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Insurance Digest 2

By Ramandeep Singh

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Indian Insurance Industry Overview

The insurance sector of India is a very dynamic growth oriented one – and is one of the world's largest in the insurance scene.

Even though we are very familiar with the LIC logo – as popular as the McDonald's logo! – layman knowledge of how the sector is structured in India is quite dubious.

Being well performing sector – along with banking – it is responsible for improvement in GDP over the recent years – and it is expected to increase its share considerably in the coming few years.

Such an important and vast sector, here I present how the Insurance business in India is structures:

INSURANCE COMPANIES IN INDIA:

In India we have both the Government and the public sector participating in the Insurance sector.

It is important to know the names of the PSU companies, as they are not many – so, here's a list:

Public Sector – Life Insurance Company:-

1. Life Insurance Corporation of India (the one and only PSU life insurance company)

Public Sector – General Insurance Companies:-

1. Agriculture Insurance Company of India Ltd.
2. National Insurance Company Ltd.
3. New India Assurance Company Ltd.
4. Oriental Insurance Company Ltd.
5. United India Insurance Company Ltd.
6. General Insurance Corporation Of India – India's sole re-insurer

***Trivia:** NIC, NIA, OIC & UIIC (as above) were fully owned subsidiaries of GIC until March 2003 – after amendment the four subsidiaries and GIC itself became Government undertakings. They are now wholly owned Government companies.*

Private Sector – Life Insurance Companies are many, here are some worth noting:

1. Bajaj- Allianz Life Insurance Company
2. HDFC Standard Life Insurance Company
3. ICICI Prudential Life Insurance Company
4. SBI Life Insurance Company
5. Max New York Life Insurance Company

Private Sector – General Insurance Companies:

1. Tata AIG General Insurance Co. Ltd.
2. IFFCO- Tokio General Insurance Company Ltd.
3. SBI General Insurance Co. Ltd.
4. Reliance General Insurance CO. Ltd.

5. ICICI Lombard General Insurance Company and etc.

As per the Department of Finance's statistics, here are some noteworthy figures:

- **Total number of Insurance Companies in India** – including both public and private companies = **52**
- There is 1 PSU life insurance company (LIC) – and 23 private sector life insurance companies.
- 1 PSU re-insurance company (GIC) and none in private sector.
- 6 PSU general insurance companies and 21 private sector general insurance companies.

Regulatory authority (ies) in India:

Insurance Regulatory & Development Authority (IRDA); functioning under the Insurance Regulatory & Development Authority Act, 1999.

Important points of the IRDA Act, 1999 and what the IRDA is about are:

1. First of all - IRDA provides license and permission for carrying out insurance business in India – and monitors the licensees.
2. And most importantly - IRDA is responsible for the regulation, promotion and growth and development of the insurance and re-insurance business in India.
3. IRDA also functions to protect the interests of the policy holders in many matters – such as redressal of grievances, protection against frauds, settlement of claims etc. among others.
4. It prescribes the code of conduct, duties and procedural compliances for surveyors and loss assessors.
5. Also regulates how the insurance companies invest their funds! Look at the picture – all the premiums that an insurance company, like LIC, collects – all that fund needs to be invested properly!
6. It is also instrumental in controlling and regulating the rates of insurance premiums.
7. Making the interest and protection of the policy holders a priority IRDA hosts a 'Consumer Education Website' - <http://www.policyholder.gov.in/> (Check it out!)

Other relevant Acts governing insurance sector are:

Actuaries Act, 2006 – *governs the actuarial profession in India.*

1. General Insurance Business (Nationalization) Act, 1972
– *It is called 'nationalization' act, as the general insurance business was nationalized in 1972, with the government taking over 55 insurance companies.*
2. Insurance Act, 1938
– *provides the meanings and definitions of words and terms unique to the insurance sector, provisions regarding accounting and audit of insurance companies, compliance procedures and penalties on non-compliance etc.*
3. Life Insurance Corporation Act, 1956
– *it provides for the nationalization of life insurance business in India, and the formation of the Life Insurance Corporation of India. It also provides for the meanings of terms and phrases, and rules and regulations specifically pertaining to the life insurance business.*

Trivia and some latest news:

1. LIC is the largest life insurance company in India – having the maximum market share from the point of view of premium collected at 73%.
2. And India has the largest number of life insurance policy in the world!
3. IRDA Chairman is T. S. Vijayan.
4. FDI in insurance sector presently is at 49% (increased from 26%)
5. With the increase in the cap, new players have shown interest in entering the Indian insurance scenario as per IRDA.
6. Some Government Sponsored Insurance Schemes worth noting:
 - Aam Admi Bima Yojna
 - Janashree Bima Yojna
 - Sikhsha Sahayog Yojna
 - Varistha Pension Bima Yojna
 - Universal Health Insurance Scheme
 - National Agriculture Insurance Scheme
7. For protection of consumer interests and grievance redressal – ‘Insurance Ombudsmen’, were introduced in 1998, and are currently located in 12 cities.

Each Ombudsman is empowered to redress customer grievances in respect of insurance contracts where the insured amount is less than Rs.20 lakhs.

8. Also IRDA is looking to make some 40 odd new regulations/ amendments following up on the ‘insurance ordinance’ footed by the Government in December 2014.
9. With the new regulations/ amendments – global re-insurance companies can open branches in India. As of now India has only GIC as it one and only re-insurance company.
10. India’s oldest (1884) insurance service ‘Postal Life Insurance’– provided by the Postal Department (for Govt. and semi Govt. employees)– will be going online soon; utilizing software developed by Infosys, known as the ‘Core Insurance Solution’ CIS – similar to the CBS!
11. Insurance sector along with the Banking sector are the major contributors from the service sector towards GDP. Approximately ranging from 7-10% of GDP.
12. And if you are asked – LIC very recently (few hours back) bought and increased its stake in Coal India Limited to 7.2%

7 Principles of Insurance - Explanation with Examples

Insurance concept was started to distribute risk among group of people. Co-operation is the basic principle behind every insurance contract

SEVEN INSURANCE PRINCIPLES

1) Principal of Utmost Good Faith

- Both parties, insurer and insured should enter into contract in good faith
- Insured should provide all the information that impacts the subject matter
- Insurer should provide all the details regarding insurance contract

For example - John took a health insurance policy. At the time of taking policy, he was a smoker and he didn't disclose this fact. He got cancer. Insurance company won't pay anything as John didn't reveal the important facts.

2) Principle of Insurable Interest

- Insured must have the insurable interest on the subject matter
- In case of life insurance spouse and dependents have insurable interest in the life of a person. Corporations also have insurable interests in the life of its employees
- In case of life or marine insurance, insured must be the owner both at the time of entering of entering into the insurance contract and at the time of accident.

3) Principle of Indemnity

- Insured can't make any profit from the insurance contract. Insurance contract is meant for coverage of losses only
- Indemnity means a guarantee to put the insured in the position as he was before accident
- This principle doesn't apply to life insurance contracts

4) Principle of Contribution

- In case the insured took more than one insurance policy for same subject matter, he/she can't make profit by making claim for same loss more than once

For example - Raj has a property worth Rs.5,00,000. He took insurance from Company A worth Rs.3,00,000 and from Company B - Rs.1,00,000.

In case of accident, he incurred a loss of Rs.3,00,000 to the property. Raj can claim Rs. Rs.3,00,000 from A but after that he can't make profit by making a claim from Company B. Now Company A can make a claim from Company B to for proportional loss claim value.

5) Principle of Subrogation

After the insured gets the claim money, the insurer steps into the shoes of insured. After making the payment insurance claim, the insurer becomes the owner of subject matter.

For example :- Ram took a insurance policy for his Car. In an accident his car totally damaged. Insurer paid the full policy value to insured. Now Ram can't sell the scrap remained after the scrap.

6) Principle of Loss Minimisation

- This principle states that the insured must take all the necessary steps to minimize the losses to insured assets.

For example - Ram took insurance policy for his house. In an cylinder blast, his house burnt. He should have called nearest fire station so that the loss could be minimised.

7) Principle of Causa Proxima

- Word "Cause Proxima" means "Nearest Cause"
- An accident may be caused by more than one cause. In case property insured for only one cause. In such case nearest cause of the accident is found out.
- Insurer pays the claim money only if the nearest cause is insured

The Insurance (Amendment) Bill, 2015 - Summary

Finally the long awaited Insurance Bill was passed in the Rajya Sabha on 12th March, 2015 – thereby bringing us one step closer to the Amendment Act.

Introduced in Lok Sabha on 4th March, 2015 the Amendment Bill started its journey as an ordinance in December 2014.

The Insurance Ordinance, now the Insurance Bill sought to primarily amend the three major Insurance Acts – giving effect to various new provisions and propositions.

The three Acts to be amended as per the new Bill are:

1. The Insurance Act, 1938
2. The Insurance Regulatory and Development Authority Act, 1999 – popularly known as IRDA Act.
3. The General Insurance Business (Nationalisation) Act, 1972.

The amendments or the salient features of the Insurance Bill are as follows:-

1. Most important and trending topic – The Bill increases the FDI cap in Insurance Sector to 49% (from the earlier 26%). Of the 49% - 26% shall be under the Automatic Route and the remaining 23% shall have the need of FIPB's approval. FIPB is Foreign Investment Promotion Board.
2. And that Foreign Re-insurers will be able to enter the Indian re-insurance sector which only had the Government owned GIC.
Recent news has it that UK's Lloyd's is in talks with the IRDA to open business in India; and many others are making beeline to the Indian shores too.
3. Another measure for the insurance companies in respect of raising capital is the opening of capital market to the public sector general insurance companies.
4. And the start up capital (initial capital – required at the time of registration of the company and start of business subsequently) for a health insurance business will be Rs. 100 crore.
5. Insurance Agents will be fined Rs. 1 crore for mis-selling insurance products. Now that's a relief to the insureds (us the customers) who most of the time have no idea which insurance product is actually the right one for them.
Also, unauthorized agents – whose only job is to dupe unsuspecting customers – will be fined Rs. 10 lakhs for their scams.
And the customers (insureds) can utilize legal course for the redressal of their grievances.
6. Agents are now prohibited from acting as agents of more than one company for the same business segment. That is – one agent cannot be a life insurance agent of more than one life insurance company.
He can be a life insurance agent and a general insurance agent of the same company – as life and general insurances are two separate line/business segments.
7. Life Insurance Companies too have been prohibited from challenging any life insurance policy on any ground after three years of having sold such policy.
8. Life Insurance Council and the General Insurance Council will be empowered to act as self-regulating bodies for their respective segment of insurance businesses and the companies operating in the particular line of business.
9. For the customers (insureds) – faster premium payment and processing, faster claims processing and faster and just redressal has been envisaged and provided for.
10. IRDA has been given more regulatory powers to control any misuse of this sector to dupe the masses; non-compliance of IRDA rule and regulations can result in Rs. 25 crores in fines for companies!

History of Indian Insurance Industry

1st company to offer Life Insurance was Amicable Society

- Location – London
- Year of Establishment – 1706
- Founder – William Talbot and Sir Thomas Allen

Following types of Insurance:

- **Self Insurance**- Where risk is not transferred to insurance companies and alone retained by the entities or individuals themselves
- **Co-insurance** – Risk shared between insurers
- **Dual – Insurance** – where risks having two or more policies with same coverage
- **Reinsurance** - Situations when insurer passes some part of or all risk to another insurer

HISTORY:

1. In 1818 Oriental Life Insurance company was started
 - Location-Kolkata
 - Founder – Anita Bhavsar
2. 1st Indian Insurer was Bombay Mutual Life Assurance Society
 - Year Of Establishment – 1870
3. In 1912, The Life Insurance companies act and Provident Fund act were passed
4. The oldest existing insurance company in india is NIC (National Insurance Company)

Year of Establishment – 1906

5. In 1972 GIB act (General Insurance Business) was passed by parliament
 - In 1973 GIB was nationalised
 - At the time of nationalisation of GIB 107 insurer were amalgamated and grouped into four companies namely:
 1. NICL (National insurance company Ltd.)
 2. NIA (New India Assurance company Ltd.)
 3. OICL (Oriental insurance company Ltd.)
 4. UIICL (United India insurance company Ltd.)

IRDA (Insurance Regulatory and Development Authority of India):

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- In 1999 IRDA act was passed on recommendation of malhotra committee
 - Older name – Insurance Regulatory and Development Authority
 - Chainman – T.S Vijayan
 - Headquarters – Hyderabad,Telangana

IR (Insurance Repository) :

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- Insurance Repository is a company registered under companies act, 1956.
 - IR has been granted a certificate of registration by IRDA.
 - Its function is to maintain data of insurance policies in Electronic form

There are 5- Insurance Repositories:

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1. NSDL database management Ltd.(National Securities Depository Ltd.)
 2. Central Insurance repository Ltd.
 3. SHCIL projects Ltd. (Stock holding corporation of India)
 4. Karvy Insurance repository Ltd.
 5. CAMS repository services Ltd.

SOME IMPORTANT INSURANCE COMPANIES AND THEIR HEADQUARTERS:

1. LIC (Life Insurance Corporation of India)

- Chairman – S.K Roy
- Headquarters – Mumbai
- Older name of LIC – HIS (Hindustan Insurance society)
- LIC is a state owned insurance group and investment company
- LIC is the largest Insurance company in India with (US \$ 250 bn) asset value

2. GIC (General Insurance corporation of India)

- Headquarter – Mumbai
- Chairman – A.K Roy
- GIC of India is the Reinsurance company in India (GIC Re)

3. NICL (National Insurance company ltd.)

- Headquarter- Kolkata, West Bengal
- Founded – 1906
- Nationalised – 1972
- CMD – A,V Girija & K.P Brahma
- Fully Central Gov. Owned

4. NIA (New India Assurance)

- Headquarter- Mumbai
- Founded – 1919
- Nationalised – 1973
- CMD – G Srinivasan

5. OICL (Oriental Insurance Company ltd.)

- Headquarter- New Delhi
- CMD –A.K Saxena

6. UIICL (United India Insurance company ltd.)

- Headquarter – Chennai
- CMD – Milind Kharat

Indian Insurance Companies Taglines

Taglines of Indian insurance companies.

