



Role of CSR Activities in Insurance Industry – Towards Community Well-being & Corporate Governance



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From the Publisher

“Role of CSR Activities in Insurance Industry”

‘Corporate Social Responsibility’, CSR in short, is a phrase prominently in use worldwide and has two connotations. One, it is seen as a self-regulatory mechanism wherein businesses - while realising their moral, ethical and social responsibility towards the community and environment in which they operate - put in place internal mechanisms towards reduction

of pollution, wastage of resources and also voluntarily promote educational and social programs, thereby indirectly contributing for betterment of the larger society. The other connotation which is becoming louder day-by-day is the mandatory legal framework by which businesses are bound to contribute, in a specified manner, towards fulfilment of the stipulated goals.

India was at the forefront of such mandatory CSR prescription and has stipulated a 2% minimum spending on CSR activities by business above a certain threshold. This prescription made in the Companies Act 2013 is applicable to Insurers as well. Further, the Insurance Act, 1938 stipulates Rural and Social Sector Obligations to be fulfilled by the insurers in the form of sale of certain number of policies as well as certain amount of premium to some identified sections of the society.

All these legislations are intended to bring in equilibrium in the society on one hand and a better environment on the other. I am happy to note that almost all insurers have been implementing these measures and IRDAI has been taking and will take proactive measures in seeing that the obligations are met by insurers in their entirety.

I hope that the articles being published in the current issue on various facets of CSR would be found to be interesting. The importance of handling grievances in services sector like ‘insurance’ needs no emphasis and, upholding the spirit, the next issue would focus on “Grievance Handling in Insurance Industry”.



T.S. Vijayan

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Role Of CSR Activities in Insurance Industry

From time immemorial, Indian tradition and Culture are marked by extending assistance to needy in the society- from those who have to those who have not. With industrialization taking place in 19th centuries onwards, Corporate Houses joined such individual and Community efforts for promoting individual talents in the field of education and sports etc. or through community related programs for upliftment of societies. With independence and adoption of a welfare oriented governance, all such activities taken up by various institutions and organizations , both in private & public sectors were codified what we call it today as “ Corporate Social Responsibility (CSR).

With increased economic activities on the one hand and huge disparities in income/ inequalities in our country on the other hand, it has been the efforts of both Central and State Governments to take on board CSR initiatives for enhancing quantity and quality of life of our citizens. Accordingly the Companies Act 2013, setting new standards for Corporate Governance in India, one of which requiring Companies to spend atleast 2% of net profits in CSR activities. The recent initiatives of Government of India duly supported by State Governments in Schemes like Swachh Bharat, Swasht Bharat and recently launched Jan Suraksha Scheme are already taken as major CSR activities by Corporate Bodies and offer a great opportunity to our insurance industry as a whole to make a definite impact towards increased insurance penetration for rural & Informal sectors in our country. Such Schemes as CSR Programs could prove to be a Game Changer in bringing Universalization of Social Security in India.

B.K. Sahu

Consultant, Communication

A Good Corporate Citizen

- R. Venugopal

Corporate Social Responsibility is the key theme & the buzz word today in the corporate world. A company is measured not merely on its performance but also by its contribution to the society as a part of its social responsibilities. Hence companies too use this CSR activity to improve its brand image. The Government of India also has made this CSR as mandatory for Companies having a turnover of more than Rs.100 crores as per the New Company Law. It is not enough if a company makes profit, but it should also play a critical role in the life of the surrounding community.

What is CSR?

- Is it philanthropy and charity?
- Is it a social & humanitarian work?
- Is it protecting the environment?
- Is it undertaking public causes, which normally the Government should perform?
- Or is it all of these?

- The answer is both 'Yes' and 'No'.

It is taken as Charity by some; it is social service according to a few; it is eco-friendly and undertaking of some Social Projects like building of hospitals, construction of schools etc, which are all jobs to be done by the local government. Then what is CSR? It is a combination of all these things and a little more.

CSR is undertaking all actions that would maximize the probability of a company's long term survival and sustained growth in the interest of the company's direct and indirect stakeholders. While the employees, vendors, suppliers and dealers are the direct stakeholders, the community living nearby the production facility, customers and others whose livelihood could be influenced by the operations of the company are the indirect stakeholders. Larger the company, greater the stakeholders.

It is in mutual interest of both the company and its stakeholders that

the company should have a sustained growth. Any closure of the company would lead to disruption in the lives of many and would cause severe hardship to the weaker sections among the stakeholders. The sustained growth of the industry is part of its societal responsibility. Stakeholder education and increasing the awareness of both direct & indirect stakeholders is also of prime concern of the company.

Environment

Companies have to ensure that their activities do not adversely affect the environment. Depletion of natural resources, forests or ground water is a case in point. Recovery of heat or minerals from the gases or effluents reduces pollution. Atmospheric pollution affects the health of the people and hence must be minimized. Laws relating to the environment should be observed in letter and spirit.

Hence companies need a regular availability of educated and trained workers, management and other

professionals. Getting involved in improving the educational and training institutions relevant to the company, serves both as CSR and promotion of long term business interests of the companies. The same argument holds good to programs undertaken to improve the quality of life of people living nearby.

Now comes the role of an insurer.

The insurer too has the responsibility to establish identity of the customers properly to avoid frauds in claims, security threats and to take care of anti-money-laundering guidelines, wherever big amounts are paid as premiums. When covering the persons below the poverty line, it is the insurer's duty to tackle the problem of identity of the insured with the help of the Information Technology. An omnibus single bio-metric smart card for each insured person will go a long way in this regard. The Aadhar Card comes in handy for this purpose.

Insurers and CSR

Life insurance companies can earn profits only when there are less early death claims and more maturity claims. When the insurer starts insuring poor slum-dwellers as a part of its micro-insurance portfolio, it should also be the insurer's concern to improve the conditions of the slums. In big cities we have the spectacle of both of Plenty & Poverty living side by side-

a beautiful skyscraper adjoined by a dirty slum, full of unsanitary conditions and filth. The insurer can adopt the following approach as part of its CSR- It can assess a particular area and rate it as A, B, C or D, depending upon the cleanliness or any industrial waste is discharged into the Canal running through the area or whether the Government hospitals situated nearby are well-maintained and how are the other civic amenities in the area etc. Based on these parameters, the categorization is done and a Cess is collected from the policyholders of the area for the improvement of their slums. This insurance cess will be removed from the year, the conditions improve. The insurer will also refund the entire extra premium collected as a donation to the Area Municipality towards maintenance of cleanliness of the insured area. However this scheme is subject to the approval of the IRDAI. This will create awareness among the customers to approach the authorities concerned, the MLA or MP of the area to improve the sanitary conditions through their influence and even from their MPLAD Scheme because the customers would demand as to why they should bear extra premium.

If there are islands of plenty surrounded by oceans of poverty, this may lead to a lot of social conflicts and Insurers too have a CSR in alleviating these conditions. When the Insurer insures the slum people as part of micro-insurance, he also

has to take some steps in improving the conditions of the slums. When the Insurer insures the opulent living in the 21st storey of a sky-scraper, this building is just in the midst of slums, full of insanitary conditions and filth.

This will create an awakening among the public who will put pressure on their Representatives like the MLAs/MPs of the area to improve their respective areas.

CSR Initiatives suggested for insurance companies

The following activities come to the fore:

- Maintaining traffic roundabouts in the city
- Establishing parks for children and the Elderly
- Promoting road safety by demonstrations
- Advertising for socially important issues like campaign against child marriage, infant-foeticide of girl children, supporting our right to vote, and in favor of widow re-marriage etc thereby bringing about social awareness among people
- Taking up village development projects
- Encouraging research in areas important for rural development etc.

These help in building a positive image about the company and encouraging social involvement of the company's employees which in turn results in developing a sense of loyalty for the company.

Sanitation, garbage collection and its disposal, effluent management and environment improvement are some of the areas to be given priority.

It is not enough to expect the Government only to do all these jobs-every one of us has a social responsibility and every company has got CSR.

Already present CSR Activities

Indian insurers have so far involved in both direct as well as indirect CSR Activities. Apart from being involved indirectly in the mobilization of funds for the development of national economy, they are also directly involved in many socially responsible causes.

LIC of India is already involved in delivering socially responsible schemes targeted at the poor and the needy. The schemes falling under this category are Jan Shree Bima Yojana- JSBY- Shiksha Sahayog Yojana & Aam Aadmi Bima Yojana. These are meant for the people under the unorganized Sector like the rickshaw pullers, beedi workers, lady tailors, farmers, fishermen, railway porters, urban poor etc. These are all called the Social Security Schemes.

Presently LIC of India is leading in covering the downtrodden people under the Central Government's **Prime Minister's Jeevan Jyoti Bima Yojana- PMJJBY-** covering their lives for Rs 2 lacs against all deaths from age 18 to 55 at the cost of Rs 330 per annum. 2.85 crore people have been already covered under this scheme. Out of them 37% are women. Till September 2015, 1743 claims have been registered and 964 have been settled.

LIC of India is also fully engaged in offering the Central Government's **Atal Pension Yojana- APY-** again for the weaker sections of the society which would fetch pension for the customers from their age 60. More than 7 lacs APY Accounts have been opened so far.

Public Sector General Insurance Companies are taking care of the Central Government's **Prime Minister's Suraksha Bima Yojana- PMSBY-** under which there is a cover of Rs 2 lacs for its under-privileged customers against deaths due to accidents for a paltry premium of Rs 12 per year. More than 8 crores people have already joined this scheme.

Under the **Prime Minister's Jan Dhan Yojana- PMJDY-** there is a life cover of Rs 30000 for every account-holder of the bank provided by LIC of India for natural deaths and Rs 1 lac cover for accidental deaths provided by the General Insurance companies. For this scheme, an annual premium of Rs 90 for every

customer is paid by the Government of India out of the Social Security Fund of Rs 100 crores maintained by the LIC of India.

Star Health & Allied Insurance company is targeting the socially under-privileged sections of the society through its Aarogyasri Community Health Insurance scheme, implemented in Andhra Pradesh covering more than 2 crores people.

Aviva Life Insurance company is making donation to the Indian Institute of Cerebral Palsy, running medical camps and organizing excursions to the under-privileged children.

Max India Life Insurance company donates a part of the total premium collected on all policies to village children in India to help orphaned and abandoned children by providing them with a family, a permanent home, education and a strong foundation for an independent life.

Bharti AXA Life insurance company has launched its Project- Life Hearts in Action- aimed at benefiting under-privileged children across India. The company's employees are volunteering to spend their time with over 1000 needy children in the 4 Metros by visiting their homes, cheering them through games and gifts and helping them acquire new skills. The company also offers monetary assistance to deserving children for their education.

LIC's Golden Jubilee Foundation

Like the many Corporate- Infosys, Wipro, Bill Melinda Gates Foundations- LIC also has floated its Golden Jubilee Foundation on its completion of 50 years of existence on October 20, 2006 with an initial corpus of Rs 50 crores with a provision that an amount of Rs 10 crores would be infused every year for the next 5 years taking the total corpus to Rs 100 crores for working in the areas of education, health and sanitation.

This Foundation has so far helped in 325 Projects like donating for the Tata's Memorial Hospital for Cancer, Mumbai, sanctioning scholarships to 10878 poor students throughout India & constructing bus shelters etc in different places.

Green Insurance Projects- General Insurance

Insurance Industry has to re-think its role in prompting good corporate citizenship by creating influential insurance products at reduced premiums or with green policy terms.

Green insurance products include premium reward and coverage enhancement for Hybrid cars, buildings constructed to be more robust against extreme weather conditions, pollution legal liability and remediation cover, and specialist insurance for renewable energy projects. Looking at where we can reduce premiums to

encourage green technology or renewable power generation are just some examples of how we can implement CSR as part of our business. These are some of the ideas on which General Insurance Industry has to ponder over. (Source: www.newenergyworldnetwork.com)

Regulatory Roles

The Institute of Chartered Accountants of India-ICAI-is working on a set of new rules for CSR, making it a must for all companies to report on their social, environmental and economic initiatives. This has assumed importance in the backdrop of accusations that many companies realize growth at the cost of environment and society at large. For example, despite legal interventions, Lifeline Rivers like the Yamuna and the Ganges have fallen prey to wastes from the factories. Many Indian companies have lost big orders from overseas clients after being accused of employing child labor. A case in point is Sivakasi in Tamilnadu where the fireworks industry had to remove the cheap, child labor to retrieve their orders. Similarly in the paper, soft drink and automobile industry, many companies have come under scanner for exploiting environment for their benefits.

A Global Picture

In the USA, Insurance companies are the major contributors for CSR. They have donated USD 147 Million thereby occupying positions in the

top 20 Donors in the International scene. The five major insurance company Foundations are MetLife Foundation, Prudential Foundation, the State Farm Companies Foundation, The Allstate Foundation and Nationwide Foundation. The insurance companies invest in funding the building of roads, schools and other public projects. They also provide capital for research expansions through investments in corporate equities and bonds.

Need of the Hour

We need a lot of self-motivated and sensitive CEOs to lead the way. There is a crying need for men and women who will match their actions with words by carrying out combined corporate contributions and community-related activities and supported by adequate resources and time rather than mere chest-beating advertisements and press releases.

Any Company that wants to call itself a "good corporate citizen" ought to spend at least 2% of its previous year's pre-tax profit for CSR purposes.

Let us hope that all the insurance companies too take part in this noble task willingly & wholeheartedly and contribute their mite to the society and become 'GOOD CORPORATE CITIZENS'.

