', was a big attraction for the delegates. Visitors to the stall were eager to obtain copies of our corporate brochure that details our business performance. GIC ReNEWS was also equally sought after.

Through the days, a slew of meetings were held. GIC Re, a major player in the Afro Asian market, is seen by all as a leader of substance and a force to reckon with. With many established players in the market biting the dust, GIC Re with its sound financials and an understated sovereign backing was perceived as the natural alternative. The fact that we also have an AM Best A- rating added to the flavour.

The highlight of the conference was the announcement of GIC Re being nominated as the Manager of the newly formed FAIR Nat Cat pool. GIC Re agreed to manage the pool and promised to bring to it the vast experience it has in managing similar pools in India.

The conference provided an excellent opportunity to GIC Re to interact with clients- present and future and further its relationship with the members, thereby reaffirming its commitment to the Afro Asian markets.

10th Singapore International Reinsurance Conference – GIC Re makes a mark

The biennial Singapore International Reinsurance Conference (SIRC) at Singapore is an important event for the reinsurance market in Asia. The 10th SIRC was held from 8th to 10th November 2009 and coincided with the 30th Anniversary of the Singapore Reinsurers' Association, who are the organizers of the event.

GIC Re was this year represented at the SIRC by Mr Yogesh Lohiya, Chairman-cum-Managing Director, who was also a Speaker/Panelist, Mr P.K. Bhagat, Deputy General Manager, Mr Devesh Srivastava, Assistant General Manager and Mr Balaji Thiagarajan, Chief Manager.

The theme of the conference was "Global Financial Crisis: Asia's Position in the Reinsurance Cycle". The main programme of the conference included a range of panel discussions on a variety of topics of relevance to the insurance and reinsurance industry.

CMD, GIC Re was a speaker in the panel discussion on wet peril catastrophes. Participating in the discussion he drew references to the Mumbai flood loss of July 2005, which produced the largest insured losses for the Indian market. He laid stress on the importance of scientific rating for flood cover and purchasing adequate reinsurance cover to be able to meet such catastrophic losses. He also explained how we were better prepared when faced with a similar situation that was anticipated to occur in Mumbai this year.

The SIRC served to further cement GIC Re's relationships with its business associates, and strengthened GIC Re's image and status as a market leader in the Afro-Asian region. The news that GIC Re would be opening branch offices in other countries, especially Malaysia was well received.

GLOSSARY

Admitted Reinsurer / Authorised Reinsurer

A reinsurance company is "admitted" when it has been licensed and accepted by appropriate insurance governmental authorities of a state or country.

Aggregate Coverage

A form of Stop Loss reinsurance under which the reinsurer pays a portion of the claims represented by a loss ratio in excess of a specified loss ratio. For example, "20% in excess of 110%" will result in claims between 110% and 130% of premium being paid by the reinsurer. Also known as "Loss Ratio Coverage".

Aggregate Retention

An additional retention kept by the Re-assured / Ceding Company of losses, which are otherwise recoverable from the reinsurer. Only after the aggregate retention is exhausted / exceeded can the Ceding Company recover from the reinsurer.

Allied Lines

Property insurance that is usually bought in conjunction with Fire Insurance; it includes wind, water damage, and vandalism coverage.

Captive

Company formed to insure the risk of its parent corporation. A captive may be formed for a variety of reasons, including tax benefits, improved investment returns, or the lack of other insurance Alternatives.

Cede

When a company reinsures its liability with another, it "cedes" business.

Cession

1. The individual risk being reinsured.
2. The amount of insurance risk transferred to the reinsurer by the Ceding Company.

Co-insurance

A method of insurance under which the assuming company receives a proportionate share of all of the risks and cash flows of the policy. The insurer receives its share of the premiums and benefits, and sets up its share of the reserves.

In some classes even the insured, shares risks with insurance company.

Commission

Fee paid to an agent or insurance salesperson or broker as a percentage of the policy premium for rendering professional services. The percentage varies widely depending on coverage, the insurer, and the marketing methods.

In reinsurance, the primary insurance company usually pays the reinsurer its proportion of the gross premium it receives on a risk. The reinsurer then allows the insurance company a ceding or direct commission allowance on such gross premium received, large enough to reimburse the company for the commission paid to its agents, plus taxes and its overheads.

Cut Through Endorsement

An Endorsement to a reinsurance agreement that requires the reinsurer, in the event of the Ceding Company's insolvency, to pay any loss covered under the reinsurance agreement directly to the insured or third-party beneficiary.

Letter of Credit

A financial guaranty issued by a bank that permits the party to which it is issued to draw funds from the bank in the event of a valid unpaid claim against the other party; in reinsurance, typically used to permit reserve Credit to be taken with respect to non-admitted reinsurance; and alternative to advancement of funds towards outstanding liabilities. Also referred to as an LOC.