Company name	Tagline
Aviva India Life Insurance	Kal Par Control

Bajaj Allianz Life Insurance company ltd.	Jiyo befiqar
Birla sun life Insurance company ltd.	Muskuraty raho
Future Generali Life Insurance	Ek Shagun Jindagi ke naam
HDFC Standard Life Insurance company ltd.	Sar Utha ke Jio
ICICI Prudential Life Insurance company	Zimmedari ka humsafar
ING Vysya Life Insurance India company	Adding Life to Insurance
Kotak Mahindra old mutual life Insurance ltd.	Faidey ka Insurance
Life insurance corporation of India (LIC)	Yogakshemam
Met Life India Insurance company ltd.	Have You Met Life Today
Max Bupa Health Insurance	Your Health First
Max New York Life Insurance company ltd.	Karo Zyadaa Ka Iraada
Oriental Insurance company ltd.	Prithvi, Agni, jal ,Akash sabki suraksha hamare pass
SBI Life Insurance company ltd.	With us, you are sure
United India Insurance company ltd.	Rest Assured with us
Vahamyaham	Your Welfare is our responsibility

Land Aquisition Bill, 2015 – Summary

‘The Land Bill 2015’ – which is making quite a noise in the Lok Sabha these days is actually - ‘**The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Bill, 2015**’ – phew!

For brevity’s sake, let us say the ‘**Land Bill, 2015**’ started its journey when in December 2014 – the Modi Government promulgated the Land Ordinance, 2014.

The Ordinance aimed to immediately put into effect certain amendments to the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (popularly referred to as the ‘LARR Act, 2013’).

The Ordinance was finally introduced to legislature and passed through the Lok Sabha on 10th March 2015 with nine amendments being approved.

The next stage for the Land Bill to become an Act will require it being successfully passing through the Rajya Sabha and then the President's approval and signature!

But why land acquisition act? When your parents bought a land and built a house on it – were they covered under LARR Act?! Are you covered under LARR Act?! NOPE.

LARR is for when the Government or Private Companies acquire/ purchase land from people like you and me (privately owned land) for 'public purpose'. So when Government takes away your land for public purpose – it renders you in a severe financial crisis – what should be the adequate compensation for you?

And remember, for 'public purpose's' projects lands into multiple acres are acquired at a time – so you and your neighbours lose your lands – maybe you are rural farmers or sub-urban middle class people – what will the social impact of this compulsory acquisition?

All these very important socio-economic factors are addressed through the Act – or at least sought to be addressed through the Act – so protect public's interest in every way – at least that is the intention!

Land laws are very important simply because land is very important – privately owned lands by farmers don't come easily to them and if they lose their livelihood to ill-conceived Government acquisitions then it is not only gravely unfair – but it disturbs the socio and economic equilibriums.

LARR Act, 2013 was a huge improvement on the draconian Colonial Land Law; and the current Bill proposes to better the Act of 2013 with amendments.

No wonder there's a lot of noise in the Lok Sabha – Rajya Sabha's still pending!

SALIENT FEATURES OF THE LAND BILL, 2015:-

1. Five categories of land use has been created:

- (i) Defense and national security projects,
- (ii) Affordable Housing = housing for the poor,
- (iii) Rural/ Social Infrastructure,\
- (iv) Industrial Corridors,
- (v) PPP infrastructure projects, wherein Central Government own the lands;

and these five categories do not require the Social Impact Assessment to be done and neither require 70-80% approval of the landowners for private/ PPP projects respectively.

- 2. However to protect the farmers and farmlands there are restrictions imposed on acquisition of irrigated multi-cropped and other farmlands. Since India's major population thrives on agriculture and agricultural land owners are poor – this one is to safeguard there interests.
- 3. Moreover, one person from each family of farm labourers will be given (guaranteed) employment when the land on which they were employed as farm hands is acquired.
- 4. The Amendment also looks to limit the amount that can be acquired for industrial purposes
- 5. In the LARR Act, 2013 – 'private companies' was mentioned. The Bill has changed the wordings to 'private entities' which bring many other institutions under the purview of the Act, such as companies, NGOs, NPOs, corporation, firms and individual etc.

6. Land if unutilized will be returned after the later of (i) 5 years, or (ii) such period as is mentioned at the time of setting up of the project agreement. Earlier it was just 5 years.

Some projects may by their inherent nature require more time to materialize and hence the 'later' period clause has been introduced.

7. The LARR Act, 2013 did not apply to 13 other Statutory Acts, such as the Atomic Energy Act, Petroleum Act, Railways Act, Electricity Act etc. – these have been brought under the purview of the Land Ordinance, 2014 and to be included ultimately into the Amendment Act, 2015 – which will require amendments and RS approval on those 13 Act separately too!
8. Private Hospitals and Private Educational Institutions which were earlier excluded from the LARR 2013, are now through the proposed bill brought under the purview of the LARR.
9. One for the Government Officials – if an offense is committed by a Government Official he can only be prosecuted with prior approval of the Government.

These are the 9 important amendments passed in the Lok Sabha and worth noting for competitive exams and interviews.

There is ambiguity as to 9 or 11 amendments – we'll actually know the score when the Bill becomes an Act and the amendments are published officially – some maybe declined in Rajya Sabha - as of now the above mentioned points are worth remembering.

Goods and Services Tax (GST) - India's Biggest Tax Reform

Indirect Tax = Tax the burden of which is indirectly put on us!

We buy garments – there'll be VAT. We eat at KFC – there'll be the sneaky VAT and Service Tax!

We are not paying these taxes as an Assessee - the respective tax departments don't know it is us who are paying the taxes for what specific goods/ service we took – it is collected from the mass, every one who buys or uses a service, at the same rate, irrespective of a person's income level.

You buy a pack of biscuits or a person under BPL – both pay indirect tax – and most of the times you don't even know or pay attention as to how much you are paying in indirect taxes!

It could be very easily more than what you pay for your income tax!

What is the scenario today?

Currently India (I mean us the consumers) is reeling under a lot of different indirect taxes – excise duty, VAT, Service Tax, sales tax etc.

Some are levied by the Central Government, while others by the State Government – as India has a 'federal' system of Governments – i.e. two governments, one in the centre and the ones in the states.

Excise and Service tax are central government levied indirect taxes. VAT and Sales tax are State Government levied indirect taxes.

Excise Duty is a tax on the manufacturing of excisable goods. Thus if a manufacturer, manufactures

those goods which the central government has deemed to be 'excisable' good(s) – then the manufacturer will have to pay excise duty on those goods.

Service Tax is a tax on 'services rendered' which are not in the 'negative list'. Thus – all services rendered are under the blanket of service tax – except for those which are mentioned in the negative list!

VAT – or Value Added Tax is a stage wise levy of tax on value addition – thus at every stage of 'value addition' VAT is levied and passed on to the next person in the chain of changing hands.

Sales Tax is a tax on sale of goods – interstate and intrastate.

The rules and regulations and compliance procedures of all are different – and complex and tedious – and we're only talking about the popular four indirect taxes!

To bring all these varied and sometimes overlapping taxes under one umbrella and to plug the loopholes that invariably comes with such multiple and confusing and dual taxation system – the concept of GST was formulated.

Goods and Service Tax or GST

GST is a combined or 'one' tax on both goods and services – incorporating the concept of 'value addition' – extending from manufacturing to consumption.

GST is the new 'it' word in today's economic scene – with economists and Finance Ministers to tax payers and Chartered Accountants all eyeing the 2016 roll out with either eager, optimistic, skeptical or doubtful outlooks!

But until GST is a 100% reality – we the students need to know the 101s of what on earth GST is? What is this GST? Is it a three headed tax monster out to chew and drool on our life styles and expendable incomes?

The Salient Features of GST:

- GST will combine the best of all indirect taxes to bring a compact, singular and easy system for levy, collection and assessment of indirect taxes in India.
- Empowered Committee of State Finance Ministers and their 'thinkers' are the ones nailing down the details for proper introduction and application and back-end operational requirements, infrastructural requirements, databases, consumer education, and most importantly the procedural compliances during transition stage etc.
- Most important feature - Tax Input Credit under GST – will be available for set-off at every stage.

Input Credit means, if you've paid tax on purchase of any good(s) or procurement of any service(s) and – when selling your goods or services you're required to further pay tax – you can set off your tax payment liability with the tax already paid by you when you procured your inputs.

Example: You are 'special muffin manufacturer'. You buy a whole lot of special ingredients to manufacture your muffin – say you bought multi flavoured syrups for the flavours – you had to pay tax (indirect you see!) to procure the syrups.

Now you used these syrups and made your muffins (this is value addition – without the process of baking, adding of ingredients there would be no muffin) – you sell them – but you got to pay tax on the 'manufactured' muffins!

So you paid tax when you bought the ingredients (input tax) and when you manufactured/ sold them you paid tax again (output tax) – here, you will get the credit of the input tax paid to decrease your liability of output tax.

This is the Input tax credit system simplified for understanding.

- GST will be levied at every stage of value addition.
- Value addition would mean – applying effort on the goods or services to make worth more. By undergoing a certain process, or set of activities – 'value' is being added to the goods or services.
- Under GST – the rate of tax – 'Revenue Neutral Rate' or RNR – is set to not exceed 27% combining both central and state tax rates.
- It will bring more people under the indirect taxes net thereby increasing revenue and also dealing with tax evasion and black money issues.

- Meanwhile a higher rate of Service Tax @ 14%, adding Education Cess to Excise Duty and taking off items from the exempted list are nothing but measured steps towards applying GST – which is slated for a 1st April 2016 release – after having missed numerous past deadlines!
- More specifics on GST will become available as the Government will approach the 2016 deadline so keeping abreast with the development is important.

Pros of GST -

- Easier to understand for the taxpayers and will simplify compliance
- Uniformity of rules and regulations of levy, assessment, collection and rates will mean easier administration and proper collection and voluntary compliance
- Bringing India at par with international taxation standards.
- Increase in revenue for the Governments.

Cons

- States will have revenue sharing issue
- If the dual rate and control system which is existing under the current taxation schemes in India not properly combined – then the purpose of GST is defeated. It'll be the same of Service Tax/ Excise Duty and VAT bur under a different name!

Noble Prize - Everything you need to know

Nobel Prize	
Year of institution	1901
Founder	Alfred Bernard Nobel
Date on which awarded	December 10
Number of disciplines awarded (6)	1. Physics 2. Chemistry 3. Literature 4. Peace 5. Economics 6. Physiology or Medicine

- It is the most coveted international award of the World.
- It is supported by The Nobel Foundation which was set up in 1900 under the will of Alfred Bernard Nobel (1833-96).
- It was instituted by the inventor of dynamite, Alfred Bernard Nobel (1833-96).
- These awards are presented annually on December 10, death anniversary of the founder and is presented by Swedish King.
- Apart from Economics, all other five categories have been given award since 1901. Economics Nobel Prize was instituted in 1967 and was first given in 1969. It is called the Nobel Memorial Prize in Economics.

Twice recipients of Nobel Prize

Same subjects		Different subjects	
Fredric Sanger	Chemistry (1958)	Linus Pauling	Chemistry (1954)
Fredric Sanger	Chemistry (1980)	Linus Pauling	Peace (1963)
John Bardeen	Physics (1956)	Marie Curie	Physics (1903)
John Bardeen	Physics (1972)	Marie Curie	Chemistry (1911)

Indian Nobel Prize Winners

Name	Subject	Year
Rabinder Nath Tagore	Literature	1913
Dr. C.V. Raman	Physics	1930
Dr. Hargobind Khurana	Medicine	1968
Mother Teresa	Peace	1979
Dr. S. Chandrashekhar	Physics	1983
Dr. Amartya Sen	Economics	1999
V.S. Naipaul	Literature	2001
Kailash Satyarthi	Peace	2014

Noble Prize Winners 2014

List of Noble Prize winners

Noble Prize Winner	Field
Isamu Akasaki, Hiroshi Amano, Shuji Nakamura	Physics (Invention of efficient blue LED)
Eric Betzig, Stefan W. Hell, William E. Moerner	Chemistry (For inventing super-resolved fluorescence microscopy)
John O'Keefe, May-Britt Moser, Edvard I. Moser	Medicine (discovery of cells that constitute a positioning system in the brain)
Patrick Modiano	In Literature for "The Art of Memory"
Kailash Satyarthi, Malala Yousafzai	In Peace for their fight against terrorists for children rights

ABOUT MALALA YOUSAFZAI

Out of the winners, Malala Yousafzai is the only person I am following since last three year. Her story touched heart of people all around the world. She became a celebrity overnight by her book "I am Malala" in which she explained the tragedy of her life. She started writing BBC's blog 2009 about the life in Swat valley where Talibans had control. Taliban's banned girls to attend schools. Malala fought for women's rights. Malala became the face of Pakistan via International media. In October 2011, Taliban shooters entered Malala's school bus and fired a bullet on head. Malala survived!

Malala is a inspiration to whole world.

Union Budget 2015-16

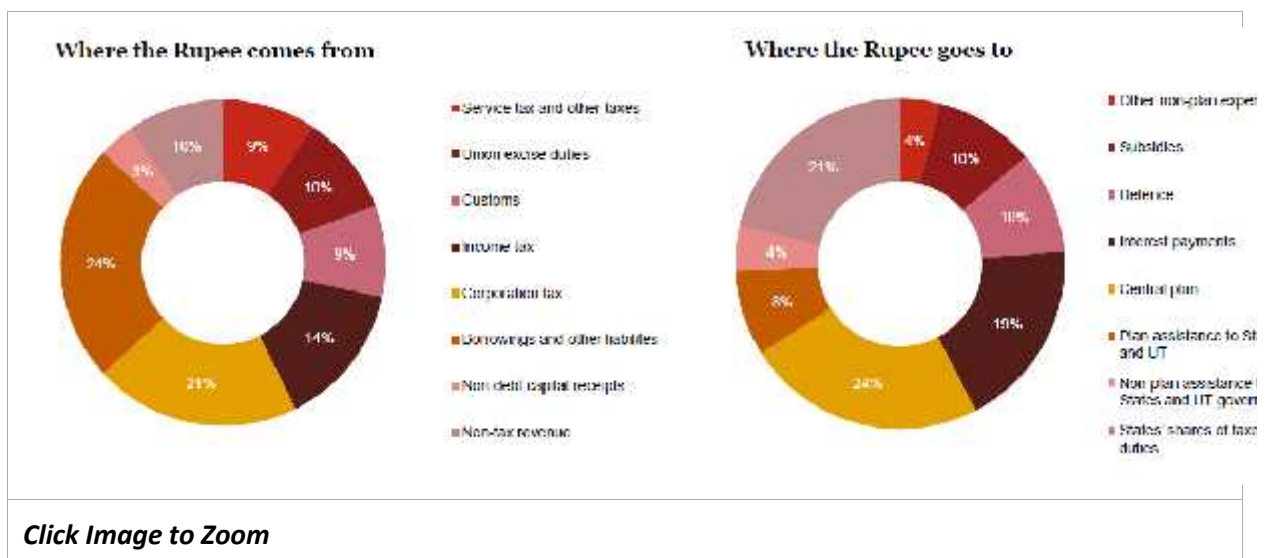
Finance Minsiter Arun Jaitley introduced Union Budget 2015-16. It was a budget for corporates as corporate tax reduced from 30% to 25%. Further decreased custom duty on raw materials. Tax benefit on hiring on employees base also widened.