R. Venugopal is a Retired Executive Director LIC of India.

CSR: The continued Commitment & preservance towards betterment of the society

- Jagendra Kumar

In August 2013, the Indian parliament passed the Indian Companies Act, 2013, which has replaced the Companies Act of 1956. The New Act has made far-reaching changes affecting company formation, administration and governance, and it has increased shareholder control over board decisions. One of the New Act's most startling changes—which came into effect on April 1, 2014—has been to impose compulsory corporate social responsibility obligations ("CSR") upon Indian companies and foreign companies operating in India. These obligations mainly come in the form of mandatory amounts companies must contribute to remediating social problems. This is a wholly new requirement; although companies were permitted, within certain limits, to make charitable contributions in the past, the New Act is essentially a self-administered tax. While formulating CSR best practices, insurers use to consider customers, employees, shareholders, intermediaries,

suppliers, regulators and the broader community. The interests of these stakeholders are vast, and insurers should focus on those that are affected by, or align with, their business operations.

This important development in the role of insurance companies has been the increasing focus on their corporate social responsibility. Corporate Social Responsibility is the continuing commitment by insurers to behave ethically and contribute to economic development while improving the quality of the workforce as well as of the local community and society at large. Corporate Social Responsibility (CSR) is no more a mere compliance strategy rather organizations have realized their obligations towards society. Corporate show their obligations towards society by bringing many positive and constructive impact to the community and environment in which they operate. Indian Insurance Sector is a major component of service sector and has

also made noticeable contribution in Corporate Social Responsibility. CSR is the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of the workforce as well as of the local community and society at large.

REQUIRED AMOUNT OF "CSR" SPENDING:

The threshold coverage levels for CSR are low. Companies are subject to the CSR requirements if they have, for any financial year:

a net worth of at least Rs. 5 billion (approximately U.S.\$80 million);

a turnover of at least Rs. 10 billion (approximately U.S.\$160 million); or

net profits of at least Rs. 50 million (approximately U.S. [\$800,000).

An entity or business that meets these specified thresholds must spend on CSR activities no less than two percent of its average net profit

for its preceding three financial years. Net profit means a company's profits as per its profit and loss account prepared in accordance with the New Act, but excludes profits from a company's operations outside India or dividends received from an Indian company that has itself met its CSR requirements. A Company may also collaborate with other Companies for undertaking projects or programs or CSR activities subject to provisions of sub-section (5) of section 135 of the Act.

SPECIFIC AREAS FOR "CSR" ACTIVITIES:

Annexure B of the Act specifies the Specific areas for CSR activities as mentioned in Schedule VII of the Companies:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by

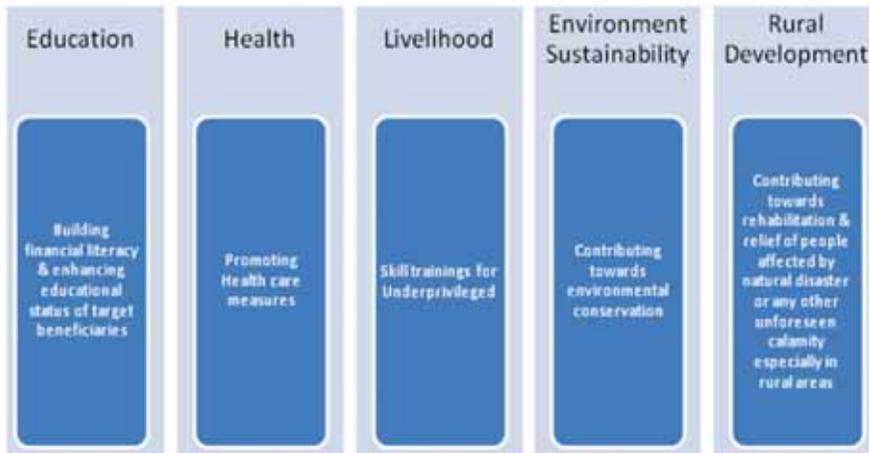
socially and economically backward groups;

4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or any other funds set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
10. Rural development projects.

EXECUTION OF "CSR" ACTIVITIES BY INSURERS:

This is just a highlight of the CSR initiatives undertaken by different Insurance companies in India.

1. **United India adopted 25 villages:** United India Insurance has so far adopted 25 villages across the country. Adoption of Kudanur village near Anaikatti seemed special as the company normally limits the number to two per regional office a year, but this village happened to be its third in the Coimbatore region and sixth in the State. At Kudanur, the company plans to construct a multi-purpose community hall. The community hall will also serve as a computer training centre. United India has provided accident insurance cover to every inhabitant of Kudanur. It is intended to provide cover for elephant attacks as well.
2. **Risk Education Day in Bharti Axa:** Keeping in mind the increased need to spread awareness around gender sensitivity and related issues, Bharti AXA GI dedicate one day of the CR Week this year as "Risk Education Day". Other risk awareness programmes on road safety, healthy habits and other social/civic issues are also conducted. Apart from the above programs Company keep conducting awareness programs for employees as well as for underprivileged women & children on diverse risk topics.



3. HDFC Life “CSR” framework: HDFC Life’s business philosophy highlights the theme of self-respect and independence Swabhimaan, HDFC Life’s Corporate Social Responsibility (CSR) initiative- aims to play a positive role by contributing towards easing distress and aiding in advancement of society while engaging with stakeholders thereby becoming a socially responsible corporate citizen.

4. Multifarious “CSR” activities by Max Life: The Company works closely with Max India Foundation, an independent social service organisation of Max India Group. The immunisation programme covers vaccines like BCG, Hepatitis B vaccine, Polio drops, DPT, D Tap, Measles vaccine, MMR, Typhoid, DT and TT. Max

also organised artificial limbs and polio calliper camps. Through each camp beneficiary are provided artificial limbs or polio callipers. The company's volunteers help create awareness, manage registration and provide help during the week-long. In each such camp around 350 beneficiaries are provided artificial limbs. Till date a total of 3,838 patients have been provided artificial limbs and polio callipers. Till date, 445 multi-speciality camps have been organized benefitting 1, 01,674 patients. Max Life supports 6 permanent health centres across Punjab, Uttrakhand and Delhi. These health centres provide comprehensive healthcare if required refer patients to closest Max Healthcare facilities for surgeries & treatments. In FY 2015, The company has already

adopted and initiated work in Dhakrani village in Dehradun district of Uttrakhand.

5. “CSR” Projects undertaken by AIC of India: AIC, as a socially committed and responsible corporate citizen, pledges that it would work towards upliftment of the rural, poor, marginalized, disadvantaged and deprived communities of India. The CSR initiatives of AIC would be aimed at the basic life necessities of the individual and collective life amenities of the community as well. (as given below)

6. “CSR” initiatives by SBI Life: SBI Life Kolkata donated 15 Wheel Chairs, 15 Ceiling Fans, 50 Plastic Chairs, and Medicines for one month, 50Kgs Horlicks, Fruits, Biscuits, etc to Prem Daan a home for destitute run by Missionaries of Charity. SBI Life contributed towards the academic support of 1,200 underprivileged girls in Mumbai and 69 girls in Andhra Pradesh in partnership with Nanhi Kali. SBI Life in association with GrowTrees.com plants a tree on the occasion of every employee’s birthday. The trees are planted at various reforestation areas like Kanha National Park at Madhya

S.No.	Year	Items	Amount	Status
1.	2014-15	Swachchh Vidyalaya Campaign	2 Crore	Payment has been made to “Swachchh Bharat Kosh” for Rs. 2 Crore.
2.	2014-15	Clean Ganga Fund	2 Crore	Payment has been made to “Clean Ganga Fund” for Rs. 2 Crore.

Pradesh, periphery of Satkosia Gorge Wildlife Sanctuary, Angul, Orissa etc and are maintained at a high survival rate. In FY 2013-14, 8,763 trees were planted.

7. “CSR” activities by ICICI Prudential:

Company is promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects). ICICI Foundation is also leveraging the skills and training capabilities of large corporates in developing training modules in their respective domains. ICICI Foundation is also liaising with corporates and businesses to get the trained youth employed, through a job portal. The Company recognizes the need for critical interventions in promoting rural development and will initiate programs that would empower the rural people.

8. Say No to Plastics:

Exide Life: Exide Life Insurance is in the business of helping its customers manage their financial futures. Like protection of life insurance is important to build a foundation for our family's financial future, it is important as individuals to protect the environment that will lead to a safer and better tomorrow. Say No to Plastics is a very unique initiative from

Exide Life Insurance that educates the citizens of India on the negative effects of usage of plastics and encourages them to switch to environment friendly materials.

9. PNB MetLife has taken the first step in giving back to the local communities and launched its CSR initiative. The company has joined hands with bank partners, Jammu & Kashmir Bank Limited (JKB) and Karnataka Bank Limited (KBL) to support the cause of education and development of underprivileged children.

10. LIC GOLDEN JUBILEE FOUNDATION

The LIC Golden Jubilee Foundation has supported projects ranging from construction of Hospitals, School buildings and classrooms, library, computer centre, Old age homes, Hostel buildings for children in tribal areas, Vocational training centres for differently abled persons to provide infrastructural facilities to needy persons in different pockets of the country. LIC also provided funds for purchase of School buses for transportation of differently abled children and Ambulances for transportation of patients. LIC Golden Jubilee Foundation has reached out in areas where natural calamities have devastated human life and provided infrastructural support to orphan children through NGO's.

It is becoming increasingly important for companies to be good

corporate citizens. Society has started to demand it. Consumers believe that increasing the transparency of business practices, and demonstrating positive social and environmental impacts are the two most effective actions companies can take to improve public trust in the private sector. Despite the apparent recognition of its benefits, corporate social responsibility (CSR) is still only an emerging phenomenon in the Indian market. Companies remain skeptical of the idea and its purported benefits. The resistance may be, in part, because of operation as a welfare state, where the onus is on government to provide basic social needs. Insurers are justifiably uneasy about spending to implement socially responsible mechanisms when the benefits are not always quantifiable and may only be apparent in the long term. However, it is difficult to maintain the view that organizations are under no obligation to consider the broader social, environmental and economic interests of all stakeholders. For example, Aviva has insured 450,000 underprivileged people in India who would otherwise not be able to take part in productive activities. Obviously, financial returns for this type of investing are likely to be relatively low; however, taking part in community investing may create new opportunities for an insurer while also improving its standing as a socially responsible corporation. There are many potential benefits. Insurers can earn a superior

reputation in the market. They can increase engagement and loyalty among staff while reducing turnover rates. CSR can also increase long-term sustainability and profitability by shaping the market's competitive environment and the community as a whole. Ultimately, it will result in insurers becoming more attractive to investors, who are increasingly concerned about CSR and corporate governance.

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JAGENDRA KUMAR, Ex. CEO, Pearl Insurance Brokers, 71/143, "Ramashram.", Paramhans Marg, Mansarovar, JAIPUR-302020

Curtain Raiser For December 2015 Issue With Focus " Grievance Handling In Insurance Industry "

Grievance which is the expression of Dissatisfaction by the Citizen/ Customer involving Product or Service has come to occupy a pivotal role in what we call "Good Governance ". In fact Grievance is the last word a prudent service provider would like to hear but it is an inescapable feature of human civilization. How effectively and efficiently such grievances are handled make or mar the reputation & consequential business of the Service Provider.

Insurance Industry being a service oriented business, complaints of deficiencies in service are bound to be received for which Grievance handling machineries are in place, both In-house & Out- house of Insurers, with Regulator specifying time limit for redressal of such complaints at various levels. Handling of Grievances of policy holders is both a challenge as well as an opportunity for the insurers to revisit/ reinvent business practices to ensure customer satisfaction & in turn growth of business in the long run. With fast changing competitive market of today coupled with availability of Technology driven business, Zero tolerance for Grievance has to be a part of Corporate Policy.

Keeping in view the importance of the issue in question as brought out above, Focus for December 2015 Issue of the Journal will be "Grievance Handling in Insurance Industry ".

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A better CSR Record can have great long run Benefits

- Nirjhar Majumdar

Why CSR is considered essential?

Corporate Social Responsibility (CSR) refers to the responsibilities towards the society that corporate houses are expected to discharge alongside doing normal business. Everywhere in the world, it is now believed that government alone can not do everything for the upliftment of the society and that the corporates have a duty to address the challenges and issues of the society they operate in and earn their profit from.

Corporate leaders the world over are spending generously for the social upliftment and economic development of the less privileged people of the societies. Mark Zuckerberg has pledged to donate 99% of his Facebook shares for the well being of the less privileged people of the world. Warren Buffet also did similar kind of thing for the society. Bill Gates has formed a separate foundation to address various social and economic issues

all over the world. In our country, Azim Premji has donated a large portion of his wealth for the social and educational upliftment of the country. Big business houses like Tata, Godrej and Birla have formed many trusts to promote education, sports and cultural activities. Many Indian companies and also MNCs operating here are spending money on charities and relief operations.

According to the Companies Act as modified in 2013, any corporate house having a net worth of Rs 500 crore or a net turnover of Rs 1000 crore or a net profit of Rs 5 crore has to spend at least 2% of the average net profits earned by it over the last three years, on CSR activities. All registered companies including the insurers have to spend this amount on CSR every year.

What CSR activities a company will be carrying out depends on the social values and cultures of a country. But, all reputed organizations including insurers believe that they have economic,

legal, ethical and social obligations towards the society. That prompts them to spend on CSR activities. Some insurers view CSR primarily from utilitarian point of view. They believe that CSR can be used to enhance sales and profits. But, some insurers really want to make a positive impact on the society. It has been found that the latter types are able to remain profitable in the long run. It is a fact that the insurers who are genuinely interested in making positive changes in the society are able to attract more customers and more talented employees. There is healthy growth of stock prices of such companies as market considers socially responsible companies less risky.

CSR activities of some foreign insurers

Now, let us look at some interesting CSR initiatives taken by foreign insurers. Sompo insurance company of Japan has a separate CSR vision and that is clearly mentioned in their website. It categorically

mentions that it will promote environmental education and awareness of environmental conservation. The company encourages employees to voluntarily take part in various environment protection initiatives. The insurer works with the NGOs, civil society organizations and the government to create a more sustainable society for future generation.

