

Q. What are the different opportunities in Insurance sector in India?

The insurance industry in India offers lot of opportunities for employment in the insurance sector. Some of the opportunities available in the insurance sector are:

Insurance Actuary- Actuary-ship will be one of the most sought after profession in the days to come. In India there is real dearth of actuaries and their number can be counted in hand. The requirement is such that the insurance companies are forced to bring actuaries from outside India. The actuary's skills in analysis and modeling of problems in finance, risk management and product design are used extensively in the areas of insurance, pensions, investment and more recently in wider fields such as project management, banking and health care. Within these industries, actuaries perform a wide variety of roles such as design and pricing of product, financial management and corporate planning. Actuaries are invariably involved in the overall management of insurance companies and pension, gratuity and other employee benefit funds schemes; they have statutory roles in insurance and employee benefit valuations to some extent in social insurance schemes sponsored by government.

Individual Agent/Advisor- Any Person after qualifying the minimum criteria laid down in the IRDA Act can become a insurance agent/advisor. The individual agent processes business in his own name and he can take agency for one life and one non life company. For taking an insurance agency the candidate must directly approach the insurance company where he wishes to join. The insurance companies will bear the cost of the training. On successful passing of the exam the person will be awarded a certificate, on basis of which he will get the license from insurance company to work as an agent and procure business for the company. IRDA has issued guidelines for licensing of the insurance agents. www.irdaindia.org

Work as Corporate Agent- As compared to individual agent, only companies can apply to become a corporate agent. The Company processes business in his own name and they can take agency for one life and one non life company. For taking corporate agency the companies must directly approach the insurance company where they wish to join. The insurance companies will bear the cost of the training course. The Corporate Agent may appoint persons for soliciting business on its behalf the person so appointed must be trained as per IRDA norms. IRDA has issued guidelines for licensing of the corporate insurance agents. www.irdaindia.org

Employment under Brokers- Brokers are the new set of intermediaries which have been allowed to operate in the Indian market. A Broker can work for all the life and general insurance companies at a time. The brokers have to maintain minimum capital as prescribed for different category and have to follow stringent regulations. Brokers are the representatives of the consumers. In India the broking concept is limited and is in its nascent stage. In developed countries the brokers are as big as insurance companies and they undertake all activities from underwriting to settlement of claims. In India the brokers has been given limited role of basically procurement of business and helping the clients in settlement of claim. Similar to insurance company the broker firm also has underwriting, claims, accounting, marketing department. A person having technical knowledge in insurance field can get a job under brokers. IRDA has issued guidelines for obtaining insurance brokers license.

Employment under TPA's- The Third Party Administrators are also a new concept in India. The TPA's acts as a link between the insurer, consumer and the medical services provider to facilitate the consumers in availing the insurance benefits. The TPA's have tie-ups with various hospitals and provides – cashless services i.e. the insured need not pay any money at the time of claim and TPA directly settles the claim with Insurers and the hospitals. A person may get a job under a TPA to administer its operations.

Act as Surveyors- Surveyors are independent professionals licensed by IRDA. As per Insurance Act all the claims above Rs.20000/- must be surveyed by an independent professional. The Insurance Companies on receipt of any claims appoints the surveyor to assess the loss and submit a report quantifying the claim payable under the policy. Any person wishing to become a surveyor must pass a exam, get training for one year under a A or B category surveyor for one year and get himself categorized as per IRDA norms. There are 3 categories of surveyor A,B,C. The categories are being awarded by IRDA depending upon the experience. A surveyor can work with any number of insurance companies.

Join in any Corporate Body as Insurance Manager -The Corporate Bodies having good premium portfolio usually appoints a insurance manager to look after insurance requirements of the company. The job of the manager is to look after the safety measures adopted by the

company, procure best possible insurance rates for the company and ensure speedy settlement of insurance claims.