There was nothing for middle class. Service tax increased from 12.36% to 16%. 80C limit and Tax slabs remained unchanged. Although tax benefits under 80D increased but that's for health insurance. Health insurance is not so popular and people in middle class don't avail policy of Rs.20,000 per annum.

Further subsidy decreased on Petroleum products. Everything is expensive for middle class.

Financial sector

- Commodity futures and the government bond market merged with SEBI
- Build GIFT(Gujarat International Finance Tec-City) as an International Financial Services Centre (IFSC)
- Employees will be given choice to opt out EPF and pick NPS instead
- To bring Bankruptcy code in 2015
- Mudra Bank will be started for Micro finance market with capital of Rs.20,000



Welfare schemes

-
- MNREGA corpus this year - Rs.34,6999 cr
 - Rs.1400 cr allocated to child development scheme
 - Rs 5,000 crore to new infra fund
 - Indian gold coins to be launched with Ashok Chakra
 - 80,000 secondary schools to get upgrade
 - Insurance cover of Rs 2 lakh for a premium of Rs 12/yr - Pradhan Mantri Suraksha Bhim Yojana
 - 50,000 toilets to be constructed under Swach Bharat scheme
 - To use Rs.9000 crores unclaimed funds in PPF and EPF for senior citizens pension fund
-

Education

- 80,000 secondary schools to be upgraded
- ISM to be upgraded to IIT
- IIT to be built in Karnataka
- IIM to be built in Jammu and Kashmir
- Atal innovation Mission for innovation
- Horticulture university to be established in Punjab
- Jammu and Kashmir, Assam, Tamilnadu, Himachal Pradesh to get new AIIMs

Infrastructure

- Five ultra-mega power projects, each of 4,000MWs
- 2nd unit of Kundankulam nuclear plant to be established in 2015-16
- Tax free bonds to be introduced for Rail and Road projects

Agriculture

- Rs.25,000 cr Rural Infrastructure Development Bank
- Rs.5300 cr for micro irrigation program


Taxation

Direct taxes

- Personal taxation rates remained same
- Corporate tax decreased from 30% to 25% for four years
- PAN card is mandatory on purchase of more than Rs.1,00,000
- Surcharge on income of Rs.1 crore or more increased from 10% to 12%
- Surcharge on Dividend Distribution Tax increased from 10% to 12%
- Wealth tax has been abolished
- Deduction of Rs.50,000 will be available for investment in National Pension Scheme.
- Limit on Tax free Investment in LIC Annuity plan or any other Pension plan increased from Rs.1,00,000 to Rs.1,50,000
- Transport allowance increased from Rs.800 to Rs.1600 per month
- Contribution made in name of girl child will be tax free under section 80C. Interest earned in Sukanya Samridhi account will also be tax free.
- Health insurance limit increased under section 80D. For individual, children and spouse it increased from Rs.15,000 to Rs.25,000. For senior citizens it increased from Rs.20,000 to Rs.30,000
- Deduction available for dependent person with disability increased from Rs.75,000 to Rs.1,00,000. For person with severe disability, limit increased from Rs.1,00,000 to Rs.1,25,000.
- Swachh Bharat Kosh and Clean Ganga Fund added in 80G list of eligible institutions
- TDS will now be applicable on Recurring Deposit accounts if interest earned is more than Rs.10,000 per annum
- Up to 10 years imprisonment for under black money laundering act

Indirect taxes

- Goods and Services Tax (GST) will be introduced from 1 April 2016
- Custom duty decreased on raw materials
- Subsidy decreased on Petrol and Diesel. Petrol prices increased by Rs.3.18 and Diesel prices increased by Rs.3.09
- Excise duty on Mobile phones increased from 6% to 12.5%
- Excise duty on Leather footwear exceeding Rs.1000 decreased from 12% to 6%
- CENVAT on input goods and service time limit increased from 6 months to 1 year
- Effective Service tax rate increased from 12.36% to 16%.
- Education cess removed from service tax. Swachh Bharat cess of 2% introduced on service tax.
- Services provided by Mutual fund agent or distributor removed from negative list

 (Figures in ₹ crore)	BUDGET AT A GLANCE			
	2013-14 Actuals	2014-15 Budget Estimates	2014-15 Revised Estimates	2015-16 Budget Estimates
Revenue Receipts	10,14,724	11,89,763	11,26,294	11,41,57
Capital Receipts	5,44,723	6,05,129	5,54,864	6,35,90
Total Receipts	15,59,447	17,94,892	16,81,158	17,77,47
Non-Plan Expenditure	11,06,120	12,19,892	12,13,224	13,12,20
Plan Expenditure	4,53,327	5,75,000	4,67,934	4,65,27
Total Expenditure	15,59,447	17,94,892	16,81,158	17,77,47
Revenue Deficit	3,57,048	3,78,348	3,62,486	3,94,47
Effective Revenue Deficit	2,27,630	2,10,244	2,30,588	2,83,92
Fiscal Deficit	5,02,858	5,31,177	5,12,628	5,55,64
Primary Deficit	1,28,604	1,04,166	1,01,274	99,50

Railway Budget 2015-16 - Analysis and Highlights

This year's Railway budget speech was a heavy dose of honesty. Railway minister Suresh Prabhu's speech shown the real condition of railways. There were no fake promises.

He clearly told that during last 10 years 99 railway projects were started which took Rs.60,000 crore investment. Out of them only 1 project has been completed. Railway minister clearly stated that He don't want to waste taxpayers resources so there were no big and fat promises.

Financial Performance for the year 2014-15

- Total Receipts were ` 1,39,558 crore

- Total Expenses - 1,30,321 crore,
- Operating ratio - 93.6%

Budget Estimates for 2015-16

- total receipts - 1,64,374 crore
- total expenditure - 1,49,176 crore.
- Operating ratio - 88.5%

Highlights

- There will be no hike in passenger fares in the year 2015-16
- No new trains
- Social service obligation rose from 9.4% of Gross Traffic Receipts in 2000-01 to 16.6% in 2010-11
- Bullet train to be introduced in Mumbai-Ahmedabad route
- CCTVs to be installed to monitor cleanliness
- eTicketing system to be upgraded. Right 2000 tickets can be booked per second. It is proposed to increase this limit to 7200 per second. This system will be able to handle 1,20,000 users simultaneously.
- Ultrasonic system to be installed to detect problems in tracks
- 17,000 toilets to be replaced by bio-toilets
- Track capacity to be increased to 1.38 lakh km
- Railways to raise finances via PPP, FDI
- 4,000 women constables to be recruited in RPF
- Battery operated cars to be provided at major stations for Physically disable people
- Nation wise helplines to be installed. Toll free number -182 (It will be active from 01-03-2015)
- Tickets can be booked 4 months prior to travel, earlier it was 2 months
- Senior citizens to get lower births
- Entry gates will be broader
- Disposable bags will be provided for sleeper passengers
- Mechanical designing of new engines that would consume less fuel
- Water vending machines to be installed at stations
- eTickets will be available in lical language
- WiFi facility will be provided at railway stations

New Trains

A) Jansadharan Trains

1. Ahmedabad – Darbhanga Jansadharan Express via Surat
2. Jaynagar – Mumbai Jansadharan Express
3. Mumbai – Gorakhpur Jansadharan Express
4. Saharasa – Anand Vihar Jansadharan Express via Motihari
5. Saharasa – Amritsar Jansadharan Express

B) Premium Trains

1. Mumbai Central – New Delhi Premium AC Express
2. Shalimar – Chennai Premium AC Express
3. Secunderabad- Hazrat Nizamuddin Premium AC Express
4. Jaipur – Madurai Premium Express
5. Kamakhya – Bengaluru Premium Express

C) AC Express Trains

1. Vijayawada-New Delhi AP Express (Daily)
2. Lokmanya Tilak (T) – Lucknow (Weekly)
3. Nagpur – Pune (Weekly)
4. Nagpur – Amritsar (Weekly)
5. Naharlagun – New Delhi (Weekly)
6. Nizamuddin – Pune (Weekly)

D) Express Trains

1. Ahmedabad – Patna Express (Weekly) via Varanasi
2. Ahmedabad - Chennai Express (Bi-weekly) via Vasai Road
3. Bengaluru – Mangalore Express (Daily)
4. Bengaluru – Shimoga Express (Bi-weekly)
5. Bandra (T) – Jaipur Express (Weekly) Via Nagda, Kota
6. Bidar – Mumbai Express (Weekly)
7. Chhapra – Lucknow Express (Tri-weekly) via Ballia, Ghazipur,
8. Varanasi
9. Ferozpur – Chandigarh Express (6 days a week)
10. Guwahati – Naharlagun Intercity Express (Daily)
11. Guwahati – Murkongselek Intercity Express (Daily)
12. Gorakhpur – Anand Vihar Express (Weekly)
13. Hapa – Bilaspur Express (Weekly) via Nagpur
14. Hazur Saheb Nanded – Bikaner Express (Weekly)
15. Indore – Jammu Tawi Express (Weekly)
16. Kamakhya – Katra Express (Weekly) via Darbhanga
17. Kanpur – Jammu Tawi Express (Bi-weekly)
18. Lokmanya Tilak (T) – Azamgarh Express (Weekly)
19. Mumbai _ Kazipeth Express (Weekly) via Balharshah
20. Mumbai – Palitana Express (Weekly)
21. New Delhi - Bhatinda Shatabdi Express (Bi-weekly)
22. New Delhi – Varanasi Express (Daily)
23. Paradeep – Howrah Express (Weekly)
24. Paradeep – Visakhapatnam Express (Weekly)
25. Rajkot – Rewa Express (Weekly)
26. Ramnagar – Agra Express (Weekly)
27. Tatanagar – Baiyyappanahali (Bengaluru) Express (Weekly)
28. Visakhapatnam – Chennai Express (Weekly)

E) Passenger Trains

1. Bikaner – Rewari Passenger (Daily)
2. Dharwad – Dandeli Passenger (Daily) via Alnavar
3. Gorakhpur – Nautanwa Passenger (Daily)
4. Guwahati – Mendipathar Passenger (Daily)
5. Hatia – Rourkela Passenger
6. Byndoor – Kasaragod Passenger (Daily)
7. Rangapara North – Rangiya Passenger (Daily)
8. Yesvantpur – Tumkur Passenger (Daily)

F) MEMU services

1. Bengaluru – Ramanagaram 6 days a week (3 Pairs)
2. Palwal – Delhi – Aligarh
3. DEMU services
4. Bengaluru – Neelmangala (Daily)
5. Chhapra – Manduadih (6 days a week) via Ballia
6. Baramula – Banihal (Daily)
7. Sambalpur – Rourkela (6 days a week)

60th Britannia Filmfare Awards 2015

The Filmfare Awards are presented annually by The Times Group to honor both artistic and technical excellence of professionals in the Hindi language film industry of India. People from the entertainment industry walk the red carpet to attend the most awaited and celebrated awards in the

history of Indian cinema. Here is a list of winner under the main categories.

Ceremony date (2015): January 31, 2015

WINNERS

Category	Presented to	Regarding
Best Actor	Shahid Kapoor	Haider
Best Actress	Kangana Ranaut	Queen
Best Film	Queen	
Best Male Debut	Fawad Afzal Khan	Khoobsurat
Filmfare Lifetime Achievement Award	Kamini Kaushal	
Best Female Debut	Kriti Sanon	Heropanti

57th Annual Grammy Awards

Yesterday on 8th February 2015, 57th Grammy Awards held at the Staples Center in Los Angeles, California. 83 Grammy awards were presented.