Lloyd's insurance company of UK has a detailed CSR program for the whole year. The insurer believes that it can earn people's goodwill only if it can add some values in the lives of people. The employees are encouraged to form teams to do community work in some particular days. The teams are given really challenging assignments. Sometimes they have to teach the school children and sometimes they have to prepare meals for the people rendered homeless by natural calamities. The insurer also conducts workshops and training sessions to improve the employability of high school students. Lloyd's invites participation of interested persons of the community in all such company sponsored programs. Thus, whole community gets energized to lend helping hands towards each other.

Aviva, a European insurance company decided in 2006 to carbon neutralize its operations. The company saves a lot of energy by reducing paper use and business travel. The company has launched social and commercial projects

which are low in carbon emissions. The company is actively supporting a World Food Organization's project to replace open fires by energy efficient cooking stoves.

Suncorp insurance company of Australia always helps people who suffer due to various natural disasters. As a part of strategic philanthropy, many insurers there are involved in projects that reduce crimes and increase safety. They do a lot of counseling and other helpful activities for the youths in certain parts of the country to reduce cases of crimes. All such efforts reduce cases of theft and accidents. The result is that it helps both the communities and insurers.

Insurance companies can also discharge CSR commitments by integrating environmental and social criteria in the product features. It is possible to design such features in some non-life products.

Some life insurance companies are providing complimentary health insurance (of moderate amount) with life insurance policies as a part of CSR program.

Samsung Life of Korea has well established Employee Volunteer teams that implement CSR initiatives of the company. Business principle of Samsung Life is, "Nurturing people with greater love to build better financial security". They give parenting education to expectant mothers and grandparents. They have formed Drum Clubs in schools to reduce academic pressure. Many women die in Korea due to cervical cancer.

To create awareness about the need to take necessary precautions, insurer organizes women's marathon every year. As this initiative is making the women more conscious about their responsibilities, there is marked reduction in death claims and improved social welfare also.

Suicide is a great social problem in Korea among educated youths below the age of 40. A lot of people commit suicides by jumping off this bridge over river Han. Samsung Life is addressing the issue by a novel initiative known as "Bridge of Life". This initiative is technology driven. It helps to sense people walking lonely on Mapo Bridge over Han river at odd hours. A CSR team engages the person through positive talks and offers help. In most cases, these efforts are able to save lives.

Indian insurers are not far behind

Indian insurers are also doing notable work in the area of CSR. LIC, the market leader, is really leading from the front in CSR activities. The organization created a huge fund on the occasion of its golden jubilee celebration. The fund, better known as Golden Jubilee Fund (GJF) is used by the organization in creating education, health and public utility infrastructures of the country. In the sphere of education, LIC is helping various institutions in building schools, hostels and vocational training centres. Scholarships are being given to school and college students on need-cum-merit basis. In the sphere of promotion of health, LIC is donating ambulances, equipments for critical care units of

hospitals and sponsorship of underprivileged children in the treatment of their specific ailments. In the sphere of general public utility, LIC is setting up old age homes, orphanages and also granting reliefs to underprivileged people.

Some of the private insurers are also doing commendable work in discharging their social responsibilities. SBI Life is helping girl children of underprivileged sections of the society in their studies by way of paying their tuition fees, private tutors' fees, cost of books & stationery and fees of school uniforms. They are working in close collaboration with various NGOs. SBI Life is also providing daily necessities like Wheel Chairs, Ceiling Fans, Medicines and Fruits for destitute people under care of Missionaries of Charity of late Mother Teresa.

HDFC Life is taking special measures to spread financial literacy among the masses. They are also providing skill based vocational training to the people of economically and socially backward areas. The insurer is always lending its helping hands to people affected by natural calamities like floods, earthquakes and tsunami type of incidents. They are playing a special role in helping people suffering from the results of industrial accidents or any man-made disasters.

Can CSR Activities really improve the top and bottom lines?

CSR initiatives should not be viewed just as a means to increase

productivity and surplus. Henry Ford once said, "A business that makes nothing but money is a poor business". Primarily, such CSR activities are to be carried out which the society needs. The present generation has a different set of aspirations. Insurers have to understand that and then identify such activities which can enrich the society. When that happens, brand image of insurers is bound to increase as people get information very fast these days through internet and mobile telephony.

Employees of insurance companies of India can play a vital role in implementing the CSR initiatives of the insurers. Some foreign insurers grant with-pay leave to employees for carrying out socially purposive work. Indian insurers can also do that. This will not only help the insurer in monitoring the CSR projects more closely but also will increase the morale of the employees concerned. They will find another important reason to be in the service of the insurer. People of this generation love to be associated with work related to discharging social responsibilities. Not just employees, even customers and the general public may also be interested to use their special skills and competencies in working for the social causes. This is happening everywhere in the world. There is no reason why Indians will be any different.

All companies including insurers start their operations by trying to grab maximum market share or earn maximum surplus. But, most of them

ultimately find that the real purpose of doing business is serving society. Life insurance industry is more of a social service oriented industry. An insurer grows with the growth and development of the people. The larger the insurer, greater is the need to insure the lives of all segments of the people. Now, this is possible only if the insurer makes right kind of bonding with the people. And that kind of bonding is possible only if the insurer acts as friends in needs for the people. That can be in the area of making the country and its environment cleaner and more hygienic, skilling the youths to make them more employable and taking better care of senior citizens of the country.

*** All views expressed here are author's personal

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Rethinking Corporate Social Responsibility in Indian Insurance Sector

- Pooja Kansra, Dr. Harinder Singh Gill

Abstract

Corporate social responsibility is frequently known as a business tool to promote a constructive image of the business by improving the quality of life among the citizens of the host countries. CSR in the developing countries is mostly shaped by the socio-economic environment and the level of development. Insurance companies must realize that corporate social society is an intrinsic part of a sustainable business. This tool works in two directions. In one way it helps in addressing the socio-economic development of the country, including poverty alleviation, health-care provision, infrastructure development, education, job creation and skill development etc. On the other way it highlights the positive picture of the corporate with the public,

government and non-government organizations. This leads to easier hiring, retention of top talent, maintenance of happy workforce, company's reputation, branding, lesser competition and financial performance etc.

Keywords: CSR, Insurance, Benefits, Economic, Social

I. What is Corporate Social Responsibility?

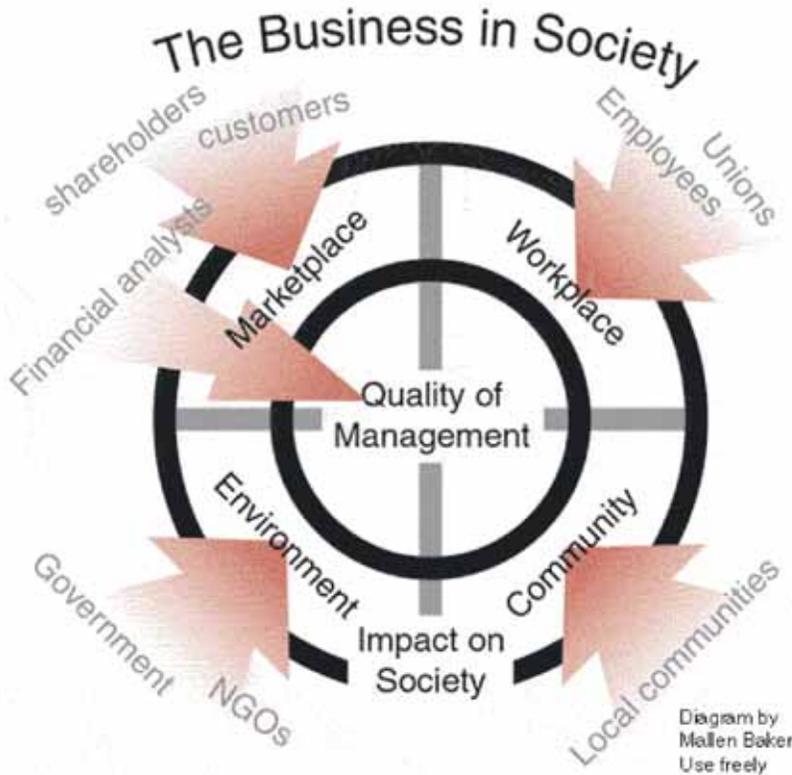
Corporate Social Responsibility (CSR) is about how companies manage their business processes to produce an overall positive impact on society. The CSR approach is holistic and integrated with the core business strategy for addressing social and environmental impacts of businesses. CSR needs to address the well-being of all stakeholders and not just the company's shareholders. Corporate social responsibility has

become one of the key strategies in various business circles. It helps in the production, marketing and product development of everyday management of each and every department.

According to Jim Collins "*In a truly great company, profits and cash flow become like blood and water to a healthy body: they are absolutely essential for life but they are not the very point of life.*"

The WBCSD defines CSR as "*the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large*" (Confederation of Indian Industry, 2013).

Diagram 1: Mallen Baker Model of CSR



Source: <http://www.mallenbaker.net/csr/definition.php>

II. Main Components of Corporate Social Responsibility

The following are the main parts of the corporate social responsibility:

- **Economic Responsibilities**

The first responsibility of a company is to earn profit. If a company does not make money from its business, employees will lose jobs and the company will not be even be able to think

about taking care of its social responsibilities. Before a company thinks about being a good corporate citizen, it first needs to make sure that it can be profitable.

- **Legal Responsibilities**

A company's legal responsibilities are the requirements which are placed on it by the law. After ensuring

that company is profitable, ensuring that it obeys all laws is the most important responsibility, according to the theory of corporate social responsibility.

- **Ethical Responsibilities**

Ethical responsibilities are responsibilities that a company puts on itself includes being environmentally friendly, paying fair wages or refusing to do business with oppressive countries.

- **Philanthropic Responsibilities**

Philanthropic responsibilities involve making an effort to benefit the society for example by donating services to community organizations, engaging in projects to aid the environment or donating money to charitable causes.

III. Various Activities Under Corporate Social Responsibility

An insurance company can perform the following possible activities specific to corporate social responsibility in order to be sustainable in the competitive scenario.

Table 1: Main Components of Corporate Social Responsibility

Economic	Responsibility to earn profit for owners
Legal	Responsibility to comply with the law
Ethical	Not acting just for profit, but doing what is right, just and fair
Voluntary and philanthropic	Promoting human welfare and goodwill Being a good corporate citizen contributing to the community and quality of life

- **Environmental Initiatives** - The companies can make financial investments in the environmental projects including energy conservation, environmental risk management and recycling operations of different natural resources.
- **Community Activities** -The companies can built a tradition of rewarding the communities by giving donations, raising funds or volunteer activities. They can contribute time and money to support education and health related projects.
- **Disaster Relief** - As a part of the corporate social responsibility companies can provide substantial financial support to the victims of different catastrophes.
- **Legal initiatives** - The firm can performs numerous activities in order to improve the laws in the countries in which the corporation operates, to adapt them to the new trends of different markets, provide necessary assistance to the area regulation and supervision authorities, as well as to state authorities on different themes.
- **Corporate Governance Initiatives** - They refer to designing and formulating some codes of conduct and ethics, some guidelines comprising the basic principles that should guide the activity of top and middle managers.

IV. Corporate Social Responsibility and Sustainability of Insurance Companies

Corporate social responsibility (CSR) is increasingly becoming a major part of the business agenda for the insurance companies. Companies realized that what is beneficial to society can profit the businesses. CSR is essential for the long-term sustainability of the insurance companies. The successes of the company and welfare in the society are interdependent. Nowadays companies use CSR activities for benchmarking to compete within their respective industries. It is difficult to quantify the nature and scale of the benefits of CSR for an insurance company. But the following are the possible benefits which the insurance companies can derive from their CSR activities.

- **Attracting and Retaining Employees**

Studies over the world-wide have linked a company's ability to attract, retain and motivate employees with their CSR commitments. CSR intervention encourages the employees and increases their morale and a sense of belonging towards the company.

- **Satisfied Customers**

CSR activities improve the customer attitude towards the insurance company. Insurance in India is associated with different misconceptions/perceptions and corporate social responsibility can helps to create a positive image of the insurance company

in the society. If a customer likes a company, he or she will buy more products or services of that company as compared to its competitor's brands. This will help to increase the trust of the company among the prospective customers.

- **Cost Reductions**

If CSR activities are conducted effectively, an insurance company can reduce its costs with the following ways:

- i. More efficient staff hire and retention
- ii. Implementing energy savings programs
- iii. Managing potential risks and liabilities more effectively
- iv. Less investment in traditional advertising

- **More Business Opportunities**

CSR activities require an open and outside oriented approach. Through the CSR activities the business must be in a constant dialogue with their customers, suppliers and other parties. Due to more interactions with other parties, the insurance companies with CSR activities will be the first to know about new business opportunities.

- **Greater Brand Differentiation**

Due to the privatization of the insurance sector in 1999's, the competition has been increased. In order to compete in the privatized world, the

insurance companies need to follow unique selling strategies to separate their company from the competitors in the minds of consumers. CSR can play a role in building customer loyalty based on distinctive ethical values.

- **Media Visibility**

The amount of positive media coverage a corporation receives can have a significant impact on the company's bottom line. How much good a company does in its community or beyond reflects its corporate social responsibility values. The more benefits the community derives, the more media coverage a company will likely to receive.

- **Improved Human Resources**

A CSR activity helps in recruitment and retention of the employees. Employees want to feel proud of the organization, they work for. An employee with a positive attitude towards the company is less likely to be involved with the other organizations. CSR also helps to improve the perception of your company among staff, particularly when staff can become involved through payroll giving, fundraising activities or community volunteering.

- **Corporate Partnerships**

Another positive impact corporate social responsibility has on non-profit organizations is the possibility of corporate partnerships. These partnerships

are vibrant to have positive impact of the corporation on its local community. The partnership with the local or national non-profit organization improves the company's image in the public eye.