Insurance Faculty- After opening of the insurance sector IRDA prescribed norms for the training of the insurance agents, brokers, surveyors. For meeting the huge demand a large number of training institutes sprung up. These institutes require experienced/qualified faculty for taking classes on insurance. The faculties are in huge demand and there is a real dearth of good faculties. The faculties are also employed by Insurance Companies to train their advisors about products of their company.

Valuation, Risk Inspection, Supervision jobs- For taking insurance policies the property must be valued to estimate the sum insured. This is usually the job of underwriter but in large insurance proposals the company asks for a valuation report. Similarly persons are required for inspection of risks.

Information Technology Industry- To meet with the IT demands of the insurance companies and the intermediaries the company producing computer software require technical experts on insurance to help them in developing software on insurance for insurance companies, brokers, agents, surveyors etc.

BPO Industry- The BPO industry in India is expanding in a big way in India. The Insurance companies outside India are outsourcing their operations into India for servicing of their policyholders. The BPO service providers require technical and experienced person having insurance knowledge to cater to the clients need.

Insurance Consultant- With multiplicity of insurance companies, intermediaries, the demand for insurance consultants are bound to grow. Any person or company going for insurance will be really confused as to which company or intermediary to select. The consultants will help them to solve the problems and assist them in settlement of insurance claims.

Bancassurance- Bancassurance refers to the process of selling of Insurance by bank. The banks undertake distribution of insurance products through their channels in lieu of commission.

Banks have a qualified database and a loyal customer base which they can use very effectively to sell insurance products. Banks are in a better position to advise and pursue its customers to go for requisite insurance as per their needs. Banks will require technical persons in insurance to handle their business.

Q. What are the different posts/jobs available with LIC, GIC and other Insurance companies?

The various posts and their specific jobs available with insurance companies are--

ADMINISTRATIVE OFFICER AND ASSISTANT ADMINISTRATIVE OFFICER:

Administrative Officer (AO) and Assistant Administrative Officer (AAO) belong to the class I officer group. The job begins with the candidates joining LIC and GIC on a probation-cum-training period of 6 months. This is to provide exposure about the working of insurance sector. AAOs can choose any of the areas from Administration, Development and Accounts. In Administration AAOs handle policy making, policy claims up to certain limit, checking clauses and details, filing official returns and statements to higher regional offices etc. The Development AAOs deal with marketing and procurement of business, promoting policies, getting contracts etc. The Accounts AAOs manage the funds including incomes and expenses of the corporation. After 3 years of working as AAOs they can be promoted to AO. This adds on more powers and authority and they can be posted anywhere in India.

Candidates applying for the post of AAOs should be between 21 and 28 years of age. They should hold a graduate/postgraduate degree in any subject with minimum of 50% marks. Recruitment is done by LIC Central Office at Mumbai. The entrance examination has two papers, one is of objective type and the other is of essay type - test of English. The objective type paper, tests intelligence and quickness of response. For the quantitative aptitude test good mathematical knowledge is essential. Logical reasoning, general knowledge, awareness of political, cultural events and happening are also tested. After the written test, selected candidates have to appear for interviews which are conducted by the Board and are held across the country.

DEVELOPMENT OFFICER: The Development Officer belongs to class II officer group. They are in-charge of their territory for the development of the insurance policies. They handle

recruitment of agents, train them for procurement of new business and servicing of the existing policies. Over a period of time Agents recruited by the Development Officers can also rise to the position of the Development Officer. Recruitment process of Development Officers is handled by the Divisional Office. Candidates applying for the post of Development Officer have to be between 21 and 26 years of age and should be graduates. Eligible candidates are then put through written tests in English and mathematics. On clearing the test, they qualify for the interview which is conducted by the Board. Later on selected candidates have to serve as Apprentice for a period of one year. This is important to impart practical training in various areas.