LIST OF WINNERS

Title	Winner
Album Of The Year	Morning Phase (Beck)
Best Album Notes	Offering : Live At Temple University
Best Alternative Music Album	St. Vincent (St. Vincent)
Best American Roots Performance	A Feather's Not A bird (Rosanne Cash)

Best American Roots Song	A Feather's Not A Bird (Rosanne Cash)
Best American Album	The River & The Thread (Rosanne Cash)
Best Arrangement, Instrumental Or A Cappella	Daft Punk
Best Arrangement, Instruments And Vocals	New York Tendaberry
Best Bluegrass Album	The Earls Of Leicester
Best Blues Album	Step Back (Johnny Winter)
Best Boxed Or Special Limited Edition Package	The Rise & Fall Of Paramount Records, Volume One (1917-27)
Best Chamber Music/Small Ensemble Performance	In 27 Pieces – The Hilary Hahn Encores
Best Children's Album	I Am Malala : How One Girl Stood Up For Education And Changed The World (Malala Yousafzai)
Best Choral Performance	The Sacred Spirit Of Russia
Best Classical Compendium	Partch : Plectra & Percussion Dances
Best Classical Instrumental Solo	Play (Jason Vieaux)
Best Classical Solo Vocal Album	Douce France
Best Comedy Album	Mandatory Fun
Best Compilation Soundtrack For Visual Media	Frozen
Best Contemporary Christian Music Album	Run Wild. Live Free. Love Strong.
Best Contemporary Christian Music Performance /Song	Messengers
Best Contemporary Classical Composition	Adams, John Luther : Become Ocean
Best Contemporary Instrumental Album	Bass & Mandolin
Best Country Album	Platinum (Miranda Lambert)

Best Country Duo/Group Performance	Gentle On My Mind (The Band Perry)
Best Country Solo Performance	Something In The Water (Carrier Underwood)
Best Country Song	I'm Not Gonna Miss You
Best Dance Recording	Rather Be
Best Dance/Electronic Album	Syro
Best Engineered Album, Classical	Vaughan Williams : Dona Nobis Pacem; Symphony No.4; The Lark Ascending
Best Engineered Album, Non-Classical	Morning Phase
Best Folk Album	Remedy
Best Gospel Album	Help (Erica Campbell)
Best Gospel Performance/Song	No Greater Love (Smokie Norful)
Best Historical Album	The Garden Spot Programs, 1950
Best Improvised Jazz Solo	Fingerprints (Chick Corea)
Best Instrumental Composition	The Book Thief
Best Jazz Instrumental Album	Trilogy (Chick Corea Trio)
Best Jazz Vocal Album	Beautiful Life (Dianne Reeves)
Best Large Jazz Ensemble Album	Life In The Bubble
Best Latin Jazz Album	The Offense Of The Drum
Best Latin Pop Album	Tangos (Ruben Blades)
Best Latin Rock, Urban Or Alternative Album	Multiviral (Calle 13)
Best Metal Performance	Tenacious D. (The Last In Line)
Best Music Film	20 Feet From Stardom
Best Music Video	Happy (Pharrell Williams)
Best Musical Theater Album	Beautiful : The Carole King Musical
Best New Age Album	Winds Of Samsara (Ricky Kej & Wouter Kellerman)

Best New Artist	Sam Smith
Best Opera Recording	Charpentier : La Descente D'Orphee Aux Enfers
Best Orchestral Performance	Adams, John : City Noir
Best Pop Duo/Group Performance	Say Something
Best Pop Solo Performance	Happy (Live)
Best Pop Vocal Album	In The Lonely Hour
Best R & B Album	Love, Marriage & Divorce (Toni Braxton & Babyface)
Best R & B Performance	Beyonce (Drunk In Love)
Best R & B Song	Drunk In Love
Best Rap Album	The Marshall Mathers LP2 (Eminem)
Best Rap Performance	I (Kendrick Lamar)
Best Rap Song	I
Best Rap/Sung Collaboration	The Monster
Best Recording Package	Lightning Bolt
Best Reggae Album	Fly Rasta (Ziggy Marley)
Best Regional Mexican Music Album (Including Tejano)	Mano A Mana – Tangos A La Manera De Vicente Fernandez (Vicente Fernandez)
Best Regional Roots Music Album	The Legacy
Best Remixed Recording, Non-Classical	All Of Me (Tiesto's Birthday Treatment Remix)
Best Rock Album	Morning Phase (Beck)
Best Rock Performance	Jack White
Best Rock Song	Ain't It Fun (Hayley Williams & Taylor York)
Best Roots Gospel Album	Shine For All The People (Mike Farris)
Best Score Soundtrack For Visual Media	The Grand Budapest Hotel

Best Song Written For Visual Media	Let It Go
Best Spoken World Album (Includes Poetry, Audio Books & Storytelling)	Diary Of A Mad Diva
Best Surround Sound Album	Beyonce
Best Traditional Pop Vocal Album	Cheek To Cheek
Best Traditional R & B Performance	Jesus Children
Best Tropical Latin Album	Mas + Corazon Profundo (Carlos Vives)
Best Urban Contemporary Album	Girl (Pharrell Williams)
Best World Music Album	Eve Angelique Kidijo)
Producer Of The Year, Classical	Judith Sherman
Producer Of The Year, Non-Classical	Max Martin
Record Of The Year	Sam Smith
Song Of The Year	Stay With Me (Darkchild Version)

Tax Saving Investments under section 80c

Today I am going to share details about various tax saving investments.

Scheme	Minimum lock-in period	Rate of Return	Tax on return	Tax free investment under 80c
Public Provident fund	15 years Withdrawals allowed after 6 th years (Upto 50% of deposits at the end of 4 th year) Can take loan after 3 years. Interest on loan is 2% more than return on PPF	8.75% - Compounded annually	Interest and sum received on maturity is tax free	Rs. 1,50,000
NSC VIII	5 years	8.5%	Interest is	Rs.

		Compounded half-yearly	taxable (No TDS is deducted)	1,50,000
NSC IX	10 years	8.8% Compounded half-yearly	Interest is taxable (No TDS is deducted)	Rs.1,50,000
Contribution to EPF	Till retirement	8.5%	Interest is taxable	
ELSS	3 years		Interest is taxable	Min. – Rs.5,000 Max – Rs.100,000
Fixed Deposit	Minimum lock-in period – 5 years	Varies around 8.5%	Interest is taxable	Rs. 1,50,000
Post office time deposits	5 years In case of premature withdrawal – Interest paid will be 1% less than scheme rate	Varies around 8.5%	Interest is taxable	Rs. 1,50,000
Senior citizen saving scheme	5 years	9.2%	Interest is taxable	Rs. 1,50,000
Infrastructure bonds	5 years	9%	Interest is taxable	Min – Rs.30,000 Max – Rs. 100,000
ULIP	5 years	NA	Return is taxable	Rs.100,000
Life insurance	2 years	NA	NA	Rs.70,000

Senior citizen saving scheme scheme is giving highest return but it's available to Indian citizens who have reached 60 years of age while individuals who crossed 55 years and took voluntary retirement can take benefit of this scheme.

Infrastructure bonds provide extra tax saving under section 80CCF. You can deposit upto Rs 20,000 under this scheme.

Out of them ULIPs are least recommended. ULIP policy is a combination of insurance and an

investment in marketable securities. There is huge fees in first year which can be upto 35% of policy value.

Out of above investment schemes I have invested in PPF and Bank Fixed deposits.

Interest and principle paid in a Home loan is also tax free under section 80c

What is best for you

It actually depends upon your liquidity needs and return expectations.

If your under 30 and liquidity is not a problem. Then PPF is the best scheme for you.

Fixed deposits is a nice option, my banker IDBI bank doesn't charge any pre-mature withdrawal penalty. If you make a pre-mature withdrawal then interest rate will be 4% instead of 8.75% as 01-02-2015.

Australian Open 2015 Winners List

103rd edition of Australian Open tennis tournanamen held in Victoria Park, Melbourne, Australia. Leander Paes won 15th Grand Slam of his career.

Title	Winner	Runner up
Men's Singles	Novak Djokovic (Serbia)	Andy Murray
Women's Singles	Serena Williams (US)	Maria Sharapova
Men's Doubles	Simone Bolelli (Italy) and Fabio Fognini (Italy)	Pierre-Hugues Herbert and Nicolas Mahut
Women's Doubles	Bethanie Mattek-Sands (US) and Lucie Šafářová (Czech Republic)	Lucie Šafářová (Czech Republic) by beating Chan Yung-jan and Zheng Jie
Mixed Doubles	Leander Paes (India) and Martina Hingis (Switzerland)	Kristina Mladenovic and Daniel Nestor

Padma Awards 2015

Padma Awards have been announced by the President of India. Total 104 persons will be honour with Padma Awards. The Awards given in various fields, for exmaple: Public Affairs, Social Work, Civil Service, Art and Literature etc.

Padma Vibhushan

Amitabh Bachchan	Art	Maharashtra
Dr D Veerendra Heggade	Social Work	Karnataka
Jagadguru Ramanandacharya Swami ambhadracharya	Others	Uttar Pradesh
Karim Al Hussaini Aga Khan (Foreigner)	Trade and Industry	France/UK
Kottayan K. Venugopal	Public Affairs	Delhi
LK Advani	Public Affairs	Gujarat
Mohammad Yusuf Khan alias Dilip umar	Art	Maharashtra
Prakash Singh Badal	Public Affairs	Punjab
Prof Malur Ramaswamy Srinivasan	Science and Engineering	Tamil Nadu

Padma Bhushan

Jahnu Barua	Art	Assam
Dr Vijay Bhatkar	Science and Engineering	Maharashtra
Shri Swapan Dasgupta	Literature and Education	Delhi
Swami Satyamitranand Giri	Others	Uttar Pradesh
N Gopaldaswami	Civil Service	Tamil Nadu
Dr Subhash C Kashyap	Public Affairs	Delhi
Dr (Pandit) Gokulotsavji Maharaj	Art	Madhya Pradesh
Dr Ambrish Mithal	Medicine	Delhi
Sudha Ragunathan	Art	Tamil Nadu
Shri Harish Salve	Public Affairs	Delhi
Dr Ashok Seth	Medicine	Delhi

Rajat Sharma	Literature and Education	Delhi
Satpal	Sports	Delhi
Shivakumara Swami	Others	Karnataka
Dr Kharag Singh Valdiya	Science and Engineering	Karnataka
Prof Manjul Bhargava (NRI/PIO)	Science and Engineering	USA
David Frawley (Vamadeva) Foreigner)	Others	USA
Bill Gates (Foreigner)	Social Work	USA
Melinda Gates (Foreigner)	Social Work	USA
Saichiro Misumi (Foreigner)	Others	Japan

Padma Shri

Dr Manjula Anagani	Medicine	Telangana
S Arunan	Science Engineering	and Karnataka
Kanyakumari Avasarala	Art	Tamil Nadu
Dr Bettina Sharada Baumer	Literature Education	and Jammu and Kashmir
Naresh Bedi	Art	Delhi
Ashok Bhagat	Social Work	Jharkhand
Sanjay Leela Bhansali	Art	Maharashtra
Dr Lakshmi Nandan Bora	Literature Education	and Assam
Dr Gyan Chaturvedi	Literature Education	and Madhya Pradesh
Prof (Dr) Yogesh Kumar Chawla	Medicine	Chandigarh
Jayakumari Chikkala	Medicine	Delhi
Bibek Debroy	Literature Education	and Delhi
Dr Sarungbam Bimola Kumari Devi	Medicine	Manipur
Dr Ashok Gulati	Public Affairs	Delhi
Dr Randeep Guleria	Medicine	Delhi
Dr KP Haridas	Medicine	Kerala
Rahul Jain	Art	Delhi
Ravindra Jain	Art	Maharashtra
Dr Sunil Jogi	Literature Education	and Delhi
Prasoon Joshi	Art	Maharashtra
Dr Prafulla Kar	Art	Odisha
Saba Anjum	Sports	Chhattisgarh

Ushakiran Khan	Literature and Education	Bihar
Dr Rajesh Kotecha	Medicine	Rajasthan
Prof Alka Kriplani	Medicine Delhi	
Dr Harsh Kumar	Medicine	Delhi
Narayana Purushothama Mallaya	Literature & Education	Kerala
Lambert Mascarenhas	Literature and Education	Goa
Dr Janak Palta McGilligan	Social Work	Madhya Pradesh
Veerendra Raj Mehta	Social Work	Delhi
Tarak Mehta	Art	Gujarat
Neil Herbert Nongkynrih	Art	Meghalaya
Chewang Norphel	Others	Jammu and Kashmir
TV Mohandas Pai	Trade and Industry	Karnataka
Dr Tejas Patel	Medicine	Gujarat
Jadav Molai Peyang	Others	Assam
Bimla Poddar	Others	Uttar Pradesh
Dr N Prabhakar	Science and Engg	Delhi
Dr Prahalada	Science and Engg	Maharashtra
Dr Narendra Prasad	Medicine	Bihar
Ram Bahadur Rai	Literature and Education	Delhi
Mithali Raj	Sports	Telangana
PV Rajaraman	Civil Service	Tamil Nadu
Prof JS Rajput	Literature and Education	Uttar Pradesh
Kota Srinivasa Rao	Art	Andhra Pradesh
Prof Bimal Roy	Literature and Education	West Bengal

Shekhar Sen	Art		Maharashtra
Gunvant Shah	Literature Education	and	Gujarat
Brahmdev Sharma	Literature Education	and	Delhi
Manu Sharma	Literature Education	and	Uttar Pradesh
Prof Yog Raj Sharma	Medicine		Delhi
Vasant Shastri	Science and Engg		Karnataka
SK Shivkumar	Science and Engg		Karnataka
PV Sindhu	Sports		Telangana
Sardara Singh	Sports		Haryana
Arunima Sinha	Sports		Uttar Pradesh
Mahesh Raj Soni	Art		Rajasthan
Dr Nikhil Tandon	Medicine		Delhi
H Thegtse Rinpoche	Social Work		Arunachal Pradesh
Dr Hargovind Laxmishanker Trivedi	Medicine		Gujarat
Huang Baosheng	Others		China
Prof Jacques Blamont	Science and Engg		France
Late Syedna Mohammad Burhanuddin	Others		Maharashtra (Posthumous)
Jean-Claude Carriere	Literature Education	and	France
Dr Nandrajan 'Raj' Chetty	Literature Education	and	France
George L Hart	Others		USA
Jagat Guru Amrta Suryananda Maha Raja	Others		Portugal
Late Meetha Lal Mehta	Social Work		Rajasthan (Posthumous)

Tripti Mukherjee	Art	USA
Dr Dattatreya Nori	Medicine	USA
Dr Raghu Rama Pillarisetti	Medicine	USA
Dr Saumitra Rawat	Medicine	UK
Prof Annette Schmiedchen	Literature and Education	Germany
Late Pran Kumar Sharma alias Pran	Art	Delhi (Posthumous)
Late R Vasudevan	Civil Service	Tamil Nadu (Posthumous)

Foreign Direct Investment (FDI) in India

FDI is a hot topic, with the current government increasing the caps on many sectors; it is something that will definitely shape the economy in the months to come – also having far reaching consequences with the Make in India vision of PM Modi.

So what is FDI? How does it actually work? And some latest news!

1. What is FDI – Foreign Direct Investment?

Foreign Direct Investment is when persons/companies who/which are non-Indian, invest in Indian companies.

Thus, through FDI, the investors become the shareholders in Indian companies and usually have stake that will give them controlling power of the company.

FDI can be done in many ways – popular of which are through acquiring of shares and merger and acquisition.

Also important to know is that there are two 'routes' of FDI, namely, Automatic Route (does not require RBI or CG approval) and the Government Route (requires the approvals for those not covered under the automatic route).

2. Why would anyone invest in another country?

Well, there are plenty of reasons – why would a foreign company invest in any Indian Company?