V. Conclusion

Insurance companies must realize that corporate social responsibility is an intrinsic part for the sustainable business. CSR activities needs to be entrenched in every aspect of business, including product design, innovation, operations, supply chain, and marketing of the insurance products. An effective CSR strategy should be well-formulated, articulated, and aligned with business. It must also have the unstinting support of the key stakeholders to become a long-term sustainability agenda. CSR is not a new concept in India as a lot of companies are adopting it in order to lead their companies to a high level and growth and expansion of the company. Our economic conditions are not satisfactory so the companies are making some attempts to improve those situations from our country. With the help of CSR efforts corporations are able in the job creation, training, education, gender equality, housing, health care, community development and better work conditions. All these initiatives contribute to the eradication of poverty from the society and long term sustainability of the corporations. The list of potential benefits for companies involved in poverty reduction issues are recruitment and retention of the employees, satisfied customers,

better business opportunities, cost reductions and brand differentiation etc.

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CSR Activities in Insurance Industry

- Dr Karanam Nagaraja Rao & Dr Neha Chhabra Roy

No organization can function in isolation. Organizations are ‘artificial persons in the eyes of law’ and operate in social environment. Like any individual, they also do social good as well as social damage. Sensitivity to society is thus a natural corollary for its very existence, nurture and nourishment. The concept of social responsibility (CSR) ordains an organization to be a sensitive outfit worthy to be emulated by other units.

What defines CSR?

‘Corporate Social Responsibility (CSR) is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources’ (Philip Kotler & Nancy Lee). It involves activities initiated by companies to support social causes and for public good. Giving out charities and indulging in philanthropic activities alone cannot distinguish a CSR organization from a normal organization.

Distinguished economists of the last four decades delineated certain other activities for CSR outfits. A.B. Carroll (1979) vehemently argued that economic, legal and ethical responsibilities have paramount importance for claiming as a CSR organization. The economic responsibility is to make decent profits, stay in business, reward the shareholders and keep other stakeholders in good moods. The legal responsibility is to abide by the laws of the land, avoid anti-competitive strategies with ulterior mottos and the like. The ethical

responsibilities include follow ethical expectations of society even if they do not infringe legal requirement- reduce greenhouse gas emissions, reduce pollution etc. Sensitivity to society, customers, employees, shareholders keeps an organization in high esteem, build better brand image, reduce attrition rates, avoid the governmental interference and put the organization on high pedestal. The four part model of CSR as designed by Carroll is graphically represented as follows:

Carroll’s four-part model of corporate social responsibility



Philanthropic activities are the tip of the iceberg for the wider iceberg hidden from the purview of the society. The CSR organization Companies implement CSR by putting in place Internal Management Systems that promote,

- Adherence to labor standards
- Respect for human rights
- Protection of local and global environment
- Reducing the negative impacts of business enterprises
- Avoiding bribery and corruption
- Putting 'consumer protection' on high pedestal etc.

Sensitivity to human suffering set out Siddhartha to become Buddha. Sensitivity towards the plight of the poor made Gandhi to wear a loin cloth and that steered him to Mahatma. In the organizational context, it is expected that an organization should display its sensitivity to economic, ethical, legal and philanthropic aspirations of stakeholders and society at large.

In today's knowledge economy, there is growing recognition that organizations are powerful stimulants of economic growth. The products, processes, and services they produce are valuable public goods worthy of public investment. The obvious question is - how organizations can show that they

are delivering healthy investment returns? We can study this from the perspective of insurance companies.

CSR in insurance sector

CSR, as understood in the current business parlance, is still nascent in insurance industry though all companies have embraced the concept and actively engaged in charity and philanthropic activities. The CSR is viewed upon doing social good and the CSR as an integral plan of decision making in wider perspective is yet to be well acknowledged by the Indian life insurance companies. In fact, most of the investments of the insurance companies are for utilizing peoples' money for people good. They are investing in areas such as rural electrification, infrastructure development, sewage and sanitation. The companies are also contributing towards Prime Minister's National Relief Fund for alleviating the sufferings of the poor people in times of disasters such as Tsunami, Earth Quakes etc. The claim processes are liberalized for speedy settlement of claims. Relaxations are given by way of waiver of interest, keeping the policies in force and liberalized documentation. The latest example of this gesture can be drawn by from Chennai floods that left many people in distress. A few companies have formally launched charitable/ philanthropic foundations with objectives such as Relief of poverty or distress, advancement of

education, medical relief, and any other object of general public utility. The other CSR activities include building orphanage centers, old age homes, taking care of primary health of women and children, advancing elementary education in government schools, providing scholarships, providing ambulance vehicles to hospitals, blood donation camps, wheel chairs to railway stations and bus stands, expanding access to financial services and supporting environmentally sustainable economy. Some companies are actively involved in financial literacy programs to teach young children the importance of savings. Some other CSR initiatives of insurance companies being - "Aviva's 'STREET TO SCHOOL' to educate the underprivileged students, LIC's CSR schemes like Micro insurance, Gift Drishti, Janshree Bima Yagna, Shiksha Sahyog, Golden jubilee foundation e.t.c, HDFC Life's Swabhiman scheme, Udaan of HSBC Life Insurance company, Mobile Medicare (MMU) of India First insurance, Pan India immunization of Max life insurance have noticeably contributed to the welfare of Indian society"(Ahmad Javed Bhat & Zameer Nasir Qureshi, 2014)

The public sector Life Insurance Corporation of India, upon the call of the Ministry of Finance, has many times rescued the falling share market by purchasing huge number of shares involving thousands of

crore rupees, thereby keeping the resilience of share market for the benefit of small investors. This gesture connotes the economic responsibility aspect of CSR as defined above. The public sector insurance company has also taken up certain marketing initiatives like Bima Grams, Bima Schools, Madhur Grams and the like which are directly aimed at rural upliftment and inclusive growth.

CSR and the Achilles Heel

The weak defense point for the insurance companies to claim as CSR organizations lies in their inability to cover the all insurable population. “The insurance density of life insurance business had gone up from USD 9.1 in 2001 to reach the peak at USD 55.7 in 2010. During 2013, the level of life insurance density was only USD 41. Similarly, the life insurance penetration surged from 2.15 per cent in 2001 to 4.60 per cent in 2009. Since then, it has exhibited a declining trend reaching 3.1 per cent in 2013. Over the last 10 years, the penetration of non-life insurance sector in the country remained steady in the range of 0.5-0.8 per cent. However, its density has gone up from USD 2.4 in 2001 to USD 11.0 in 2013.” (IRDA Annual report, 2013-14). When the entire insurable population is under insured or uninsured, it can be argued that the growth in the industry cannot be claimed as inclusive growth. It talks volumes of weak social and economic

responsibility aspects of CSR in insurance industry.

The second major weakness lies in the area of ethical sale of policies which reflect in the form of grievances. Corporate Social Responsibility ordains ethical business operations. The mis-selling for meeting the targets is one of the complaints which has to be taken care by the insurance companies. There is a need to investigate each policy that comes up for cancellation during the ‘cooling period’ of one month from the date of the receipt of the policy by the customer.

A few suggestions for a vibrant CSR insurance sector

CSR is a much acclaimed and much sought after subject matter for any organization. Insurance industry is no exception for this trend. A good CSR brings forth better brand image and enhances the prestige of the organization. The scholastic community believes that a good CSR guarantees less attritions and employees love to contribute for the growth of the companies. It also helps in the retention of customers and other stakeholders. A socially sensitive industry attracts less governmental intervention in matters of social policies and programs.

The herculean part of CSR is its measurement- its impact on the society. A company’s economic performance can be measured from

its balance sheet. How can its social performance be measured? Donna Wood(1991) presented a model for measuring Corporate Social Performance (CSP). The three constructs developed by Donna Wood are Social Policies, Social Programs and Social Impacts. Social programs include explicit corporate social policies stating the company’s values, beliefs, and goals with regard to social environment. In insurance context, they can be the belief systems of the companies to attain 100% insurance coverage, say, by 2020 or attaining zero percent complaints by 2020 with regard to sale of policies. Social programs include conscious inclusion of social activities/ programs/measures which are implementable and amenable to social audit, say, attaining paper less offices or 100% electronic issue of policies by certain time frame etc. Social impacts include mathematical assessment of social impacts- example, effects of financial literacy programs initiated by an insurance company or group of companies in selected districts and evaluating financial literacy rates/ acceptability of insurance in the said district in general by the populace etc. Insurance companies may take up the model of CSP and subject their yearly performances for social audit.

Insurance companies may also explicitly announce their achievements on social front in their balance sheets every year for the

benefit of its stakeholders. Appointment of a designated authority and a department for CSR activities under the direct supervision of the CEO goes a long way in strengthening the CSR activity.

There are plethora of organizations working for social cause. There are couple of government schemes for poverty alleviation and upliftment of deprived sections of the society. It makes business sense if the insurance companies align with these schemes which are close to their core areas of business and develop sophisticated insurance products at cheaper rates since the marketing burden would be taken over by the charitable partner agencies. For example, there are a few schemes on health front like Yasasvini in Karnataka, Rajiv Arogya Sree in AP. Insurance companies can co-opt and design better group insurance schemes for wider segments of society, thanks to the expertise and the actuarial data bases with the insurance companies. By funding and aligning with such schemes, insurance companies can draw a large leeway and build up their brand images.

Conclusion

“Soft power lies in the ability to attract and persuade. It arises from the attractiveness of a nation’s culture, ideals, and policies”(Nye Jr, S. Joseph, 2004). This comment of Nye Joseph is in the Nation’s context

in the global spectrum. In the organizational context, how can insurance companies attract and persuade customers? Given the competitive nature of products and service delivery procedures, CSR provides the unique variable for any insurance company. No doubt, insurance industry has embraced the concept of CSR but its activity is limited to certain philanthropic aspects only. It is time to embrace wider perspective of CSR so as to be sensitive to economic, legal and ethical expectations of the stakeholders at large. The active visibility of the organization in social media, TV channels, and in the news media helps in attracting the customer community and boost up the sales activities. The sensitivity that the industry displays to alleviate the sufferings of the society make it a big soft power. The society looks upon the great CSR organizations with awe and Shannon L. Alder was right when he told, “Sometimes your light shines so bright that it blinds people from seeing who you really are.”

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Service Tax and Indian Insurance Industry

- Dhiraj Kr Nath

Abstract: From 01.01.2014 IRDAI has enacted a new regulation for insurance Business in India. Along with several other changes, rule of deducting service tax has also been changed. Previously, the service tax was paid by insurance companies on consolidated basis. Under the new regime, the service tax is to be paid by policy holder along with the premium separately. In this paper, a detailed study has been made with examples and calculations to find out the effect on insurance sector as a whole. For calculation purpose, examples from life insurance industry have been taken.

Introduction:

In recent years, people who are engaged in selling insurance policies are most annoyed with the term “Service Tax”. The new introduction from Govt. of India, that Service Tax is to be paid by policy holders along with the installment premium, has made insurance worker’s life difficult. Most of the times the agent himself or herself is paying ‘Service Tax’ for new proposals from his or her pocket because they are afraid of the fact that only due to

this amount the proposer may become unwilling to accept the proposal.

What is Service Tax and who pays this tax?

The story of service tax is not new to us. It has been introduced long back in the year 1994 when the rate of service tax was 5%. Service tax is, as the name suggests, a tax on Services. It is a tax levied on the transaction of certain services specified by the Central Government under the Finance Act, 1994.

It is an indirect tax (akin to Excise Duty or Sales Tax) which means that normally, **the service provider pays the tax and recovers the amount**

from the recipient of taxable service. The changes in the rates of service from tax time to time have been shown in the table below.

Insurance and Service Tax

From the inception itself, insurance had been considered as service to the public and hence, the sector automatically became liable to service tax. The insurance companies were paying consolidated service tax to the Govt. on the premium received from the policyholders. Later on, with the amendments to service tax rule, the same has become payable directly by the beneficiary. The rate of service tax to be paid on insurance premium is given below:

Period	Rate of Tax
01-07-1994 to 13-05-2003	5%
14-05-2003 to 09-09-2004	8%
10-09-2004 to 17-04-2006	10.20% (ST + EC)
18-04-2006 to 10-05-2007	12.24% (ST + EC)
11-05-2007 to 23-02-2009	12.36% (ST + EC + SHEC)
24-02-2009 to 31-03-2012	10.30% (ST + EC + SHEC)
01-04-2012 to 31.05.2015	12.36% (ST + EC + SHEC)
01.06.2015 to 19.11.2015	14.00% (ST + EC + SHEC)
20.11.2015 onwards	14.50% (ST + EC + SHEC)

Period	Rate of Tax
1994-95 to 2003-04	1.00%
2004-05 to 2010-11	1.03% (ST + EC)
2011-12	1.55% (ST + EC)
2012-13 to 31.12.2013	2.06% (ST + EC)
01.01.2014 to 31.05.2015 (Conventional plans)	3.09% (ST + EC+ SHEC) First Yr 1.545% Subsequent Yrs
01.01.2014 to 31.05.2015 (Risk only plans)	12.36% (ST + EC + SHEC) All Years
01.06.2015 to 19.11.2015 (Conventional plans)	3.50% (ST + EC+ SHEC) First Yr 1.75% Subsequent Yrs
01.06.2015 to 19.11.2015 (Risk only plans)	14.00% (ST + EC + SHEC) All Years
20.11.2015 onwards (Conventional plans)	3.625% (ST + EC+ SHEC) First Yr 1.8125% Subsequent Yrs
20.11.2015 onwards (Risk only plans)	14.50% (ST + EC + SHEC) All Years

Changes in Service Tax Rule and Effects on Insurance Industry

The most important thing is that, prior to 01/01/2014 Service Tax was paid by the insurance companies in consolidated form for most of the conventional plans. But 01.01.2014 onwards the burden has been transferred on the policyholders. Now the insurance company will charge Service Tax @ specified in the above table on the premium from the policyholder and remit to the Govt. The difference can be illustrated by an example. Suppose a man aged 30 years takes normal endowment policy from 'LIC of India' for 21 years. For 100000 sum assured the premium will be around 4500 per year. The maturity proceeds from the policy will be, SA 100000, bonus @ 48% will be 100800 and FAB (Final Addition

Bonus) @250% will be 25000 (LIC Valuation and Declaration of Bonus circular). So the total amount will become 225800 and thus, net return obtained is 7.96% (approx). The rate is calculated by using annuity accumulation formula and trial and error method. Now if s/he has to pay service tax separately @3.625% first year and 1.8125% subsequent year then the investment amount becomes 4663 for first year and 4582 subsequent year with tax.