OTHER JOBS: Apart from the class I and II level, there are other posts such as Assistants, Typists, Machine Operators, Stenographer, Telephone Operators, Clerks etc. This group comes in the class III level category. They are recruited by the Divisional Office. The candidates applying for these posts have to go through a written test and an interview. There are reservations in the jobs for Handicapped persons, SC/ST, ex-servicemen. The age requirement for these posts is between 18 to 25 years.

Which are the important institutions that offer courses in Insurance?

Following institutes offer specialized training and courses in the areas of insurance and reinsurance:

Insurance Institute of India

National Insurance Academy, Pune

Actuarial Society of India

Apart from the above, certain universities and colleges also offer courses in the field of insurance and actuarial sciences which are much in demand.

The Insurance Institute of India formerly known as Federation of Insurance Institutes (J.C. Setalvad Memorial) was established in the year 1955, for the purpose of promoting Insurance Education & Training in the country. Institute's qualifications are held in esteem both by the regulator and the industry. In its role as a leading education and training provider I.I.I. is closely associated with all the segments of the insurance industry which includes Insurance Regulatory Authority of India, public and private sector insurance companies.

National Insurance Academy is an international Academy initially catering to the needs of Insurance Management Education in more than 65 countries in Asia and Africa. NIA was established in 1980, primarily as a training institute for senior executives of insurance industry by the Life Insurance and General Insurance Industry with the active support of Government of India, Ministry of Finance. Over the years, Academy's activities proliferated and now cover training, research, education, consultancy and publication. NIA has been recognized as an Associate Member of the Federation of Afro Asian Insurers and Reinsurers (F.A.I.R.). NIA is also having collaboration with West African Insurance Institute, Banjul, Bimeh Markazi, Iran, Fairfax University, Louisiana & Wharton Business School, USA. National Insurance Academy has been recognized for imparting training under the Technical Cooperation Scheme of Colombo Plan.

What do Actuaries do?

- a) **Actuaries Make Financial Sense of the Future:** Actuaries are experts in assessing the financial impact of tomorrow's uncertain events. They enable financial decisions to be made with more confidence by analyzing the past modelling the future, assessing the risks involved, and communicating what the results mean in financial-terms.
- b) **Actuaries Enable More Informed Decisions:** Actuaries add value by enabling businesses and individuals to make better-informed decisions, with a clearer view of the likely range of financial outcomes from different future events. The actuary's skills in analysis and modelling of problems in finance, risk management and product design are used extensively in the areas of insurance, pensions, investment and more recently in wider fields such as project management, banking and health care. Within these industries, actuaries perform a wide variety of roles such as design and pricing of product, financial management and corporate planning. Actuaries are invariably involved in the overall management of insurance companies and pension, gratuity and other employee benefit funds schemes; they have statutory roles in insurance and employee benefit valuations to some extent in social insurance schemes sponsored by government. Actuarial skills are valuable for any business managing long-term financial projects both in the public and private sectors. Actuaries apply professional rigour combined with a commercial approach to the decision making process.

c) Actuaries Balance the Interests of All: Actuaries balance their role in business management with responsibility for safeguarding the financial interests of the public. The duty of Actuaries to consider the public interest is illustrated by their legal responsibility for protecting the benefits promised by insurance companies and pension schemes. The profession's code of conduct demands the highest standards of personal integrity from its members.

Who Can Become An Actuary?

Any person with minimum 18 years of age and having a high degree of aptitude for mathematics and statistics can take up this course and become an Actuary. Generally, first class graduates or postgraduates in Mathematics, Statistics or Econometrics will be in a better position than others to qualify as actuaries. To qualify as an Actuary, a candidate has to pass all examinations in the prescribed subjects. In addition, he has to comply with other criteria such as experience requirement and attendance at a professionalism course prescribed for the purpose. Duration of the Course: There is no fixed duration to complete the course. Since all the 15 subjects prescribed are to be cleared before one is awarded the Fellowship, continued and sustained effort is necessary to complete the course. Single minded devotion, total dedication and a systematic approach to problems are the qualities that will enable a person to qualify as an actuary within a reasonable period of time.