- There could be tax incentives,
- The company believes that doing a particular business will be more profitable in India,
- There could be tax exemptions favorable to the company both in India and in the company's home country,
- Or, it might be up for some concessions in the home country as a part of the country's trade agreement with India ...

- Or, the company might be aiming at starting operations in South Asia and India is the most developing economy in this part of the world!

The reason could something else too – but mostly it is related to more business opportunities, tax benefits, more profitability etc.

3. What FDI means to a company?

- Foreign Investors become shareholders of a sizeable stake – and the reason they are investing is because they want returns – good returns.
- Which means they'll be very much interested in the working of the company – so that their money earns returns.
- They'll also be active shareholders, board members – and ensure the company is utilizing its resources properly and towards the growth of the company, increasing turnover and ultimately profits.
- To ensure the company gets the best resources to produce best results – the FDI investors may also bring with them management personnel, advanced technology, new system of work and management of the company etc.

4. What does FDI mean to the home/ host country – India?

- FDI brings in more capital into the economy.
- It brings in the much needed foreign exchange – foreign currency.
- It also boosts the domestic economy and industries and generally triggers a positive economic ripple effect.
- It brings in more revenues for the Income Tax Department.
- Advanced technology touches the shores of the host country, along with technically superior human resource.
- Creation of new jobs also happens – and in India jobs can never be few!

The above mentioned points can also be considered to be the **pros** or benefits from FDI.

Which leads us to the **cons** of FDI in India:

- It can lead to the domestic companies losing their market share.
- Domestic companies may lose out to the competition altogether.
- Thus cons are always from the point of view of the host country and how FDI will effect its own economy.
- FDI in retail- which had been in the middle of the entire FDI related storm – also meant farmers, small retailers, and the mom and pop shops losing their business.

4. Sectors where FDI is ALLOWED and the latest caps.

- Railways – 100%
- Defence – 49%
- Telecom – 49% under automatic route and rest as per FIPB's approval
- Insurance – 49%
- News Media – currently 26% and increase to 49% is in the talks
- Courier Services – 100%
- Single Brand Retail – 100%
- Civil aviation – 49%
- Construction Sector – 100%
- Credit Information Companies – 74%
- Power Trading – 49%
- Commodity Exchanges – 49%
- Oil refineries – 49%
- Stock Exchanges – 49%

5. Sectors where FDI is NOT ALLOWED

FDI in the following sectors are prohibited completely – i.e., under both Automatic and Government routes it is **not allowed**.

- Atomic Energy
- Agricultural and Plantation activities
- Gambling, betting and lottery
- Nidhis and Chit Funds
- Real Estate
- Manufacture of cigarettes and tobacco

6. What are FIIs?

Foreign Institutional Investors (FIIs) are persons or companies incorporated outside India (companies can be Mutual funds, Pension funds, investment companies, foreign banks etc.), investing in shares of a company – where their investment is very less. They do not have any sizeable investment – they do not have any controlling power in the company.

It is just like you and me investing in shares of Reliance Industries – only investing is done by people who are not Indian residents; and they have to be registered with SEBI to participate in the market.

So, basically FIIs are the financial market players – and the source of liquidity in the markets. Their investing in the Indian markets project a +ve image and brings in more investors.

There is a ceiling limit of 24% FII of paid-up capital of an Indian company, and 20% in case of PSU banks.

Just like FDIs, FIIs also bring in forex – but when the share Indian sharemarket sees a down – or the markets of other countries sees an upswing – these FIIs are quick to sell their stakes in Indian companies and invest the money where the markets are progressing!

The major difference between FDIs and FIIs are that the former actually has a lot of stake in the company's well being and profitability in the long run – whereas the FIIs want short term returns on the investments.

Foreign exchange reserves always favour more FDIs rather than FIIs as FIIs are the first to abandon the sinking ship!

7. What is India's stance on FDIs and FIIs?

India is now taking a positive and progressive stance towards FDIs and FIIs with encouraging talks on about FDI cap increase in News Media and the ongoing debate on multiple brand retailing.

Recent talks with USA has seen India inviting the US to 'make, innovate and invest' in India – signaling considerable inflow of FDI in the coming months.

FIIs are witnessing a surge because of the over upward trend of the economy, the markets and the recent RBI rate cut. With the economies of US and other developed and developing countries still in the 'recovery' stage – worldwide investors have turned India's way!

8. Trivia:

-
- FDI was introduced in India way back in 1991 by the then Finance Minister Dr. Manmohan Singh.
 - USA has the maximum incoming FDI followed by UK and other countries like Hong Kong, China etc.(not necessarily in the same order)
 - Singapore has made maximum FDI in India as per F.Y. 2014's stats. The previous 1st place was held by Mauritius!
 - Service Sector has always received maximum FDI in India.
 - Focus now shifting to manufacturing sector – with the Make in India vision.

Latest Government Welfare Schemes

Latest Government Welfare Schemes important for interviews.

Deendayal Upadhyaya Gram Jyoti Yojana

The scheme launched by Government of India to provide 24X7 uninterrupted power supply to all homes. The Government will invest total Rs.75600 Crore to complete the task. The scheme has replaced with Rajiv Gandhi Grameen Viduyutikaran Yojana. The basic aim of this Yojana is to provide rural electrification.

Pradhan Mantri Jan Dhan Yojana

Under this scheme, any Indian can open a saving account in any bank with Zero Balance. Anyone who has bank account under this scheme, can avail the benefit of Insurance coverage of Rs.1 Lac. Almost 11.5 Crore accounts have opened under this scheme. Pradhan Mantri Jan Dhan Yojana conferred with Guinness Record for achieving the target.

Sansad Adarsh Gram Yojana

This scheme is mainly focus on the development of villages. Under this scheme, each Member of Parliament will adopt any village to make it a Model Village by 2016. Thereafter, each Member of Parliament repeat the same process and adopt more village to make the Model Villages. Under the scheme, Prime Minister Narendra Mod adopted Village Jayapur, Varanasi while Sachin Tendulkar adopted Village Puttamraju Vari, Nellore, Andhra Pradesh. Sachin Tendulkar is a Rajya Sabha Member.

Make in India

This is an international campaign which attracts businesses from all over the World in invest and manufacture in India. The campaign will under the control of Government of India. The main purpose of this campaign is to focus upon heavy industries and generate employment.

Swachh Bharat Abhiyan

Swachh Bharat Abhiyan launched on 02nd October 2014 i.e. the birth anniversary of Mahatma Gandhi. Under this scheme total 4041 statutory towns will cover by clean the streets and roads. The basic aim of this Abhiyan is to create awareness about Cleanliness and about clean and green India.

NITI Aayog

NITI Aayog means National Institution for Transforming India Aayog. Planning Commission replaced by it. Now, all the States of India will get strategic and technical advices and support from it. Arvind Pangariya became 1st Vice-Chairman of NITI Aayog. Sindhushree Khullar became CEO of NITI Aayog.

Pandit Deendayal Upadhyay Shramev Jayate Yojana

Pandit Deendayal Upadhyay Shramev Jayate Yojana launched by the Government of India to create industrial development and transparency in the Labour Sector. Shramev Sividha Portal has simplified compliance of 16 Labour Laws through a single online form.

Beti Bachao, Beti Padhao Yojana

The scheme launched with Rs.100 Crore initial fund. The basic aim of the scheme is to create awareness about the importance of women. The scheme will empower and protect the women and girl child. Under the scheme, better welfare services will be delivered to women.

Deendayal Upadhyaya Grameen Kaushalya Yojana

Deendayal Upadhyaya Grameen Kaushalya Yojana launched on 25th September 2014 with the aim to provide training to 10 Lakh youths for jobs in the next 3 years. The scheme launched on the 98th birth anniversary of Pandit Deendayal Upadhyay. The Yojana replaced by Aajeevika Skills Development Programme.

Pradhan Mantri Gram Sinchai Yojana

Pradhan Mantri Gram Sinchai Yojana launched to provide water to each and every field situated in India. The basic aim of the scheme is to create development in agriculture. When the water reached at each and every field, then productivity will surely be increased at higher level.

PAHAL Scheme for Direct Benefit Transfer of Subsidy for LPG

PAHAL is the name of scheme launched for direct benefit transfer of subsidy for LPG (DBTL). This scheme was earlier launched on 1 June 2013 on trial basis earlier in this scheme it was mandatory to have aadhaar number seeded with account number, than only cash subsidy transferred to the bank account of LPG account holder.

By this scheme ran in trouble after supreme Court ruling that no person can be denied subsidy on the basis of not having aadhaar number. So government examined the difficulties faced by consumer and modified the scheme and re-launched in 54 districts on 15-11-2014 in 1st phase and launched in rest of 622 districts in phase 2 all over India on 1-1-2015. Once consumer join the scheme he will get LPG cylinder at market price and will receive LPG subsidy in his bank account.

Modified scheme not make it mandatory to make aadhaar number its gives two options to consumer:

Option 1

Aadhar based transfer scheme –In this scheme aadhar number is seeded with account number and subsidy on LPG cylinder is transferred to account number and LPG number is linked with Aadhar number of customer.

Option 2

In this bank details of account number is directly linked to 17 digit LPG id and cash subsidy is transferred to bank account number.

If the LPG consumers who do not wish to avail the LPG subsidy for LPG cylinders can simply choose to opt out of subsidy. Over 12000 citizens have already voluntarily given up subsidy freeing up crores of subsidy amount for under privileged population.

Impact

The main of launching Pahal is to check leakages, delays and bring transparency. DBTL is designed to ensure that the benefit meant for the genuine domestic customer reaches them directly and is not diverted. By this process public money will be saved.

Pradhan Mantri Jan Dhan Yojna (PMJDY) - Scheme Details

Prime Minister Shri.Narendra Modi on 15-august 2014 announced a financial inclusion scheme known as Pradhan Mantri Jan-Dhan Yojna (PMJDY).This scheme was formally launched on 28-Aug-2014, through this scheme financial inclusion is taken as mission mode.



In order to achieve financial inclusion various initiatives were taken by previous governments and RBI like expansion of bank branches network, opening of no frills account ,mandatory financial inclusion plans by banks ,adoption of business correspondent model (BC) but still vast section of our country out of reach of financial services, So to provide basic financial services like saving account, Remittance, Credit ,Insurance ,Pension in an affordable manner to common man PMJDY was launched.

Popular Government welfare schemes

How PMJDY is different from previous Financial Inclusion schemes

PMJDY focus on opening bank account in every family where as previous scheme focus on providing banking services with population more than 2000.

PMJDY focus on rural and urban area as same where as previous scheme concentrate more on rural areas.

Thrust of this scheme is on providing not just account opening but also addition services like insurance ,overdraft facility, remittances, RuPay debit card.

USSD based mobile banking to be utilized where as in previous scheme there is not use of mobile banking. Financial literacy is focus in PMJDHY where as in previous scheme financial literacy was neglected.

In PMJDY, KYC needed to open bank account was made simpler.

Banking Mitry

PMJDY envisages provision of affordable financial services within reasonable distance. It comprises of the following six pillars

1. Universal access to banking services-It aims at providing banking services to all inhabitants with in reasonable distance of 5 k.m. by 14th-Aug-2015.
2. Providing Basic Banking Accounts, RuPay debit card and overdraft facility to all households
3. Financial Literacy Programme –Financial literacy is integral part of PMJDY. By providing financial literacy people will be able to judge right financial product for them.
4. Creation of Credit Guarantee fund –It propose the creation of credit guarantee fund to cover the defaults in overdraft accounts.
5. Micro insurance –To provide micro insurance to all willing and eligible persons by August2018
6. Unorganised sector Pension Schemes like Swavalamban but August-2018.

PMJDY will be implemented in two phases

Phase I

(from 15-August-2014 to 14-August 2015)- In this phase first three pillars of PMJDY will be implemented ,this include

- Universal access to banking facilities
- Providing basic bank account with RuPay debit card with inbuilt accidental insurance cover of 1lakh.
- Financial literacy programmes

Phase II

(from 15th-Aug-2015 to 14th-Aug-2018)-In this last three pillars of PMJDY will be implemented this include:

- Creation of credit guarantee fund
- Micro Insurance
- Overdraft facility

- Unorganized sector Pension Schemes like swavalamban.

PMJDY is highly successful. Provision of social security by pension and insurance cover is a significant policy intervention. RuPay enable debit card provides transaction security and overdraft facility, subsidies transfer to bank account will provide economic security. Enthused by the success the target for opening basic account target has been revised form 7.5 Crore to 10 Crore by January 26 and this target is also met and banks have issued 7.28 Crore RuPay debits cards. So will combine efforts of GOI, RBI ands Banks, PMJDY will able to provide financial inclusion to every section of our society.

NITI AAYOG - National Institution For Transforming India

History is all set to change with all over for planning commission and new institution know as NITI Aayog set to take his role.



The main aim of forming Niti Aayog is pro people development by following up bottom up approach and with active participation of all stakeholders. It has been set up as a think-tank for formulating a new policy framework in keeping with the changes and challenges of rapidly evolving socio-economic scenario in the country.

The thought behind its establishment to work as enabler or catalyst for development not as provider for development. Aayog will provide strategic and technical advice on issues of “national and international importance” to the Centre and states.

NITI Aayog known as **National institution for transforming India** came into existence on 1-January-2015 with good bye to six decades old planning commission. Planning Commission was established in 1950s to respond to development needs of India after independence .It made resources available to state government to meet their development needs and come up with five years plans for development . It was set up by the resolution of GOI on 1950.

So Why the need felt to replace Planning Commission with Niti Aayog

1. Most of the criticism regarding planning commission was that it thrust his development agenda on states without their active collaboration and not considering their social economic uniqueness. One size fit for all solution was followed by planning commission.
2. Niti Aayog will be more like think tank advising central and state governments on strategic and technical issues across the spectrum of key elements of policy where as in planning commission there was no active participation of stakeholders.
3. In Niti Aayog will have all the state chief ministers and Lt. Governors included in the governing council where as in planning commission state chief ministers were not actively involved.
4. The mantra of Niti Aayog is inclusiveness with states as partners, equality, transparency, pro people, empowering which was not visible in planning commission.

So the big difference is states now have a greater say, where as it was planning commission the formulate plans for state without their active involvement and asked the states to implement those plans. Niti Aayog will followed the bottom to top model of development to meet the specific development needs of village, states by having provision to foam regional development council. It will provide flexible approach in development to pick experts from various sectors.