In earlier scenario, LIC was paying service tax as a whole @ 2.06%. If we assume there is no other cost involved then LIC was actually investing 4407 per year. In the new scenario, LIC will be investing the whole amount of 4500. If we assume that the return on investment will remain same, then effective bonus rate will be $(4500 \times 4.8\%) / 4407 =$

4.9%. Hence bonus may increase @ 0.1% and subsequently, the maturity proceed will be, Bonus 102900, FAB @ 260% (Assume) will be 26000 and the total amount will be 228900. Hence, net return of the policy holder in new scenario will be 7.73% (considering Service Tax). So, we see that, though the insurance company gets more amounts to invest, that is not sufficient to compensate the loss of policyholder due to extra burden of Service Tax and subsequently, reducing the return. It can only compensate if the increase in return surpasses the tax rate.

The reality is, for this specific plan, rather than decrease of basic premium due to improved mortality table, it is actually increased. In the older plan, the exact premium would have been 4753.00 where as in the new plan it is 4907.00 in addition to service tax of 178.00 for first year and 89.00 in the subsequent years.

For term insurance plans where there was no return, Service Tax comes as extra burden to policyholder and that too of a very high rate of 14.50%. A comparison is made with LIC's Anmol Jeevan- 1 with Anmol Jeevan- 2 and Amulya Jeevan- 1 with Amulya Jeevan- 2. For Anmol Jeevan, a person aged 25 years taking 20 Lacs SA for 25 years; premium comes as 5722 for the older plan and 5460 with new plan. But if we include Service Tax then the later premium becomes 6252 which is 530 more than the older plan. The only good thing is for Amulya Jeevan where the premium

is lower even after including Service Tax. For illustration, a person aged 25 years, taking a 25 years policy for 25 Lacs, the premium comes to 6525 in older plan and 3600 in newer plan. After adding Service Tax the premium becomes 4122 which is also 2403 lower than the older plan.

Probable Strategy:

To counter this negativity, insurance companies can segregate the premium as Risk + Admin expenses + Investment, and mention them separately. Then the S. tax burden can be reduced to a great extent. A person aged 25 years taking endowment plan of 5 lacs for 20 years, the premium will be Rs. 23661/- and S. Tax @3.625% is Rs. 858/-. Premium for risk only plan for the same parameters will be Rs. 1220/- and S. Tax @ 14.50% is Rs.

177/- only. Hence, if the premium is bifurcated and charged, then almost 80% of the service tax can be avoided. But the decision is totally vests on the part of insurer. Insurance companies have a high Cost Ratio compared to other financial companies (the tabular data on cost ratio has been taken from IRDAI Annual Report). Hence disclosing the administrative and other expenses may hinder the competitive position of insurance companies and other finance & investment companies will have a strong point in their marketing strategy to fight against insurance companies. (Operating expense ratio for top 50 microfinance companies in India is 2-4% (Source CRISIL)) So, the idea of bifurcation of premium may not be a suitable one for most of the players.

TDS is introduced in Insurance Maturity Proceeds

Another discouraging news for insurance sector is, from 1st October 2014, insurer is deducting tax at source @ 2 % from maturity proceeds of a life insurance policy if the annual premium paid is more than 10 per cent of the sum assured under a new section called 194DA. Currently, under section 10(10D) of the Income Tax Act, any sum received from a life insurer is not taxable if the premium payable is up to 10 % of the sum assured. Tax would be payable as per your tax slab if the premium exceeded the 10 per cent amount. However, since there was no TDS, several assesses avoided the tax. The finance bill 2014 states "In order to have a mechanism for reporting of transactions and collection of tax in respect of sum paid under life insurance policies which are not exempted under section 10(10D) of the Act, it is proposed to insert a new section (194DA) in the Act to provide for deduction of tax at the rate of 2 per cent on sum paid under a life insurance policy, including the sum allocated by way of bonus, which are not exempt under section 10(10D) of the Act. It has also been proposed that no deduction under this provision shall be made if the aggregate sum paid in a financial year to an assessee is less than Rs 1 lakh. Further, the budget has exempted all micro life insurance policies, where the sum assured doesn't exceed Rs.50000, from service tax. The idea behind this exemption in low sum assured micro

OPERATING EXPENSES RATIO : LIFE INSURERS

(in per cent)

Insurer	2011-12	2012-13
LIC	7.35	8.00
Private Sector	17.51	18.95
TOTAL	10.33	10.99

INSURER	2013-14	2014-15
LIC	10.03	9.34
Private Sector	17.72	16.36
TOTAL	11.92	11.23

Note : Operating expense ratio is the ratio of operating expenses to the premium underwritten by the life insurers

insurances is that, it will further boost life insurance penetration.

However, Section 194DA will not be applicable where the policy is exempted under 10(10D). But Section 10 (10D) is NOT available for the following policies where:-

- Policies issued on and after 1.4.2003 but up to 31.03.2012 where Yearly premium is greater than 20% of Death Claim
- Policies issued on and after 1.4.2012 and yearly premium payables greater than 10% of Death Claim
- Any sum received under Jeevan Aadhar plan no -114 of LIC of India (plan linked with disabled)
- Any policy issued on and after 1.4.2013 for the insurance on the life of any person who is a person with disability.
- Any sum received under a Key-man insurance policy irrespective of date of commencement of policy.

Hence Section 194DA will be applicable on all the above mentioned cases and TDS will follow.

What this means is that if your sum assured is less than 10 times the annual premium, you will need to pay a tax on the maturity proceeds. But the death benefit in this case will continue to be tax free. This is the first time that TDS has been made applicable on insurance. For policies that are taxable, the

insurance company will deduct tax at source at the rate of 2%, and the remaining will be paid to the policyholder. In 2012-2013 the threshold of premium payable was reduced to 10 per cent of the actual capital sum assured from 20 per cent.

In the present scenario, around 30% of the total premium comes from single premium (IRDAI Figures for 2013-14 reveals the fact) and in most of the single premium cases the quantum of proceed is more than 1 lakh which will attach TDS. Previously the policy holders were avoiding this tax and taking as escape route by investing in single premium insurance policies. After this introduction of TDS, a big percentage of policyholders will not invest in single premium insurance policies only to remain out of reach of the Income Tax Authority. Net return will also reduced by 2% making the single premium policies unattractive compared to other investment options where TDS is there but the rate of return is quite high compared to single premium policies.

Investment decisions in respect of your money are absolutely vested with the insurance company in all the traditional plans and the policyholder has no say in any investment decision under these plans. The regulator has prescribed limits and composition for investment under these plans. A minimum of 85% is required to be invested in govt. and semi govt. securities, corporate bonds and it is the balance 15% that is allowed to

be invested in equity market. The point is whether traditional plans are investor friendly or they are intermediary friendly. We need to agree that insurance distribution is mainly intermediary driven. In other words insurance in India is sold and not bought. In most of the cases agents sell only those products where they will earn more commission. So, single premium policies are not in the priority for Agents as the commission percentage is mere 2%. Still there are a large number of customers who have lump sum money to invest. For them single premium policies are suitable and that's why the business figure tells that 30% of the total premium earned is from single premium policies.

Conclusion:

Traditional plans are debt oriented plans as substantial investment is done in government and corporate bonds and only 15% is invested in equity. If one has to compare the returns of this combination of heavy debt and defensive equity then mutual fund's Monthly Income Plans (MIP) score better. One can expect around 10% average return from this product of mutual funds. IRDAI has put a cap on maximum expenses in ULIPs at 3% and as traditional plans have more charges inbuilt and are around 5%. If one earn 10% return on investment corpus under traditional plans and 5% is paid towards commission and other administrative expenses than s/he will be left with 5% return only. Now suppose you have to pay more premiums because of the hike in

service tax, your return will come down. This way the average annual returns on the traditional plans will come down to below 5% in coming days. And the hard reality for insurance sector is it is much better to take a term plan and invest balance in PPF as PPF also gives tax benefit and maturity is tax free. This combination of term and PPF will give at least 1.5% to 2% more returns as compared to traditional plans.

Insurance companies are already coming out with plans so designed that can avoid TDS like LIC's Jeevan Shagun which was a single premium policy but the risk cover was kept 10 times of the premiums paid making it free from TDS. But, if the risk cover is high then risk premium will also be high that somewhat reduce the return on the policy. Service Tax was charged @ 3.09% on the premium (as per prevailing rate that time). Here also, if the premium was bifurcated and separately mentioned, then amount paid towards Service Tax could be reduced to a large extent. But the real threat to the insurance industry is the Govt. Policy. As per available statistics, insurance penetration is as low as 3.3% and the Govt. thinks that, even after opening of market, the players including LIC have not done their jobs properly to spread insurance in every nook and corner of this country. Hence they have decided to increase the FDI cap to 49% which will create an inflow of Rs. 50000 Cr in the Indian insurance market and that will eventually increase the penetration rate. But

the real picture is quite different. Those who are not insured, they are either incapable or not interested and those who are insured, most of them are over insured. So, increasing FDI will not remove the imperfection from the market rather Govt. should consider life insurance not as an investment or a service but as a means to security & provisioning for family/dependants. In such a case imposing Service Tax will discourage people for making provision for security. It is also pertinent to note that in our country life insurance is sold after a lot of persuasion. Life insurance penetration is still below par in our country in comparison to world average of 6.2% (source: Sigma 4/2015, Swiss-Re).

In the recent past, life insurance industry has not performed well. In the year 2011-12, the industry registered a negative growth of -9.84%, in 2012-13 it was -5.80%. Though the industry registered a positive growth of 12.08% in the year 2013-14, which was mainly due to windfall business in September 2013 to December 2013 due to closure of all existing plans of all insurance companies. After that again in 2014-15 the industry registered a negative growth of -5.82%. If the same trend continues then it will be a matter of great concern for the industry. It has been near a year that the Govt. has increased the FDI cap to 49% from 26% but inflow of funds (as expected by Govt.) have not taken place at all.

Recently there was an article in "The Times of India" Kolkata edition that says that India is home to a large number of heart & diabetes patients. As a result, deaths take place in large number in our country. More over health insurance as a concept is yet to take roots in India. So these two sectors viz life insurance and health insurance must be exempted from Service Tax or, at least the burden is to be shifted from policyholder to the insurer like it was done before 01.01.2014. Moreover, the industry is still in formation mode, consolidation in life insurance or health insurance has not yet taken place in our country and the most important thing is around 21 lakh Agents depend on life insurance business (similar number on General and Health Insurance).

References: IRDAI Annual Report, Income Tax of India Rules and Regulations, Central Board of Excise and Customs, FAQ on Service Tax published by DGST on Sept 2011, Economic Times, Business standards, LIC of India, Deloitte Service Tax in India Handbook 2013 issue.

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प्रकाशक का संदेश

बीमा उद्योग में सीएसआर कार्यकलापों की भूमिका

‘कॉरपोरेट सामाजिक दायित्व’ जो संक्षेप में सीएसआर के रूप में जाना जाता है, विश्व भर में प्रमुख रूप से प्रयुक्त वाक्यांश है जिसके दो अर्थ हैं। एक अर्थ में तो इसे एक स्वविनियामक व्यवस्था के रूप में देखा जाता है जिसमें व्यवसाय - जिस समुदाय और परिवेश में परिचालन करते हैं, उसके प्रति अपने नैतिक, व्यावहारिक और सामाजिक दायित्व को पूर्ण रूप से समझते हुए - प्रदूषण और संसाधनों के अपव्यय को



कम करने तथा शैक्षिक और सामाजिक कार्यक्रमों को स्वैच्छिक रूप से प्रोत्साहित करने की दिशा में आंतरिक व्यवस्थाओं को स्थापित करते हैं तथा इसके जरिये वे व्यापक तौर पर समाज की बेहतरी के लिए परोक्ष रूप से योगदान करते हैं। दूसरा अर्थ जो दिन-ब-दिन अधिक ऊँचे स्वर में सुनाई दे रहा है, वह अधिदेशात्मक यानी अनिवार्य कानूनी ढाँचा है जिसके द्वारा व्यवसायों के लिए यह बाध्यकारी है कि वे निर्धारित लक्ष्यों को प्राप्त करने के लिए एक विनिर्दिष्ट प्रकार से अंशदान करें।

भारत ऐसे अधिदेशात्मक सीएसआर निर्धारण की अग्रिम पंक्ति में रहा है तथा इसने कुछ प्रारंभिक सीमा से ऊपर व्यवसाय द्वारा सीएसआर कार्यकलापों पर न्यूनतम व्यय का 2% निर्धारित किया है। कंपनी अधिनियम, 2013 में किया गया यह निर्धारण बीमाकर्ताओं पर भी लागू है। इसके अलावा, बीमा अधिनियम, 1938 में बीमाकर्ताओं द्वारा पूरे किये जानेवाले ग्रामीण और सामाजिक क्षेत्र के दायित्व निर्धारित हैं जिन्हें समाज के कुछ अभिजात वर्गों को एक निश्चित संख्या में पॉलिसियों के विक्रय एवं प्रीमियम की एक निश्चित राशि के रूप में बीमाकर्ताओं को पूरा करना है।

इन सभी विधानों का उद्देश्य एक ओर समाज में संतुलन लाना है और दूसरी ओर एक बेहतर परिवेश का निर्माण करना है। यह देखकर मुझे प्रसन्नता हो रही है कि प्रायः सभी बीमाकर्ता इन उपायों को कार्यान्वित कर रहे हैं तथा आईआरडीएआई यह सुनिश्चित करने के लिए सक्रियतापूर्वक कदम उठा रहा है और आगे भी उठाता रहेगा कि बीमाकर्ताओं द्वारा उक्त दायित्व अपनी संपूर्णता के साथ पूरे किये जाएँगे।