Gross Line

The maximum limit a Ceding Company or reinsurer is willing to accept before taking Credit for reinsurance coverage. Such limits are usually expressed per insured, per line of business, etc.

Net Line

The maximum limit an insurer or reinsurer is willing to accept after taking Credit for reinsurance coverage. Such limits are usually expressed per insured, per line of business, etc.

Following Reinsurer

A reinsurer which accepts the business ceded based on the terms of a contract primarily negotiated by another reinsurer, known as the lead reinsurer.

Fronting

A procedure in which a primary insurer acts as the insurer of record by issuing a policy, but then passes the entire risk to a reinsurer in exchange for a commission. Often, the fronting insurer is licensed to do business in a state or country where the risk is located, but the reinsurer is not. The reinsurer in this scenario is often a captive or an independent insurance company that cannot sell insurance directly in a particular country.

Indemify

Provide financial compensation for losses.

Indexing, Indexation

The adjustment of a Ceding Company's retention and the reinsurance limit by a measure of inflation such as the Consumer Price Index. Under indexation, the Ceding Company's original retention and the reinsurance limit are multiplied by the result of dividing the index on the settlement date by the index as of the effective date of the reinsurance agreement.

Rajesh Khadatare

NEW BOARD MEMBERS

GIC ReNEWS welcomes the new Directors on the Board of the Corporation and introduces them to our readers.

Mr. M.V. Nair,
Chairman of Indian Banks' Association (IBA).

Mr. M. V. Nair, is the Chairman and Managing Director of Union Bank of India from April 2006. Prior to this he was the Chairman and Managing Director of Dena Bank. He is credited with effecting a turn-around in the financial fortunes of that Bank.

Mr. S. B. Mathur,
Secretary General,
Life Insurance Council

Mr. S. B. Mathur was Chairman of Life Insurance Corporation of India (LIC), the largest life insurance company in India from August 2002 to October 2004. Post retirement from LIC, Mr. Mathur was appointed as the Administrator of the Specified Undertaking of the Unit Trust of India (SUUTI).

Mr. S. L. Mohan,
Secretary General,
General Insurance Council

Mr. S. L. Mohan was Chairman & Managing Director of The Oriental Insurance Company Limited, a public sector general insurance company from May 2002 till Feb 2005. He was appointed as Secretary General of General Insurance Council in November 2008.

Mrs. Bhagyam Ramani,
Director &
General Manager GIC Re

Mrs. Bhagyam Ramani is a direct recruit officer of the 1976 batch. Her initial posting was as an Investment & Financial Analyst at GIC. She is currently General Manager in-charge of Investment & Accounts.

The Current Composition of GIC Re Board :

- ★ Mr. Yogesh Lohiya, *Chairman cum Managing Director*
- ★ Mr. Tarun Bajaj, *Jt. Secretary, Ministry of Finance, Govt. of India.*
- ★ Mr. M. V. Nair, *Chairman, Indian Banks Association & CMD, Union Bank of India*
- ★ Mr. M. Ramadoss, *Chairman, GIPSA & CMD The New India Assurance Company Limited*
- ★ Mr. S. B. Mathur, *Secretary General, Life Insurance Council*
- ★ Mr. S. L. Mohan, *Secretary General, General Insurance Council*
- ★ Mr. Kamlesh Vikamsey, *Chartered Accountant*
- ★ Mr. Rajeev Gowda, *Professor, Indian Institute of Management, Bangalore*
- ★ Mrs. Bhagyam Ramani, *General Manager, GIC Re*

An Appeal to Our Readers

We welcome your feedback on the layout, contents and presentation of GIC ReNEWS.
GIC Re employees are welcome to send in their write-ups for publication in the next issue of the newsletter.
Readers can send in their feedback to the mail id: gicrenews@gicofindia.com

Team GIC ReNEWS
Editor : Alice Vaidyan G.
Editorial Board : P. K. Bhagat, Deepak Godbole, Anoop Khanna
Correspondents : Suchita Gupta, Devesh Srivastava, Satyajit Tripathy, J Paramasivan, Girija Subramanian, Rajesh Khadatare, Hitesh Joshi, K. Thangaraj

आपत्काले रक्षिष्यामि
GIC Re
भारतीय साधारण बीमा निगम
General Insurance Corporation of India
"Suraksha",170, Jamshedji Tata Road,Churchgate, Mumbai - 400 020. India Tel. 91-022-2286 7000 Fax : 91-22-2289 9600
Email : info@gicofindia.com ■ www.gicofindia.in ■ Branch Offices : Dubai, London ■ Representative Office : Moscow

Printed by