Niti Aayog will have

1. Prime Minister as chairman
2. CEO
3. Vice chairman
4. Full time members
5. Two part time members
6. Four union ministers as ex-officio members
7. Governing council comprising of all state chief ministers and Lt. Governors.
8. Regional Councils which will be formed to address any state specific issues.
9. Invitees from different fields having relevant domain knowledge.

Recently appointed members to Niti Aayog

- **Arvind Panagariya appointed as Vice Chairman of Niti Aayog.**
- Bibek Debroy and VK Saraswat DRDO chief were appointed as full-time members.
- Union Ministers Rajnath Singh, Arun Jaitley, Suresh Prabhu and Radha Mohan Singh will be the Ex-Officio members.
- Nitin Gadkari, Smriti Zubin Irani and Thawar Chand Gehlot -- Special Invitees.

There are many challenges that lie ahead in front of Niti Aayog ,the biggest challenge is to take all stakeholders on board to full fill the aspirations of common man and take the development to village level by making policies that are people centric or it just prove to be old wine in new bottle .

Difference between Balance of Payments and Balance of Trade

Going by the trends of the questions being asked in the IBPS interviews, questions from basic micro and macro economics is being asked almost in every panel.

It does not matter anymore what your area of specialization, qualification or educational background is – you are required to know basic economics.

So, I'm going to take you through some important and commonly asked 'economics' topics in a series of articles – summarized in bulleted format to make it easier for reading and remembering and revising!

1. Balance of Payments (BOP)

1. Balance of Payments (BOP) – is simply put – the summary of *all* the 'economic' transactions India has had with the rest of the world (ROW) in a financial year.

When I say India and economic transactions – I mean to say business entities (individuals/companies /firms), Government entities etc. of India – having international business transactions.

2. Balance of Trade (BOT)

2. Balance of Trade (BOT) – is just the summary or the balancing of the total exports and the total imports of India in a financial year.

Or, in formulaic form it is –

BOT = Total Exports of visible items – Total Import of visible items

(what is visible item? – hang on – I'll answer that in a bit!)

3. Difference between BOP and BOT

BOP summarizes all the inter-country transactions (ALL international transactions) and is a wider term – which includes BOT.

So, BOT forms a part of BOP.

Whereas BOT is a narrower term, and includes only the summary of export and import of *Visible Items*.

4. Items that make up the BOP and BOT

BOP is a wider term – and includes:

- ***Visible Items*** – are those items which are visible/ touchable/ tangible/physical – i.e., they can be seen and measured and touched!

BOP includes the export and import of such physical goods.

- ***Invisible Items*** – are those which cannot be seen (*and hence invisible!*) or touched – but can be felt – I am talking about *services!*

The import and export of services is included in BOP – services like banking/consultancy services of IT/ Legal/ Architecture/ Management/ CA etc./ insurance and logistics services.

- ***Unilateral Transfers*** – as the name suggests are transactions which are one way.

The transactions I gave as examples above are two way transactions – sell/ buy goods/ services – receive/ pay money = two way.

One way or unilateral transactions also form part of BOP and includes transactions like – remittances to and from abroad/ gifting across borders etc.

- ***Capital Transfers*** – are transfer of title or ownership of capital assets across borders. It includes purchase/ sale of capital assets like land, building, plant and machinery etc. – but across borders.

Like and NRI/ PIO selling his property in India. Since the person is not an Indian Resident then such a transaction becomes an international transaction and forms part of BOP.

BOT includes only the *visible items* – so it is a narrower term and is included in the broader term BOP.

5. Understanding BOP and BOT

- **Balanced BOP** is when forex payment and receipts are equal – which never happens in reality!
- **Surplus BOP** is when the forex receipts are more than the payments.
- **Deficit BOP** is when the forex payments are more than the receipts.
- **Surplus BOT** is when the exports are more than imports – it is a '**favourable BOT**'.
- **Deficit BOT** is when the imports are more than the exports – it is '**unfavourable BOT**'.

6. Current Account and Capital Account

- **Current account** includes transactions of visible, invisible items and unilateral transactions.

In other words – current account transactions are import and export transactions of physical goods and services and also includes one way transfers.

- **Capital account** includes those international transactions which causes **change in the assets and liabilities of the residents of India or the Government**.

Transactions like making investments abroad or foreign investors investing in India, borrowings and lending of funds across borders etc.

Since capital account transactions are concerned with capital assets – it does not affect the revenue incomes, output/ production or employment scenario of the country; these are reflected by the current account transactions instead.

7. Autonomous and Accommodating Items

- **Autonomous Items** also known as 'above the line items' – are those international transactions which happen due to profit earning motive.

All profit oriented international transactions – like export and import are autonomous transactions.

Autonomous transactions are called 'autonomous' because they happen on their own accord and not because of a country's BOP scenario.

Autonomous transactions will include imports and exports (current account transactions) and also lending or borrowing of loans (cross border) or payment or receipt of interests thereon.

As you can see these transactions will happen as when the originator of the transaction – i.e., importer/ exporter/ borrower/ lender/ etc. – wants to transact.

- **Accommodating Items** or 'below the line items' are those which originate to 'accommodate' the BOP scenario.

If there is BOP surplus or deficit then accommodating transactions are carried out in a deliberate manner to balance out the surplus/ deficit BOP.

Accommodating transactions compensate the surplus or deficit brought about by autonomous transactions.

Usually we have BOP deficit and that is *accommodated* by bringing in flow of foreign exchange in the form of FDI/ loan from IMF etc. to balance out the deficit or to lower the deficit.

List of Important Days for Banking Exams

List of important days, useful for general awareness section of banking exams

List of important Days	
April Fools Day	April 1
Australia Day	January 26
Bangladesh Independence Day	March 26
Black Day	April 14
Boxing Day	December 26
Central Excise Day	February 24
Christmas Day	December 25
Coal Miners Day	May 4
Coconut Day	September 2
Commonwealth Day	2 nd Monday of March
Darwin Day	February 12
Day of Dialogue	April 15
Day of Silence	April 15
Desh Prem Divas	January 23
Doctor's Day	July 1
Earth Day	April 22
Foursquare Day	April 16
Global Handwashing Day	October 15
Hiroshima Day	August 6
Hug Day	February 13
Human Rights Day	December 10
Indian Air Force Day	October 8
Indian Army Day	January 15
Indian Navy Day	December 4
Indian Republic Day	January 26
International Day against Drug Abuse and Illicit Trafficking	June 26
International Day for Biological Diversity	May 22
International Day for the Elimination of Racial Discrimination	March 21
International Day of Families	May 15
International Day of Non-Violence	October 2
International Day of Zero Tolerance to Female Genital Mutilation	February 6
International Men's Day	November 19
International Mother Language Day	February 21
International Nurses Day	May 12
International Tiger Day	July 29

International Women's Day	March 8
International Worker's Day	May 1
International Youth Day	August 12
Kisan Divas	December 23
Legal Services Day	November 9
May Day	May 1
Mother' Day	2 nd Sunday of May
Myanmar Independence Day	January 4
National Children's Day	November 14
National Engineer's Day	September 15
National Hug Day	January 21
National Post Day	October 10
National Science Day	February 28
National Sports Day	August 29
National Teacher's Day	September 5
National Technology Day	May 11
National Voter's Day	January 25
National Youth Day	January 12
Non-resident Indian Day	January 9
Patriot Day	September 11
Photography Day	August 19
Purple Day	March 26
Quit India Day, Nagasaki Day	August 9
Rare Disease Day	February 28
Sri Lanka Independence Day	February 4
Street Children's Day	January 31
Thinking Day	February 22
Towel Day	May 25
United Nations International Day of Persons with Disabilities	December 3
Valentine's Day	February 14
White Day	March 14
World AIDS Day	December 1
World Animal Day	October 4
World Autism Awareness Day	April 2
World Blood Donor Day	June 14
World Book Day	April 23
World Cancer Day	February 4
World Diabetes Day	November 14
World Disabled Day	March 15
World Down Syndrome Day	March 21
World Environment Day	June 5
World Food Day	October 16
World Habitat Day	October 3
World Health Day	April 7
World Hemophilia Day	April 17
World Heritage Day	April 18
World Information Society Day	May 17

World Intellectual Property Day	April 26
World Laughter Day	First Sunday of May
World Literacy Day	September 8
World Malaria Day	April 25
World Marriage Day	2 nd Sunday of February
World Mental Health Day	October 10
World Meteorological Day	March 23
World Music Day	June 21
World No Tobacco Day	May 31
World Oceans Day	June 8
World Ozone Day	September 16
World Poetry Day	March 21
World Population Day	July 11
World Post Office Day	October 9
World Press Freedom Day, World Asthma Day	May 3
World Red Cross Day	May 8
World Refugee Day	June 20
World Senior Citizen's Day	August 8
World Sight Day	2 nd Thursday of October
World Sparrow Day	March 20
World Telecommunication Day	May 17
World Toilet Day	November 19
World Tourism Day	September 27
World Tuberculosis Day	March 24
World Vegetarian Day	October 1
World Water Day	March 22

Financial Ratios with Explanation - Part 1

Today we're starting a series of articles on 'Financial Ratios'; very important from interview point of view!

'Financial Ratios' refers to a group of different 'ratios' which act as a tool to bring out useful information from the elements of a Balance Sheet.

These ratios are nothing but the normal ratios we learnt – except they represent certain items of Balance Sheet/ Profit & Loss Account of a company to present the 'financial condition' and other information, which will help stakeholders to make informed decisions.

Financial Ratios in addition to showing a company's performance/ financial position also helps in comparing two or more companies in financial terms – thus as an investor you'll know which company to put your funds in! But of course that is not the only use of Financial Ratios.

Financial Ratios are typically classified into four categories:

1. **Liquidity Ratios** – show a firm's ability to meet its short term liabilities, i.e., current obligations.
2. **Profitability Ratios** – measures profitability of a firm; measures expenses and income.

3. **Leverage Ratios** – essentially measures a firm's capital structure and its various elements.
4. **Turnover Ratios** – income and expense related; sales and expenditure related.

LIQUIDITY RATIOS

There are 4 Liquidity Ratios:

Current Ratio:

also simply known as 'liquidity ratio' is the ratio between 'Current Assets' and 'Current Liabilities'.

- ***The formula is = Current Assets/ Current Liabilities***
- Current Assets include all those assets which are held for a short time in the course of business and which can be easily converted into cash.
- Examples of Current Assets are: Cash, Bank Balance, Short Term investments, Stock in Trade, Finished Goods, Raw Materials, Prepaid Expenses, Debtors, Bills Receivables etc. As you can see – these items are Cash and Cash Equivalents, i.e., easily convertible into cash.
- Current Liabilities are obligations of a company which need to met in a short period of time – bills payables, creditors, bank overdraft account etc.
- Thus Current Ratio – shows the ability of a company to meet its short term or current payment obligations.
- An ideal current ratio for banks is 1.33:1. Current Assets to be 1.33 times of current liabilities to be in comfortable position and not have excessive current asset sitting idle!

Acid Test Ratio: also known as Quick Ratio

- It is also a measure of Current Assets and Current Liabilities – but in this case, the Current Assets include strictly only cash and cash equivalents.
- Thus Current Assets in Acid Test Ratio includes all current assets except Stock in Trade and Prepaid Expenses – it is also known as Quick Assets – as they can be quickly converted to cash.
- Stock takes some time to be converted to cash and pre-paid expenses can not be converted into cash – it can only result in receipt of some kind of service in future, hence they are excluded in 'Quick Assets'
- **Formula is = Quick Assets/ Current Liabilities.**
- Ideal Quick Ratio is 1:1.

Working Capital Ratio:

- For any business firm to operate its day to day activities, it need to have cash/funds in hand at all times to carry on its activities without any stoppage or problem – this cash in hand is what in commerce jargon is known as 'working capital'.
- Working Capital – ensures smooth operations in terms of availability of funds. Imagine you have to place an order for raw materials and you don't have money!
- Thus for any commercial establishment – working capital management is a very important aspect, even for banks; it ensures operational efficiency.
- **Working capital = Current Assets – Current Liabilities.**
- **Working Capital Ratio = Current Assets/Current Liabilities.**
- Working capital ratio should always be above 1. If not it means negative working capital, which would mean the payment obligations exceed the funds receipt – which poses problem for a business...obviously!

Cash Ratio:

- Is what the name says – the very strict and narrow definition of cash – which includes only cash and cash equivalents, leaving out stock, inventories, debtors, other accounts receivables too.
- Thus it includes, cash, marketable securities, bank balances only!
- Thus formula = Cash + Marketable Securities/ Current Liabilities.

Thus as we see from the above 4 ratios – all deal with Current Assets and Current Liabilities in various ways depending on how narrow or broad they want the definition of the ratios to be.

This is essence is 'liquidity' – a firm's capability to generate short term funds and pay short term obligations, on regular basis without falling into a funds crisis.

International Sports Events held in 2014 and 2015

List of international sports events to be held in the world in 2014 and 2015. These events are important for the banking exams point of view.