आशा है, प्रस्तुत अंक में सीएसआर के विभिन्न पहलुओं पर प्रकाशित आलेख रोचक पाये जाएँगे। ‘बीमा’ जैसे सेवा क्षेत्र में शिकायतों को संभालने के महत्व पर जोर देने की आवश्यकता नहीं है तथा इस भावना को कायम रखते हुए अगले अंक का फोकस “बीमा उद्योग में शिकायतों पर कार्रवाई” पर रहेगा।

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निगमित सामाजिक दायित्व और बीमा - कितना सम्बन्ध

- पीयूष अग्रवाल

सीएसआर या 'कॉर्पोरेट सोशल रेस्पॉन्सिबिलिटी' अर्थात् 'निगमित सामाजिक दायित्व' अपने आप में काफी पुराना शब्द है, किन्तु पिछले कुछ वर्षों से यह विश्व का एक ताजातरनी और चर्चित विषय बना हुआ है। भारत में भी इस पर काफी कुछ पहल की गयी है। हाल ही में पारित कम्पनीज कानून में यह बड़ी कंपनियों के लिए अनिवार्य कर दिया गया है कि उन्हें अपने निवल लाभ का 2% सीएसआर के अंतर्गत व्यय करना है।

सबसे पहले प्रश्न यह आता है कि सीएसआर है क्या? पुरानी परिभाषा के अनुसार कंपनियों द्वारा आत्म नियमन को अपना व्यापारिक आदर्श बनाना और पालन करना सीएसआर है। आत्म नियमन गलत काम से रोकता है, जिससे समाज का भला होता है। किन्तु नयी परिभाषा थोड़ी विस्तारित है। कंपनियों द्वारा अपने लाभ को बढ़ाने की अवधारणा से संबंधित अमूर्त कार्य, जो, आस पास के वातावरण या समाज को

सकारात्मक और रचनात्मक लाभ पहुँचाने की अवधारणा के अंतर्गत किये जाएँ, वही निगमित सामाजिक दायित्व की पूर्ति है। दूसरे शब्दों में कह सकते हैं कि 'समाज को वापस देना', सीएसआर का ही अन्य नाम है।

वैसे तो केवल कॉर्पोरेट ही क्यों, हम सब के भी वातावरण और समाज के प्रति कुछ दायित्व हैं। हम अपने दैनिक जीवन में प्रकृति द्वारा प्रदत्त सुविधाओं का दोहन एवं उपभोग करते हैं। उनकी पुनः-पूर्ति या प्रकृति को वापसी ही आन वाली संततियों के जीवन को संरक्षित करती है ताकि वह भी प्रकृति प्रदत्त सुविधाओं का उपभोग उसी प्रकार कर पायें जैसे कि हमें उपलब्ध है। प्रकृति का चक्र सतत चलता रहे। अधिकांश समय हम यह भूल जाते हैं और प्रदत्त सुविधाओं का उपयोग आवश्यकता से अधिक करने लगते हैं हमें इनके भावी परिणामों की कोई चिन्ता ही नहीं है।

विकास की अवधारणा में यह दोहन कुछ ज्यादा तेज हो जाता है। अतः इसके लिए प्रेरणा और नियमन की जरूरत पड़ती है। जैसे ग्लोबल वार्मिंग से उत्पन्न खतरे मुंह बाये सामने हैं और उनके भयानक प्रभाव और परिणाम हमारे कितने ही उपक्रम को घातक बता रहे हैं। विश्व में जलवायु परिवर्तन सोची गयी गति से कहीं तेज हो रहा है।

प्रकृति या जलवायु के संकट सीधे सीधे समाज पर अन्य असर डालते हैं। जनसंख्या विस्फोट मांग में अपरिमित वृद्धि कर रही है जबकि पूर्ति तो सीमित है बल्कि समय के साथ कम हो रही है। यहाँ समर्थ का दायित्व और बढ़ जाता है। यही अन्य शब्दों में सीएसआर है।

कार्य जैसे कि शिक्षा, स्वास्थ्य या स्वच्छता का प्रसार, पर्यावरण, वन, जीव, जंतु या पक्षी का संरक्षण, धरा, जल या वायु की स्वच्छता बनाये रखने के लिए किये गए कार्य। ग्रामीण विकास,

पिछड़ों का विकास, रोजगार परक शिक्षा, पूर्व सैनिक, वृद्ध, अनाथ, अपंग या समाज से उपेक्षितों का पुनर्वास, कला, कौशल, धरोहरों का संरक्षण और विकास इत्यादि सभी कार्य सीएसआर के तहत आते हैं। अपदा और विपत्ति में की गयी मदद भी सीएसआर ही है। इसके साथ ही किया गया हर वह कार्य जो अपने लाभ के लिए नहीं वरन प्रकृति, समाज, देश या विश्व की भलाई के लिए है, अंततः निगमित सामाजिक दायित्व में अंतर्निहित है।

इन सभी कार्यों हेतु किया गया व्यय सीएसआर में शामिल किया जाता है। कंपनियां सीएसआर के अंतर्गत विभिन्न तरह से सम्मिलित हो सकती हैं। जैसे सरकार द्वारा बनाये गए कोषों में दान देकर यथा प्रधानमंत्री राहत कोष, वह किसी अलाभकारी संस्था के साथ जुड़ कर उनके माध्यम से सामाजिक भलाई की योजनायें चला सकती हैं या उनके द्वारा चलायी जा रही परियोजनाओं में भागीदार बन सकती हैं। काफी बड़ी कंपनियां या औद्योगिक और व्यवसायिक समूह स्वतः सीएसआर का विभाग स्थापित कर, सेवा कार्य सीधे करने में विश्वास करती हैं। मुख्य बात है कि हम अपने लाभ का कुछ हिस्सा उस समाज और प्रकृति को वापस करें, जिसका दोहन प्रत्यक्ष या परोक्ष रूप से हमने उस लाभ को पाने के लिए किया है।

बीमा व्यवसाय के लिए सीएसआर कुछ ज्यादा मात्रा में जरूरी है। बीमा व्यवसाय प्रत्यक्ष रूप से समाज के आर्थिक, सामाजिक और शैक्षिक विकास तथा समझ, जागरूकता और समाज से

जुड़ाव से सीधे सम्बद्ध है। इसकी संवृद्धि इन कारकों से सकारात्मक सम्बंधित है। यह दोहरे तरीके से महत्वपूर्ण है। पहली तो विधिक, सामाजिक और नैतिक जिम्मेदारी है। दूसरी और यह बीमा के प्रति जागरूकता बढ़ाने और बीमा की पैठ और सघनता बढ़ाने में परोक्ष रूप से मदद करती है।

उदाहरण के तौर पर, किसी स्थान पर आई बाढ़ के बाद स्वास्थ्य सेवायों के रूप में मदद बीमा व्यवसाय में अपेक्षित दावों में प्रत्यक्ष रूप से कमी लाते हैं और साथ ही सूचित दावों में दी जाने वाली राशि को भी सीमित करते हैं। परोक्ष रूप से यह बीमा के प्रति जागरूकता बढ़ाने में मददगार होते हैं क्योंकि बीमित व्यक्ति स्वयं को मिली बीमा मदद की चर्चा दूसरों से करते हैं जो उन्हें भी बीमा के लाभ जानने और बीमा लेने के लिए प्रेरित करते हैं। यहाँ यह महत्वपूर्ण है कि बहुत कुछ इस पर भी निर्भर करता है कि बीमा कंपनियां दावों के निपटारे कितने सहज और सुगम तरीकों से करती हैं।

इसी तरह बाढ़ग्रस्त क्षेत्रों में सीधे किये जाने वाले सीएसआर कार्य कम्पनीज के ब्रांड एम्बेसेडर बनते हैं और कंपनियों को आपसी प्रतिस्पर्धा में अग्रणी स्थान प्राप्त करने में सहायत होते हैं। यह पूरी बीमा उद्योग में सेवाओं को सुगम और बीमा धारकों के अनुकूल बनाने में होड़ पैदा करती है। यहाँ शायद सबसे सरल उदाहरण अमेरिका की बर्कशायर हाथवे का होगा, जिसने 2001 के वर्ल्ड ट्रेड सेंटर पर हुए हमले में दावों का निस्तारण इतने आसान ढंग से किया कि न केवल उनके

सकल बीमा में वृद्धि हुई वरन वह प्रीमियम दरें भी अन्य बीमा कंपनियों के मुकाबले आसानी से और ज्यादा मात्रा में बढ़ पाए जिससे उस आतंकवादी हमलों में दिए गए दावों से हुए नुकसान की भरपाई हो सकी और कंपनी और सुदृढ़ बन कर उभरी।

समाज में शैक्षिक उत्थान के लिए गए कार्य जनता में जागरूकता बढ़ाने में सहायत होते हैं। जागरूक नागरिक दो तरह से बीमा व्यवसाय की परोक्ष सहायता करता है। पहली वह आसन्न जोखिम को भाँप पाता है, उसकी गणना कर पाता है और यह जान पाता है उस जोखिम को वहन करने की उसकी क्षमता कितनी है। यही आंकलन उसको अपना जोखिम बीमा कंपनी को अंतरिक करने के प्रेरित करता है। दूसरी ओर वह जानता है कि बीमा लेने के बाद भी अपनी संपत्ति की सुरक्षा के क्या उपाय उसे करने चाहिए ताकि बीमा पालिसी का आवाहन उसे न करना पड़े और वह भविष्य के प्रीमियम वृद्धि को कम से कम रख सके। देशीय तथा वैश्विक स्तर पर भी बीमा की उद्यमशीलता तथा इसके लिए जागरूकता लोगों की उद्भमशक्षलता में वृद्धि करता है जो उन्नत विकास का माध्यम बनता है।

पर्यावरण, वन, जीव, जंतु या पक्षियों के संरक्षण के लिए कार्य प्रकृति प्रवृत्त आपदाओं को कम करने में सहायक होते हैं जो परोक्ष रूप से बीमा व्यवसाय को लाभ पहुंचाएगा। एक ओर जोखिम में कभी दावों की आवृत्ति में कमी लाती है और दूसरी ओर प्रीमियम दरों को सीमित रखकर जनता को अधिक जोखिम को बीमित कराने के लिए प्रेरित करती है।

कला, कौशल और धरोहरों का संरक्षण भी क्षेत्र, देश और विश्व के लिए बहुत आवश्यक है। यह वहां के समाज और इतिहास के द्योतक होते हैं। आने वाली पीढ़ियां इनसे ही अपना व्यवहार निश्चित करती हैं। यह जानकर कि हम किसी उन्नत सभ्यता से सम्बन्ध रखते हैं, उनका आचरण और सोच सकारात्मक होती है। इतिहास पढ़कर समझने की अपेक्षा उसे देखकर, महसूस करके यह प्रक्रिया तेज होती है। यही सकारात्मकता देश व विश्व के विकास में सहायक होती है और साथ ही प्रकृति को निरंतरता और स्थिरता प्रदान करने की सीढ़ी बनती है।

विकास के लिए किये गए अन्य कार्य जैसे पूर्व सैनिकों, अनाथों और अपंगों के उत्थान हेतु समावेशन देश की मुख्य धारा को विस्तारित करता है, समाज में यह सहचर्य की भावना प्रसारित करता है और साथ ही समाज में साधनों के सामन वितरण को रेखांकित करने में सहायक होता है। यह सभी मिल कर समाज को समझदार और जागरूक बनाते हैं। एक समझदार और जागरूक समाज ही देश की आर्थिक उन्नति का पहला अध्याय माना जाता है। बिना कहे ही बीमा व्यवसाय तो टिका ही देश और समाज की उन्नति और समझ पर है।

वैसे भी 'वसुधैव कुटुम्बकम्' तो भारत और भारतीयों की पुरातन काल से पहचान रही है। समर्थ व्यक्ति दान को शोभा मानते थे। धर्मशालाएँ, प्याऊ, शिक्षा के लिए स्कूल, चिकित्सा के लिए खैराती अस्पताल आदि बनवाना इसी अवधारणा से प्रेरित थे। सोच भी

कि 'हम क्या साथ लेकर आये थे और क्या साथ लेकर जायेंगे'। अर्थात् सीएआर तो भारतीयों के डीएनए में समाविष्ट था। फिर अलग क्या था। अलग था तो वह यह कि पहले व्यापार असंगठित था और लाभ को उच्चतम करना ही एकमात्र ध्येय नहीं था परोपकार भी था।

जैसे जैसे यह असंगठित से संगठित की ओर बढ़ता गया, लाभ की लासा बढ़ती गयी और समाज एवम् देश के प्रति कर्तव्य थोड़ा पीछे छूए गए। यह माना जाने लगा कि हमने यह संपत्ति अपनी लगन और मेहनत से एकत्रित की है तो इस पर केवल हमारा ही अधिकार है। हम उन लोगों में क्यों बांटे जो इसके काबिल नहीं हैं। इसी सोच के साथ, अपना सर्वाधिकार मान कर समर्थ ने प्रकृति को भी केवल अपनी बपौती मानकर उसका दोहन अति तेज कर दिया और यह बिल्कुल भी ध्यान नहीं रखा कि प्रकृति के लिए मनुष्य मात्र एक मनुष्य है। वह समर्थ और असमर्थ में भेद नहीं करती। इसी कारण इसे नियमित और जरूरी बनाने की आवश्यक्ता पड़ी। अन्य शब्दों में, यदि सीएसआर की पुरानी परिभाषा का ध्यान रखा गया होता तो शायद नयी परिभाषा की जरूरत ही नहीं होती। पर अभी भी देर नहीं हुई कहावत है 'जब जागो तभी सेवरा'

इसी अभिप्राय के साथ सीएआर पर ज्यादा ध्यान देने की आवश्यकता है। यह प्रत्यक्ष रूप से समाज को विकसित करेगी, समाज का विकास, देश की अर्थव्यवस्था के विकास में सहायक होगा और बीमा व्यवसाय की पैठ और धनत्व में वृद्धि को गति प्रदान करने का माध्यम बनेगा। अतः

सीएसआर बीमा व्यवसाय के लिए मात्र एक कानूनी या नैतिक जिम्मेदारी से अधिक अपने विकास की एक पायदान भी है।

नोट: इस लेख में उल्लिखित विचार लेखक के अपने विचार हैं और इनका उसके नियोक्त से कोई सम्बन्ध नहीं है।

पीयूष अग्रवाल, मेसर्स कोटक महिंद्रा जनरल इन्श्योरेंस कंपनी लिमिटेड में सीनियर वाईस प्रेसिडेंट एवम् हेड-ऑपरेशंस के पद पर कार्यरत हैं।

कॉर्पोरेट की सामाजिक जिम्मेदारी आवश्यकता या बाध्यता?