INTERNATIONAL SPORTS EVENTS 2015

Event	Location
Pan American Games 2015	Toronto, Canada
Special Olympics World Summer Games	Los Angeles, USA
AFC Asian Cup 2015	Australia
ICC Cricket World Cup 2015	Australia, New Zealand
International Golf Championship 2015	Perth, Australia
Junior Figure Skating World Championship	Tallinn, Estonia
FIFA Women's World Cup 2015	Canada
Australian Open (Tennis)	Melbourne, Australia
Skiing World Championship	United States of America
French Open (Tennis)	Paris, France
South-East Asian Games	Singapore
European Games	Baku, Azerbaijan
US Open (Golf)	Washington, USA
Wimbledon (Tennis)	London, England
World Swimming Championship	Kazan, Russia
World Championship (Gymnastics)	Glasgow, UK
IWF World Championship (Weightlifting)	Houston, USA
European Judo Championship 2015	Glasgow
IBSA World Games 2015	Seoul, South Korea

INTERNATIONAL SPORTS EVENTS 2014

Event	Location
FINA World Swimming Championship	Doha, Qatar
FIH Champions Trophy for Men (Hockey)	India
Asian Games	Incheon, South Korea

Commonwealth Games	Glasgow, Scotland
Winter Olympics	Sochi, Russia
FIBA World Championship (Basketball)	Spain
FIFA World Cup 2014	Brazil
World Junior Ice Hockey Championship	Sweden

Indian Honours and Awards System

List of awards in India

Civilian Award

Award type	Award name	
(A) International Award	1. Gandhi Peace Prize 2. Indira Gandhi Peace Prize 3. Tagore Award For Cultural Harmony	
(B) National Award	1. Bharat Ratna (Highest) 2. Padma Vibhusan 3. Padma Bhusan 4. Padma Sri 5. Stree Shakti Purakshar 6. National Bravery Award 7. National Children Award for Exceptional Achievement	
(C) Central Award	1. Mahapandit Rahul Sankrityayan Award 2. Ganga Sharan Award 3. Ganesh Hindi Vidyarthi Award 4. Aatma Ram Award 5. Subramanya Bharathi Award 6. George Grierson Award 7. Moturi Satyanarayan Award	
(D) By Field	Literature	1. Jnanpith Award 2. Sahitya Akademi Fellowship 3. Sahitya Akademi Award
	Cinema	1. Dadasaheb Phalke Award 2. National Film Awards

	Other Arts	1. Sangeet Natak Akademi Fellowship 2. Sangeet Natak Akademi Award 3. Lalit Kala Akademi Fellowship
	Sports	1. Rajiv Gandhi Khel Ratna Award 2. Arjuna Award 3. Dronacharya Award 4. Dhyan Chand Award
	Science & Technology	1. Shanti Swarup Bhatnagar Prize for Science and Technology 2. Kalinga Prize
	Blog	1. Parikalpna Award
	Medical	1. Dr. B. C. Roy Award

Military Award

Award type	Award name
(A) Wartime	1. Param Vir Chakra 2. Maha Vir Chakra 3. Vir Chakra
(B) Wartime Distinguished Service	1. Sarvottam Yudh Seva Medal 2. Uttam Yudh Seva Medal 3. Yudh Seva Medal
(C) Peacetime	1. Ashoka Chakra 2. Kirti Chakra 3. Shaurya Chakra
(D) Peacetime Distinguished Service	1. Param Vishisht Seva Medal 2. Ati Vishisht Seva Medal 3. Vishisht Seva Medal
(E) Wartime / Peacetime Service & Gallantry	1. Sena Medal (Army) 2. Nausena Medal (Navy) 3. Vayusena Medal (Air Force)

List of Countries - Their Capital, Currency and Official Language

List of countries with their capitals, currencies and official languages.

European Countries	Capital	Currency
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United Kingdom	London	Pound Sterling
France	Paris	Euro
Spain	Madrid	Euro
Portugal	Lisbon	Euro
Germany	Berlin	Euro
Italy	Rome	Euro
Vatican City	Vatican	Euro
Malta	Valletta	Euro
Switzerland	Bern	Swiss Franc
Belgium	Brussels	Euro
Netherlands	Amsterdam	Euro
Denmark	Copenhagen	Krone
Norway	Oslo	Norwegian krone
Sweden	Stockholm	Krona
Finland	Helsinki	Euro
Estonia	Tallinn	Euro
Latvia	Riga	Euro
Lithuania	Vilnius	Euro
Belarus	Minsk	Belarusian ruble
Ukraine	Kiev	Ukrainian hryvnia
Poland	Warsaw	Zloty
Czech Republic	Prague	Koruna
Austria	Vienna	Euro
Albania	Tirana	Lek
Bosnia	Sarajevo	Convertible mark
Bulgaria	Sofia	Lev
Croatia	Zagreb	Kuna
Macedonia	Skopje	Macedonian denar
Moldova	Chişinău	Moldovan leu
Romania	Bucharest	Romanian leu
Slovakia	Bratislava	Euro

Slovenia	Ljubljana	Euro
Hungary	Budapest	Forint
Greece	Athens	Euro
Cyprus	Nicosia	Euro
Ireland	Dublin	Euro / Pound Sterling
Iceland	Reykjavík	Icelandic króna
Luxembourg	Luxembourg	Euro

North American Nations	Capital	Currency	Language
Antigua and Barbuda	St. John's	East Caribbean dollar	English
The Bahamas	Nassau	Bahamian dollar	English
Barbados	Bridgetown	Barbadian dollar	English
Belize	Belmopan	Belize dollar	English
Canada	Ottawa	Canadian dollar	English, French
Costa Rica	San José	Costa Rican colón	Spanish
Cuba	Havana	Peso	Spanish
Dominica	Roseau	East Caribbean dollar	English, French
Dominican Republic	Santo Domingo	Dominican Peso	Spanish
El Salvador	San Salvador	United States dollar	Spanish
Grenada	St. George's	East Caribbean dollar	English
Guatemala	Guatemala City	Guatemalan quetzal	Spanish
Haiti	Port-au-Prince	Haitian gourde	French Haitian Creole
Honduras	Tegucigalpa	Honduran lempira	Spanish
Jamaica	Kingston	Jamaican dollar	English
Mexico	Mexico City	Peso	Spanish

Nicaragua	Managua	Nicaraguan córdoba	Spanish, English
Panama	Panama City	Panamanian balboa, United States dollar	Spanish
Saint Kitts and Nevis	Basseterre	East Caribbean dollar	English
Saint Lucia	Castries	East Caribbean dollar	English
Saint Vincent and the Grenadines	Kingstown	East Caribbean dollar	English
Trinidad and Tobago	Port of Spain	Trinidad and Tobago dollar	English
United States	Washington, D.C.	United States dollar	No Federal Language
South American Nations	Capital	Currency	Language
Argentina	Buenos Aires	Peso	Spanish
Bolivia	La Paz	Boliviano	Spanish
Brazil	Brasília	Real	Portuguese
Chile	Santiago	Peso	Spanish
Colombia	Bogotá	Peso	Spanish
Ecuador	Quito	United States dollar	Spanish
Guyana	Georgetown	Guyanese dollar	English
Paraguay	Asunción	Guaraní	Spanish
Peru	Lima	Nuevo sol	Spanish
Suriname	Paramaribo	Surinamese dollar	Dutch
Uruguay	Montevideo	Uruguayan peso	Spanish
Venezuela	Caracas	Bolívar fuerte	Spanish

African Nations	Capital	Currency	Official language(s)
Algeria	Algiers	Algerian dinar	Arabic

Angola	Luanda	Kwanza	Portuguese
Benin	Porto Novo	West African CFA franc	French
Botswana	Gaborone	Pula	English
Burkina Faso	Ouagadougou	West African CFA franc	French
Burundi	Bujumbura	Burundi franc	French
Cameroon	Yaoundé	Central African CFA franc	French, English
Cape Verde	Praia	Cape Verdean escudo	Portuguese
Central African Republic	Bangui	Central African CFA franc	French
Chad	N'Djamena	Central African CFA franc	French, Arabic
Comoros	Moroni	Comorian franc	Arabic, French,
<i>Congo</i>	Kinshasa	Congolese franc	French
Djibouti	Djibouti	Djiboutian Franc	Arabic, French
Egypt	Cairo	Egyptian Pound	Arabic
Equatorial Guinea	Malabo	Central African CFA franc	Spanish, French, Portuguese
Eritrea	Asmara	Nakfa	Arabic, English
Ethiopia	Addis Ababa	Ethiopian birr	Amharic
Gabon	Libreville	Central African CFA franc	French
Gambia	Banjul	Dalasi	English
Ghana	Accra	Ghanaian cedi	English
Guinea-Bissau	Bissau	West African CFA franc	Portuguese
Guinea	Conakry	Guinean franc	French
Ivory Coast	Yamoussoukro	West African CFA franc	French
Kenya	Nairobi	Kenyan shilling	English
Lesotho	Maseru	Loti	English
Liberia	Monrovia	Liberian dollar	English
Libya	Tripoli	Libyan dinar	Arabic

African Nations	Capital	Currency	Official language(s)
Madagascar	Antananarivo	Malagasy Ariary	French
Malawi	Lilongwe	Malawian kwacha	English
Mali	Bamako	West African CFA franc	French
Mauritania	Nouakchott	Mauritanian Ouguiya	Arabic
Mauritius	Port Louis	Mauritian rupee	English
Morocco	Rabat	Moroccan dirham	Arabic
Mozambique	Maputo	Mozambican metical	Portuguese
Namibia	Windhoek	Namibian dollar	English
Niger	Niamey	West African CFA franc	French
Nigeria	Abuja	Nigerian naira	English
Republic of Congo	Brazzaville	Central African CFA franc	French
Rwanda	Kigali	Rwandan franc	French, English
Senegal	Dakar	West African CFA franc	French
Seychelles	Victoria	Seychellois rupee	English, French
Sierra Leone	Freetown	Leone	English
Somalia	Mogadishu	Somali shilling	Somali, Arabic
South Africa	Cape Town, and Pretoria	South African rand	English
South Sudan	Juba	South Sudanese pound	English
Sudan	Khartoum	Sudanese pound	Arabic, English
Swaziland	Lobamba	Lilangeni	English
São Tomé and Príncipe	São Tomé	São Tomé and Príncipe Dobra	Portuguese
Tanzania	Dodoma	Tanzanian shilling	English
Togo	Lomé	West African CFA franc	French
Tunisia	Tunis	Tunisian dinar	Arabic

Uganda	Kampala	Ugandan shilling	English
Zambia	Lusaka	Zambian kwacha	English
Zimbabwe	Harare	United States dollar and South African rand	English
Oceania Nations	Capital	Currency	Language
Australia	Canberra	Australian dollar	English
Fiji	Suva	Fijian dollar	English
Kiribati	Tarawa	Kiribati dollar Australian dollar	English
Marshall Islands	Majuro	United States dollar	English
Micronesia	Palikir	United States dollar	English
Nauru	No official Capital	Australian dollar	English
New Zealand	Wellington	New Zealand dollar	English
Palau	Ngerulmud , Melekeok	United States dollar	English
Papua New Guinea	Port Moresby	Kina	English
Samoa	Apia	Tala	English
Solomon Islands	Honiara	Solomon Islands dollar	English
Tonga	Nuku'alofa	Pa'anga	English
Tuvalu	Funafuti	Tuvaluan dollar Australian dollar	English
Vanuatu	Port Vila	Vanuatu vatu	French, English

List of Stock Indices in the World

A Stock index is a weighted average of selected stocks which depicts the trends in stock market.

List of important stock indices in the world. General questions are asked about which index is from which country. In brackets you can find number of stock in the index.

Country	Stock Indices
United States of America	Dow (30), Nasdaq (100), S&P (500),
Australia	S&P/ASX200 (200), All ORDS (500)
Belgium	Bel 20 (20), AEX (25), CAC 40 (40)
Brazil	Bovespa (450), FTSE 100 (100)
Canada	S&P/TSX (60),
China	SSE (932)
Denmark	OMXC20 (20),
Egypt	Case 30 (30)
South Africa	Johannesburg All Share Index (472)
Hong Kong	Hang Seng (48)
India	BSE SENSEX 30 (30), CNX Nifty (50)
Indonesia	JSX (462)
Japan	Nikkei 225 (225)
Malaysia	FTSE Bursa Malaysia Index (30)
New Zealand	NZX 50 (50)
Pakistan	KSE 100 (100)
Philippines	PSEi Index
South Korea	KOSPI (100)
Taiwan	TSEC (809)
Czech Republic	PX Index (50)
Finland	OMX Helsinki 25 (25)
France	CAC 40 (40)
Ireland	ISEQ 20 (20)
Italy	S&P/MIB Index
Netherlands	AEX Index (25)
Spain	IBEX 35 (35)
Sweden	OMX Stockholm 30 (30)
Switzerland	Swiss Market Index (SMI) (20)
Israel	TA-25 (25)
Oman	MSM 30 (30)
Argentina	MERVAL
Mexico	Indice de Precios v Cotizaciones (IPC)
England	FTSE 100 (100), FTSE 250 (250), FTSE 350 (350), FTSE All share (627)

Full Forms of Financial Terms

Important financial terms for banking exams:-

Term	Full form
EFFC A/c	Exchange Earner Foreign Currency Account
LRS	Liberalised Remittance Scheme
NIM	Net Interest Margin
LIBOR	London Inter Bank Offered Rate

MIBOR	Mumbai Inter Bank offered Rate
IBRD	International Bank for Reconstruction & Development
MLAT	Mutual Legal Assistance Treaty (SAARC)
NACP	National Aids Control Programme
CDM	Clean Development Mechanism
CRAR	Capital to Risk Weighted Assets Ratio
GPRS	General Packet Radio Service
CDMA	Code Division Multiple Access
GSM	Global Services for Mobile
BIMSTEC	Bay of Bengal Initiative for Multi Sectoral Technical & Economic Cooperation
CTT	Commodity Transaction Tax
NAPCC	National Action Plan for Climate Change
UNFCCC	U N Framework Convention on Climate Change
NEFT	National Electronic Fund Transfer
FIH	International Hockey Federation
FIFA	International Federation of Association Football/Federation Internationale de Football Association (French acronym)
FSLRC	Financial Sector Legislative Reform Commission
NDM-1	New Delhi Metallo Beta Lactamase-1
CER	Certified Emission Reductions
NPCI	National Payment Corporation of India
IFSC	Indian Financial Services Code
MICR	Magnetic Ink Character Recognition
CBD	Convention on Biological Diversity
COP	Conference of Parties
ABS	Access, Benefit & Sharing
NFS	National Financial Switch
CSE	Centre for Science & Environment
MFI	Micro Finance Institution
QFI	Qualified Foreign Individuals
NAMICA	Nag Missile Carrier
NCHER	National Commission for Higher Education & Research
CCEA	Cabinet Committee on Economic Affairs
PTC	Pass Through Certificate
CAMELS	Capital Assets Management Earnings Liquidity Systems
SECC	Socio Economic & Caste Census
FCEB	Foreign Currency Exchangeable Bonds
NELP	New Exploration Licencing policy
FIPB	Foreign Investment Promotion Board
ITER	International Thermonuclear Experiment Reactor
INDU	Indian National Defence University (Gurgaon, Haryana)
MCX	Multi Commodity Exchange
BAFTA	British Academy Film & Television Awards
NIA	National Investigation Agency
CENVAT	Central Value Added Tax
IIP	Index of Industrial Production
SPV	Special Purpose Vehicle

IMPS	Interbank Mobile Payment Service
OMO	Open Market Operation
GAAR	General Anti Avoidance Rule
FCNR(B)	Foreign Currency Non Resident Bank
MNP	Mobile Number Portability
WIMAX	Worldwide Interoperability of Microwave Access
NCTC	National Counter Terrorism Centre
XBRL	Extensible Business Reporting Language
SACOSAN	South Asian Conference on Sanitation
IMEI	International Mobile Equipment Identity
UNICEF	UN International Children Emergency Fund
OIC	Organisation of Islamic Conference
GCC	Gulf Cooperation Council
SIM	Subscriber Identity Modules
NADA	National Anti Doping Agency
CASA	Current Account, Saving Account
CERN	European Centre for Nuclear Research
CBDR	Common but differentiated responsibility

Mutual Fund - Concept and Structure

Mutual Fund is an investment plan wherein MF pools investors money to invest in pre-determined goals for capital appreciation.