- डॉ. अजय कुमार मिश्रा

परिहित सरिस धर्म नहिं भाई।
पर पीड़ा सम नहिं अधमाई॥

उपरोक्त चौपाई का उल्लेख हिन्दुओं के प्राचीन और सर्वमान्य ग्रन्थ श्री रामचरित मान मे तुलसीदास जी द्वारा किया गया है। जिसका भावार्थ यह है कि दूसरों के हित के लिए कार्य करना सबसे बड़ा धर्म है एवं दूसरों को हानि पहुँचाना सबसे बड़ा पाप है। सभी धर्म की समस्त परिभाषाओं और व्याख्याओं का निचोड़ है अच्छा बनना और अच्छा करना और दूसरों की भलाई करना तो निसंदेह अच्छा करना है। सभी मजहबों ने एकमत होकर जिस बात पर जोर दिया है वह है मानवता की सेवा यानी “सर्वभूत हितारेता” होना। भूखों को भोजन कराना, वस्त्रहीन को वस्त्र देना, बीमार लोगों की देखभाल करना, भटकों को सही मार्ग पर लगाना आदि धर्म का पानल करना है। क्योंकि धर्म वह शाश्वत तत्व है जो सर्व कल्याणकारी है। ईश्वर ने स्वयं यह प्रकृति ऐसी रची है कि जसमें अनेक चेतन और जड़ जीव इसी धर्म (परहित) के पालन में लगे रहते हैं। यदि पूर्व के वर्षों में देखा जा तो बड़े बड़े साहूकार, व्यवसायी, मंदिरों का निर्माण,

भण्डारे के जरिये गरीबों के खाने का प्रबंध, दान देकर करते थे जिसका मूल उद्देश्य अपने समाज में गरीबों की मदद करना था। ये सब कहीं न कहीं सामाजिक दायित्वों की पूर्ति के प्रमाण की पुष्टि करते हैं।

कॉर्पोरेट की सामाजिक जिम्मेदारी: भारत देश में सबसे आसान है नियम बनाना परन्तु अत्यंत मुश्किल है उसका पालन करवाना। हम भारतीय जब तक कोई नियम कानूनन अनिवार्य न हो उसका पालन नहीं करते हैं और नियमों का पालन करने से पूर्व उससे बचने का रास्त खोजते हैं। यह तो सिक्के का एक पहलू है वहीं दूसरा पहलू यह भी है कि कुछ लोग स्वयं की प्रेरणा से न केवल

नियम कानूनों का पालन करते हैं बल्कि एक कदम और आगे बढ़कर दूसरों की मदद करते हैं। हालांकि ऐसे लोगों की संख्या कम है, पर है। ऐसा न केवल लोगों के व्यवहार में है बल्कि व्यावसायिक संगठनों के साथ भी है चाहे वह निजी क्षेत्र से हो या फिर सार्वजनिक क्षेत्र से। कॉर्पोरेट की सामाजिक जिम्मेदारी भारत देश के लिये नयी नहीं है बल्कि इसका प्रमाण वर्षों पहले से देश में मौजूद है। समय-समय पर सामाजिक दायित्वों की पूर्ति की प्रक्रिया अवश्य परिवर्तित होती रही है, जिसे विभिन्न नाम से हम संबोधन कर सकते हैं। परन्तु जमीनी हकीकत यह भी है कि सामाजिक दायित्वों की पूर्ति आवश्यकता



Figure 1 - Pyramid of CSR

आधारित न करके, बल्कि व्यावसायिक कंपनियां नियमों की पूर्ति करने के लिए करती है। जिसमें कागजी कार्यवाही तो मजबूत होती है परन्तु जन-जन तक उसका लाभ प्राप्त नहीं होता। जब तक एक अच्छे निगमित नागरिक की सोचन उत्पन्न नहीं होगी कोई भी कम्पनी अपने दायित्वों की मात्र नियमों की पूर्ति तक ही सीमित होगी। कांपोरेट की संलग्नता सामाजिक दायित्वों के सन्दर्भ में हम चित्र संख्या-1 में दिए गए पिरामिड से अच्छे ढंग से समझ सकते हैं। यह पिरामिड यह भी प्रदर्शित कर रहा है की कांपोरेट सामाजिक दायित्वों की पूर्ति किस कुशलता के साथ कर सकते हैं।

कांपोरेट की सामाजिक जिम्मेदारी की

बाध्यता: 1 अप्रैल 2014 के पहले भारत में कांपोरेट की सामाजिक दायित्वों की पूर्ति करना कानून अनिवार्य नहीं था। हालांकि कुछ कम्पनियाँ खुद से आगे बढ़कर समाज के बड़े तबकों के गरीब लोगों को मदद कई रूपों में प्रदान करती रही। इनमें शामिल था शिक्षा, स्वास्थ्य देखभाल और परिवार कल्याण, सामाजिक सोकारों, बुनियादी ढांचे का विकास, और सतत आजीविका आदि। कम्पनी एक्ट 2013 के अनुसार यदि किसी कम्पनी की कीमत

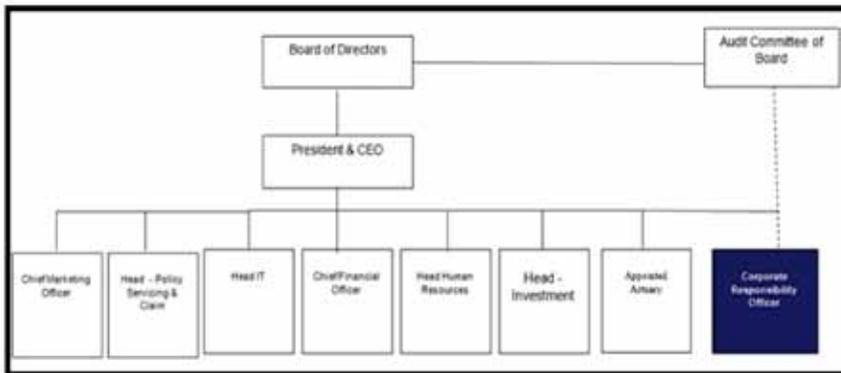
500 करोड़ या अधिक या कारोबार रुपया 1000 करोड़ या अधिक लाभ 5 करोड़ या कंपनी अधिनियम 2013 और समय समय पर किये गये परिवर्तन की अनुसूची सातवीं में निर्दिष्ट के रूप में कांपोरेट की सामाजिक दायित्वों () गतिविधियों पर पिछले 3 वर्षों के औसत शुद्ध मुनाफे का कम से कम 2% खर्चकरना पड़ता है। यह अब कानूनन अनिवार्य है। यह नियम 1 अप्रैल 2014 से प्रभाव में आया है। यदि सरल शब्दों में कांपोरेट के सामाजिक दायित्वों को समझना हो तो हम कह सकते हैं की कांपोरेट की सामाजिक दायित्व कम्पनियों के बारे में है कि कैसे वो व्यापार प्रक्रिया का प्रबंधन के साथ सकारात्मक प्रभाव समाज के बारे में करती है।

एक आदर्श कांपोरेट की सामाजिक जिम्मेदारी के प्रबंधन को चित्र संख्या दो के माध्यम से समझा जा सकता है जो निसंदेह यह प्रदर्शित कर रहा है की कम्पनी में कांपोरेट की सामाजिक जिम्मेदारी (सीएसआर) स्थान कहाँ होना चाहिए।

जीवन बीमा और सीएसआर: जीवन बीमा और सामाजिक दायित्व एक ही सिक्के के दो पहलू हैं। साधारणतः बीमा कम्पनियाँ सीएसआर को एक अलग दृष्टिकोण से देखती हैं। ऐसा

इसलिए है की जीवन बीमा अपने आप में एक सामाजिक सरोकार का साधन है जिसमें लोगों के आकस्मिक समय में वित्तीय संकट से रक्षा प्रदान करना है। और बीमा कम्पनियाँ करती भी है। एक तरफ जहाँ जीवन बीमा के क्षेत्र में ग्राहक सेवा बहुत महत्वपूर्ण है और नियमित ग्राहक सेवा की आवश्यकता पड़ती है वही दूसरी तरफ जीवन बीमा कम्पनियाँ प्रतियोगिता में बने रहने के लिये हर संभव प्रयास करती है। कुछ जीवन बीमा कम्पनियों का मानना यह भी हो सकता है की ग्राहक सेवा अत्यधिक महत्वपूर्ण है न की सीएसआर। एक तरफ जहाँ कम्पनियाँ का मानना यह भी हो सकता है की ग्राहक सेवा अत्यधिक महत्वपूर्ण है न की सीएसआर। एक तरफ जहाँ कम्पनियाँ बड़े तबके के लोगों को अपनी तरफ आकर्षित करने हेतु विज्ञापन पर करोड़ों रुपये खर्च करती है वहीं उन्हें सीएसआर पर किया गया खर्च अनावश्यक प्रतीत होता है वजह सीएसआर के क्षेत्र में खर्च किये गये धनराशि से तत्काल व्यावसायिक प्रतिफल नहीं मिल पाता। जीवन बीमा कम्पनियाँ ऐसी अवधारणा इस लिए रखती है की उनमें दूरदर्शिता की कमी, परिवर्तन के पैमाने को नियंत्रित न कर पाना, सीएसआर के लिए दायिम दर्जे का रणनीतिक प्रबंधन, जोखिम/अवसर भूमिका, चयनात्मक सुनवाई, पुरानी संरचना को बनाए रखने, असमान दृष्टिकोण, गैर-भागीदारी दृष्टिकोण, नवाचार के रूप में सीएसआर देखने के लिए विफलता, कंपनी एकता और लाभ की पहचान में कमी का होना है जिससे उन्हे सीएसआर पर किया गया व्यय अनावश्यक और अनुपयोगी लगता है। हालांकि जमीनी हकीकत यह है की सीएसआर से लाभ जितना प्राप्त करने वालों को होता है उससे कहीं अधिक लाभ सीएसआर में खर्च करने

चित्र-2



वालों को होता है। इन सब के अलावा कटु सत्य भी है की सीएआर के रूप में खर्च किये गये धनराशि से तत्काल व्यवसाय की उम्मीद करना अपने आप को धोखा देना है जबकि सीएआर पर खर्च से परिणाम इतना सशक्त होता है की ब्राण्ड जन मानस में भरोसे का प्रतीक बन जाता है।

जीवन बीमा में सीएआर का लाभ: जीवन बीमा के क्षेत्र में सीएआर को स्वयं से अपना कर तय मानको के अनुरूप खर्च करने के बजाय एक अच्छे निगमित नागरिक की धारणा से कार्य करने पर बीमा कम्पनियों को अधिक लाभ प्रदान होगा। जीवन बीमा कम्पनियों को अपनी स्थिति इस प्रतियोगी बाजार में स्थिर और मजबूत बनाने के लिए सीएआर को प्राथमिकता देनी चाहिये। करोड़ों रुपये के विज्ञापन से बीमा कम्पनियाँ क्षणिक ध्यान लोगों का अपनी तरफ खींच सकती है जबकि सीएआर के माध्यम से उनके ब्रांड की स्थिति अत्यधिक मजबूत होती है, कॉर्पोरेट छवि जन मानस में बढ़ने लगती है, आकर्षित और प्रेरित कर्मचारियों का बनाए रखने की क्षमता में वृद्धि होती है, बिक्री में वृद्धि के साथ साथ कंपनी की बाजार हिस्सेदारी बढ़ती है, निवेशकों और वित्तीय विश्लेषकों में भरोसे की नींव का निर्माण होता है, कर्मचारियों की वफादारी और प्रतिधारण में वृद्धि होती है, उत्पाद और सेवाओं की गुणवत्ता में वृद्धि होती है, ग्राहकों के प्रति वफादारी और प्रतिधारण में वृद्धि होती है, उत्पाद और सेवाओं की गुणवत्ता में वृद्धि होती है, ग्राहकों के प्रति वफादारी को सकारात्मक प्रमाण दिखता है, अधिक से अधिक उत्पादकता और गुणवत्ता बीमा विक्रय प्रतिनिधियों में दिखती है, और उत्पाद सुरक्षा प्राप्त होती है। प्रत्यक्ष रूप के अलावा

अप्रत्यक्ष रूप से अनगिनत लाभ सीएआर पर खर्च करने से जीवन बीमा कम्पनीयों को प्राप्त हो सकते है।

निष्कर्ष: सीएआर आधुनिक निगमों की दिल और आत्मा है और कॉर्पोरेट गवर्नेंस के लिए एक महत्वपूर्ण मानक भी है। सीएआर कॉर्पोरेट जवाबदेही, लाभप्रदता और पर्यावरणीय स्थिरता के लिए एन अनिवार्य तंत्र है। सीएआर सामाजिक रूप में जिम्मेदार व्यापार का आयोजन करते हुए लोगों के अंदर और निगम के बाहर दोनों नैतिक अखंडता को बनाए रखने के क्रम में आधुनिक निगमों के लिए चमकते हुए तारे की भांति है। कॉर्पोरेट घरानों और गैर-सरकारी संगठनों को सक्रिय रूप से परियोजनाओं के लिए पैमाने पर कार्य करने के लिए सबसे अच्छा सीएआर प्रथाओं को लागू करने और अधिक लाभार्थियों तक पहुंचने के लिए नया करने के लिए अपने संसाधनों और इमारत सहक्रियाओं पूर्ण पर चिन्ता करना चाहिए। एक विषय या अनुशासन के रूप में सीएआर सामाजिक और विकास के मुद्दों के बारे में छात्रों और कॉर्पोरेट घरानों को अपने व्यापार और सामाजिक चिन्ताओं के बीच एक विवेकपूर्ण संतुलन की मदद करने में सीएआर की भूमिका को जागरूक करने के बिजनेस स्कूलों में और कॉलेजों और विश्वविद्यालयों में अनिवार्य बनाया जाना चाहिए। जीवन बीमा क्षेत्र के दूरगामी विकास और आम जनता में भरोसे के निर्माण के लिए समस्त जीवन बीमा कंपनियों को चाहिये की विज्ञापन में अधिक पैसे खर्च करने के बजाय स्वयं से सीएआर निर्धारित प्रतिशत के अलावा खर्च करें जो उनके व्यावसायिक परिणामों को स्थिर के साथ-साथ सभी स्तरों पर विकसित करेगा। यहाँ मैं पुनः इस

बात को दोहराना चाहूँगा कि परहित सरिम धर्म नहीं भाई पर पीड़ा सम नहि अधमाई” ही सच्ची विचार धारा है जिसे अपना कर सामाजिक कल्याण के साथ-साथ व्यवसाय में भी सुंदर रूप प्रदान किया जा सकता है। दूसरों का हित लाभ करने के लिए तत्पर रहे जो मर्म से भी बढ़कर है। परोपकार करने से मनुष्य को चमत्कारी पुन्य लाभ अर्जित होते है। ईश्वर ने केवल मनुष्य को ही ऐसी बुद्धि प्रदान की है की वह अपना और दूसरों का दुःख संपादन कर सकता है। अतएव मानव शरीर प्राप्त कर सबका हित साधन और हित विचिन्तन करना ही सबसे बड़ा धर्म है और यह समान रूपसे व्यावसायिक कंपनियों जीवन बीमा सहित सभी क्षेत्रों में लागू होता है क्योंकि कम्पनियाँ व्यक्तियों के द्वारा ही चलायी जाती है जिसका एक मात्र उद्देश्य पैसा बनाना नहीं हो सकता है। उद्देश्य पूर्ति के लिए बीमा कम्पनियों को सामाजिक दायित्वों की पूर्ति नियम कानून से ऊपर उठ कर करनी चाहिये। सरकार द्वारा सीएआर की बाध्यता करके कहीं न कहीं देश के विकास में अविस्मरणीय पहल की गयी है।

डॉ. अजय कुमार मिश्रा, विचार लेखक के व्यक्तिगत है।

Snapshot of Life Insurance Industry as at 30.09.2015

The Life Insurance Sector procured Rs. 56286.40 crore First Year Premium with a growth of 14.45% as at the end of 30th September, 2015. LIC procured Rs 39161.78 Cr with a growth of 9.29% where as Private Sector procured Rs 17124.63 Cr posting a growth of 28.32%. Private sector experienced a growth in both Individual NB and Group NB where as LIC shown a growth in Group NB and decline in Individual NB. The number of individual policies has shown a growth of 9.31% by public sector and 6.56% by private sector and a overall growth of 8.65% at the industry level. The number of lives covered under Group policies has shown a growth by 57.48% at the industry level.

ULIP business has shown a growth of 65.41% up to the period ended 30th September, 2015 compared to the corresponding previous period. The Life Insurance Industry has

procured Linked Premium of Rs.7602.33 crore as at 30th September, 2015 as against Rs. 4595.96 crore for the same corresponding period of previous year. This entire growth may be attributed to the Private Sector (growth of 65.14%) while LIC has a marginal business of Rs. 13.45 crore with 2104.92% growth against the 0.61crore business in previous year corresponding period.

The share of Pension (31.90%), Annuity (7.07%) and Health (0.15%) segments has shown growth where as Life (60.88%) segment has shown a decline when compared to last year's performance. The individual pension business shows a decline both in terms of number of policies and premium. Group Pension premium has a growth of 17.61% for private sector and 35.02% for LIC. However, the share of individual pension premium out of the total pension

premium remains at just around 2.3%.

The number of individual agents* in life insurance sector stood at 20,34,157 with a net reduction of 33,679 (1.6%) for the period. There is a net addition of 19,700 (2.2%) agents in private sector which has ended up with a total of 9,23,932 agents while there is a net reduction of 53,379 (4.6%) in case of LIC which closed the month of September 2015 with a total of 11,10,225 individual agents.

(* Source data is from Life Council's MIS for the month of September, 2015)

Analysis of ULIP business:

The Life Insurance Industry has procured Linked Premium of Rs.7602.33 crore as at 30th September, 2015 as against Rs.4595.96 crore for the same corresponding period of previous

year. It shows an increase of 65.41%.

LIC's Premium is Rs.13.45 crore (PY Rs.0.61 crore), an increase of 2104.92%.

Private players have collected linked Premium of Rs.7588.88 crore (PY Rs.4595.35 crore), an increase of 65.14%.

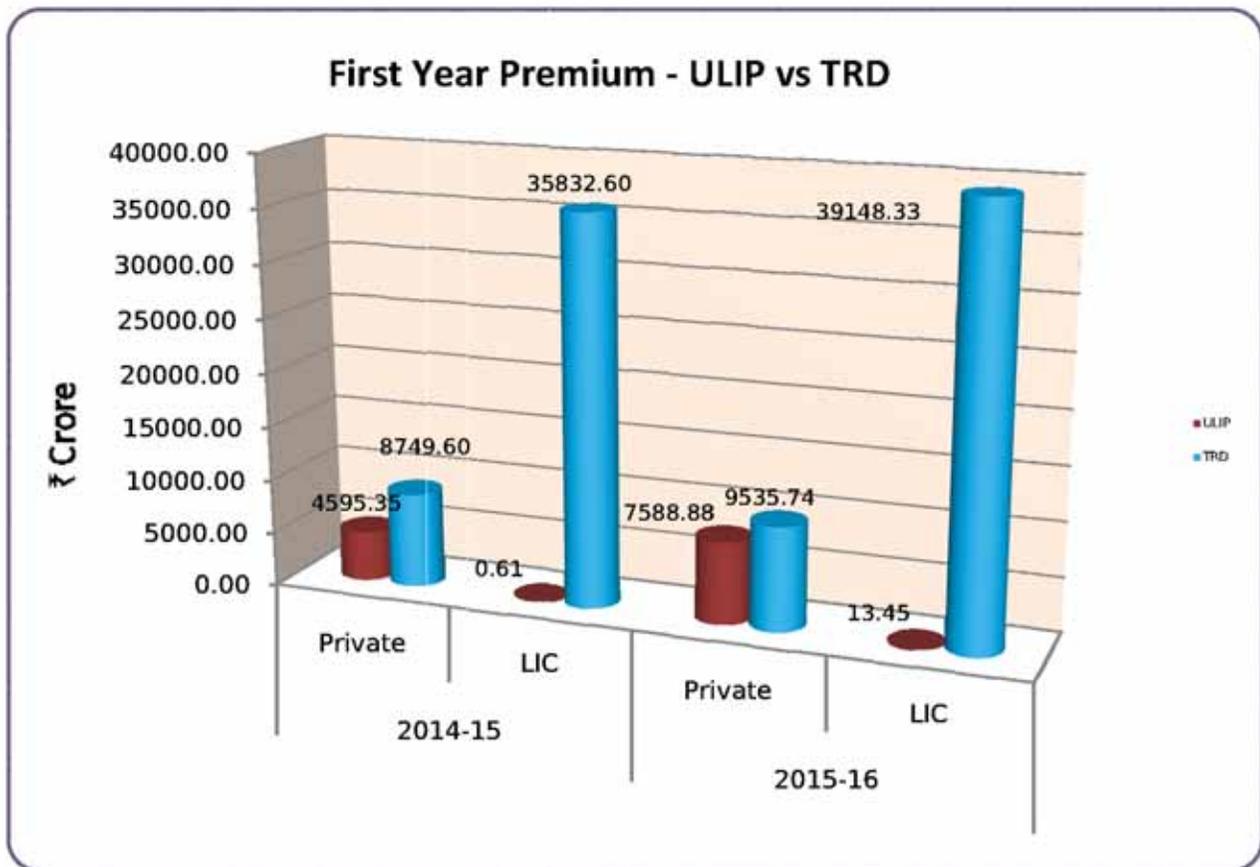
Analysis of Traditional Business:

The Life Insurance Industry has procured Non-Linked Premium of Rs.48684.07 crore as at 30th September, 2015 as against Rs.44582.21 crore for the same corresponding period of previous year. It shows a growth of 9.20%.

LIC's Premium is Rs.39148.33 crore (PY Rs. 35832.60 crore), a growth of 9.25%.

Private players have collected Non-linked Premium of Rs.9535.74 crore (PY Rs.8749.60 crore), an increase of 8.98%.

Compiled by Life Dept., IRDAI



STATISTICS NON-LIFE INSURANCE

Report Card : General

Gross Premium underwritten for and up to the month of September, 2015

(₹ in Crores)

(%)

INSURER	SEPTEMBER		APRIL-SEPTEMBER		GROWTH OVER THE CORRESPONDENCE PREVIOUS YEAR
	2015-16	2014-15*	2015-16	2014-15*	
Royal Sundaram	120.21	124.01	786.78	771.62	1.96
Tata-AIG	225.11	211.18	1,571.51	1,329.16	18.23
Reliance General	218.12	211.84	1,487.79	1,416.56	5.03
IFFCO-Tokio	312.19	325.35	1,804.61	1,626.20	10.97
ICICI-lombard	630.26	522.66	3,997.12	3,365.61	18.76
Bajaj Allianz	561.47	501.18	2,775.96	2,616.08	6.11
HDFC ERGO General	259.96	341.31	1,592.92	1,632.16	(2.40)
Cholamandalam	225.63	164.52	1,087.50	972.38	11.84
Future Generali	105.95	128.61	757.23	712.75	6.24
Universal Sampo	80.14	56.27	394.01	314.17	25.42
Shriram General	141.02	120.03	791.18	710.50	11.36
Bharti AXA General	97.62	97.49	651.14	749.15	(13.08)
Raheja QBE	1.87	2.01	13.06	11.19	16.71
SBI General	201.73	126.87	857.05	662.62	29.34
L&T General	30.78	22.15	199.32	140.10	42.26
Magma HDI	29.82	38.36	188.43	209.52	(10.07)
Liberty	28.60	18.00	205.06	123.85	65.57
Star Health & Allied Insurance	156.83	118.06	823.32	619.72	32.85
Apollo MUNICH	71.36	49.64	366.08	281.72	29.94
Max BUPA	39.55	30.51	211.69	159.23	32.95
Religare	34.91	14.86	230.44	105.43	118.57
Cigna TTK	9.77	1.09	39.04	3.67	963.43
New India	1,217.40	1,079.45	7,524.97	6,566.97	14.59
National	871.31	881.26	5,847.40	5,431.43	7.66
United India	874.79	803.41	6,036.11	5,451.21	10.73
Oriental	746.02	613.12	4,186.67	3,803.48	10.07
ECGC	113.00	133.11	593.47	610.41	(2.78)
AIC	623.65	657.62	1,946.77	1,442.61	34.95
PRIVATE TOTAL	3,582.88	3,225.99	20,831.25	18,533.40	12.40
PUBLIC TOTAL	4,446.17	4,167.97	26,135.39	23,306.12	12.14
GRAND TOTAL	8,029.06	7,393.96	46,966.64	41,839.52	12.25

Note: Compiled on the basis of data submitted by the Insurance companies

* Figures revised by insurance companies

Premium underwritten by non-life insurers up to the month of September, 2015



* Compiled on the basis of data submitted by the Insurance companies

The total bar in the above chart represents the business figures of the entire financial year

PUBLIC NOTICE



IRDAI CAUTIONS PUBLIC AGAINST SPURIOUS CALLS AND FICTITIOUS OFFERS

Insurance Regulatory and Development Authority (IRDAI) has been receiving complaints, through email/letters and in its Integrated Grievance Management System, from members of public informing the Authority that they are receiving spurious calls from unidentified persons:

- Claiming to be representatives of IRDAI and offering insurance policies of different insurance companies with various benefits.
- Claiming that IRDAI is distributing bonus to insurance policyholders out of the funds invested by insurance companies with IRDAI.
- Claiming that the policyholder would receive bonuses being distributed by IRDAI if they purchase an insurance policy and wait for a few months after which the bonus would be released by IRDAI.
- Advising customers to subscribe to fresh policy after surrender of the existing policy and wait for a few months after which the fresh policy would be entitled for additional enhanced returns/benefits.
- Informing that 'Survival Benefit or Maturity Proceeds or Bonus' is due under their existing policy and investing in a new insurance policy is mandatory to receive the amounts which are due.
- Advising public to invest in insurance policies to avail gifts, promotional offers, interest free loans, or setting up of Telecom towers or other such offers.

The general public is hereby informed that IRDAI is a regulatory body established by an Act of Parliament, i.e. the Insurance Regulatory and Development Authority Act 1999, to protect the interests of the policyholders, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto. Further, IRDAI informs the members of public that:

- IRDAI does not involve directly or through any representative in sale of any kind of insurance or financial products.
- IRDAI does not invest the premium received by insurance companies.
- IRDAI does not announce any bonus for policyholders or insurers.
- Any person making any kind of transaction with such individuals/agents will be doing the same at his own risk.

IRDAI hereby urges the public to remain alert and not to fall prey to frauds or scams perpetrated by miscreants who impersonate to be employees / officers of IRDAI or other insurance companies.

If any member of the public notices such instances, he or she may lodge a police complaint, along with the details of the caller and telephone number from which the call was received, in the local police station

A public awareness initiative by



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- Never invests the premium of insurance companies
- Never endorse any bonuses

Report the name, phone number and other details of such callers to your nearest Police Station.

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