Benefits of Mutual Funds

- It's safe
- No need to stay updated with market movements
- Experts manages the investments
- Tax saving under section 80(c)
- Investors can invest in any investment option (For example it's not possible to invest 1 lac in a real estate project, mutual funds makes it possible)

STRUCTURE OF A MUTUAL FUND

- Sponsor (Promoter)
- Trustees
- Asset Management Company
- Custodian
- R & T Agent
- Distributors

Sponsor

Sponsor is the promoter of mutual fund and get MF registered with SEBI. Sponsor forms a trust and appoints board of trustees.

Pre-requisites of a sponsor

- Minimum 40% shareholding in AMC (Asset Management Company)
- Must have positive net worth in last 5 years
- Should be in financial services sector during past years from the date of registration

Trust

Trust is the owner of mutual fund. It protects the investors money. Trust acts as a watchdog and keeps an eye on investors money. There should be at least 4 trustees and 2/3 of the trustees should be independent. Trust signs trust deed with Sponsor

Asset Management Company

ASM pools and invests investor money in pre-stated objective for capital appreciation.

- In India AMC should be a private limited company
- Net worth should be at least 10 cr at all times
- At least 50% directors should be independent

Custodian

- Custodian is appointed by Trust and it has the custody of assets of Mutual Fund.
- Sponsor and custodian can never be same
- Custodian should be registered with SEBI

Registrar and Transfer agents (RTA)

Maintains investors records and handles investors documents. It's not compulsory to appoint an RTA.

Indian Authors and their books

As all of you might know that in every bank exam there is at least 1 question from popular Indian authors and their books. So today I am providing you a list of Indian Authors with their books.

- **A.P.J. Abdul Kalam** :- 2020- A Vision for the New Millennium, Wings of Fire, Envisioning an Empowered Nation, Ignited Minds, My Journey, Developments in Fluid Mechanics and Space Technology, The Luminous Sparks, The Life Tree, Mission India, Children Ask Kalam, Guiding Souls, Indomitable Spirit, Inspiring Thoughts
- **Amrita Pritam** :- Pinjar, Life and poetry of Sara Shagufta, The other dimension, Nagmani, Forty-Nine Days, Sometimes I Tell This Tale to the River, The haunted house and the thirteenth Sun, A statement of agony, Their signature and other novelettes, 49 Days: A Novel, Aksharom ke sāye: eka antaryātrā, Hare dhāge kā riśtā, Ratanā, Beṇū te Uramī, Village No. 36: A Novel, Life and Times, Bure sailan de mamle, The Skeleton and Other Writings, Blank Sheets, Nau phūlom kī vyathā, Kachchi Sadak, Alifa Lailā hazāra dāstāna, Fifty Fragments of the Inner Self, Women S Human Rights, Ananta nāma jiñāsā, A Slice of Life: Selected Works, Khāmośī ke āñcala meṃ, Mein Tumhe Phir Miloongi

- **Anil Padmanaban** :- Kalpana Chawla – A Life
- **Anita Desai** :- Fasting, Feasting
- **Annie Besant** :- Wakeup India
- **Arundhati Roy** :- The God of Small Things
- **C.S. Pandit** :- End of the Era
- **Chetan Bhagat** :- What young India wants, The 3 Mistakes of My Life, Five Point Someone, Two States, Revolution 2020, One Night at the Call Center
- **Pavan K.Varma** :- When Loss is Gain
- **Bimal Jalan** :- The Future of India
- **Dr. S. RadhaKrishnan** :- Indian Philosophy
- **E K Nayanar** :- My Struggle
- **G.D. Khosla** :- Last Days of Nethaji
- **Indira Gandhi** :- My truth, Peoples and Problems, Man and His Environment
- **Jawaharlal Nehru** :- The Discovery of India, Glimpses of World History, An Autobiography, Letters from a Father to His Daughter, Letters from a Father to His Daughter: Being a Brief Account of the Early Days of the World Written for Children, , Don'T Spare Me Shankar, Sitivili, Kalyaniasu Indu, Jawaharlal Nehru, an Autobiography: With Musings on Recent Events in India, Indian Images,Biśba-itihāsa prasaṅga, India's Independence and Social Revolution, India Rediscovered
- **K. R. Malkani** :- India First
- **Kalidasa** :- Megdoot, kumarasambhava, Swapnavasavadatta, Malavikagnimitra
- **Kautilya** :- Arthashastra
- **Khuswant Singh** :- We Indians, Train To Pakistan, Women and Men in My Life , Burial at the Sea, A History of the Sikhs: 1469–1838, The Illustrated History of the Sikhs, The Sunset Club, Delhi, The Company of Women
- **Koutilya** :- Arthashastra
- **L.K. Advani** :- My Nation My Life
- **Lala Lajpat Rai** :- Unhappy India
- **Mahatma Gandhi** :- My Experiments with Truth
- **N.R. Narayan Murthy** :- A Better India A Better World
- **Narendra Modi** :- Jyoti punj
- **P. V. Narasimha Rao** :- Ayodhya
- **Panini** :- Ashtadhyayi
- **R.K. Narayanan** :- My Days, The Guide, Malgudi days, Waiting for the Mahatma, The Dark Room, The Bachelors of Art, The English Teacher, The Financial Expert
- **Rabindranath Tagore** :- Lipika, Chandralika, Chitra, Geethanjali, Gora, Ghare, Broken Ties, Malini, Sacrifice, Two Sisters , Bhaire, Chaturanga
- **Raghuram Rajan** : Aid and Growth, Fault Lines, India's Pattern of Development, The Real Effect of Banking Crises Controlled Capital Account Liberalization
- **S.K. Banerjee** :- Independence
- **Sarojini Naidu** :- Broken Wing, Golden Threshold
- **Sharat Chandra Chatterjee** :- Devdas
- **Shiv Kherra** :- You Can Win: A Step by Step Tool for Top Achievers, Freedom Is Not Free, You can sell
- **Sunil Gavaskar** :- One Day Wonders
- **Swami Vivekananda** :- Inspired Talks, The Sleeping Giant, Living at the State, Way of the Saint, Jnana Yoga, Raja Yoga, My Master, Women of India, Vedanta Philosophy
- **V.S Naipoul** :- Half a Life
- **V.V. Giri** :- My life and Times
- **Valmiki** :- Ramayana
- **Veda Vyas** :- Bhagwad Gita, Mahabharata

- **Vikram Seth** :- Two Lives, The Golden Gate, A Suitable Boy, Arion and The Dolphin, An Equal Music, From Heaven Lake:Travels
- **Vishnu Sharma** :- Panchatantra

Insurance Terms

A

Accident - an unexpected event or circumstance without deliberate intent.

Accident Insurance - insurance for unforeseen bodily injury.

Accident Only - an insurance contract that provides coverage, singly or in combination, for death, dismemberment, disability, or hospital and medical care caused by or necessitated as a result of accident or specified kinds of accident.

Accident Only or AD&D - policies providing coverage, singly or in combination, for death, dismemberment, disability, or hospital and medical care caused by or necessitated as a result of accident or specified kinds of accidents. Types of coverage include student accident, sports accident, travel accident, blanket accident, specific accident or accidental death and dismemberment (AD&D).

Accidental Bodily Injury - unexpected injury to a person.

Accidental Death & Dismemberment - an insurance contract that pays a stated benefit in the event of death and/or dismemberment caused by accident or specified kinds of accidents.

Accumulation Period - period of time insured must incur eligible medical expenses at least equal to the deductible amount in order to establish a benefit period under a major medical expense or comprehensive medical expense policy.

Actual Cash Value - repayment value for indemnification due to loss or damage of property; in most cases it is replacement cost minus depreciation

Actuarial Report - (PC Insurance) a document or other presentation, prepared as a formal means of conveying to the state regulatory authority and the Board of Directors, or its equivalent, the actuary's professional conclusions and recommendations, of recording and communicating the methods and procedures, of assuring that the parties addressed are aware of the significance of the actuary's opinion or findings and that documents the analysis underlying the opinion. (In Life and Health) this document would be called an "Actuarial Memorandum."

Actuary - business professional who analyzes probabilities of risk and risk management including calculation of premiums, dividends and other applicable insurance industry standards.

Adjuster - a person who investigates claims and recommends settlement options based on estimates of damage and insurance policies held.

Admission - hospital inpatient care for any medical condition.

Admitted Assets - insurer assets which can be valued and included on the balance sheet to determine financial viability of the company.

Admitted Company - an insurance company licensed to do business in a state(s), domiciled in an alternative state or country.

Advance Premiums - occur when a policy has been processed, and the premium has been paid prior to the effective date. These are a liability to the company and not included in written premium or the unearned premium reserve.

Adverse Selection - the social phenomenon whereby persons with a higher than average probability of loss seek greater insurance coverage than those with less risk.

Advisory Organization - a group supported by member companies whose function is to gather loss statistics and publish trended loss costs.

Affiliate - a person or entity that directly, or indirectly, through one or more other persons or entities, controls, is controlled by or is under common control with the insurer.

Agent - an individual who sells, services, or negotiates insurance policies either on behalf of a company or independently.

Aggregate - the maximum dollar amount or total amount of coverage payable for a single loss, or multiple losses, during a policy period, or on a single project.

Aggregate Cost Payments - method of reimbursement of a health plan with a corporate entity that directly provides care, where (1) the health plan is contractually required to pay the total operating costs of the corporate entity, less any income to the entity from other users of services, and (2) there are mutual unlimited guarantees of solvency between the entity and the health plan that put their respective capital and surplus at risk in guaranteeing each other.

Aircraft - coverage for aircraft (hull) and their contents; aircraft owners' and aircraft manufacturers liability to passengers, airports and other third parties.

ALAE - an estimate of the claims settlement associated with a particular claim or claims.

Alien Company - an insurance company formed according to the laws of a foreign country. The company must conform to state regulatory standards to legally sell insurance products in that state.

Allied Lines - coverages which are generally written with property insurance, e.g., glass, tornado, windstorm and hail; sprinkler and water damage; explosion, riot, and civil commotion; growing crops; flood; rain; and damage from aircraft and vehicle, etc.

All-Risk - also known as open peril, this type of policy covers a broad range of losses. The policy covers risks not explicitly excluded in the policy contract.

Alternative Workers' Compensation - other than standard workers' compensation coverage, employer's liability and excess workers' compensation (e.g., large deductible, managed care).

Ambulatory Services - health services provided to members who are not confined to a health care institution. Ambulatory services are often referred to as "outpatient" services.

Annual Statement - an annual report required to be filed with each state in which an insurer does business. This report provides a snapshot of the financial condition of a company and significant events which occurred throughout the reporting year.

Annuitant - the beneficiary of an annuity payment, or person during whose life and annuity is payable.

Annuities – Immediate Non-variable - an annuity contract that provides for the fixed payment of the annuity at the end of the first interval of payment after purchase. The interval may vary, however the annuity payouts must begin within 13 months.

Annuity - a contract providing income for a specified period of time, or duration of life for a person or persons.

Appraisal - an estimate of value.

Arbitration - a binding dispute resolution tactic whereby a conciliator with no interest in the outcome intercedes.

Assessed Value - estimated value for real or personal property established by a taxing entity

Asset - probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events. An asset has three essential characteristics: It embodies a probable future benefit that involves a capacity, singly or in combination with other assets, to contribute directly or indirectly to future net cash inflows; A particular entity can obtain the benefit and control others' access to it; and The transaction or other event-giving rise to the entity's right to or control of the benefit has already occurred.

Asset Risk - in the risk-based capital formula, risk assigned to the company's assets.

Assigned Risk - A governmental pool established to write business declined by carriers in the standard insurance market.

Assisted Living Care - a policy or rider that provides coverage only while a policyholder is confined to an assisted living facility and meets the policy requirements for coverage.

Assumed Reinsurance - the assumption of risk from another insurance entity within a reinsurance agreement or treaty.

Authorized Company - an insurer licensed or admitted to do business in a particular state.

Authorized Control Level Risk Based Capital - theoretical amount of capital plus surplus an insurance company should maintain.

Authorized Reinsurance - reinsurance placed with a reinsurer who is licensed or otherwise allowed to conduct reinsurance within a state.

Auto Liability - coverage that protects against financial loss because of legal liability for motor vehicle related injuries (bodily injury and medical payments) or damage to the property of others caused by accidents arising out of ownership, maintenance or use of a motor vehicle (including recreational vehicles such as motor homes). Commercial is defined as all motor vehicle policies that include vehicles that are used primarily in connection with business, commercial establishments, activity, employment, or activities carried on for gain or profit. No Fault is defined by the state concerned.

Auto Physical Damage - motor vehicle insurance coverage (including collision, vandalism, fire and theft) that insures against material damage to the insured's vehicle. Commercial is defined as all motor vehicle policies that include vehicles that are used in connection with business, commercial establishments, activity, employment, or activities carried on for gain or profit.

Automobile Liability Insurance - coverage for bodily injury and property damage incurred through ownership or operation of a vehicle.

B

Balance Sheet - accounting statement showing the financial condition of a company at a particular date.

BCEGS - Building Code Effectiveness Grading Schedule - classification system for assessment of building codes per geographic region with special emphasis on mitigation of losses from natural disasters.

Beneficiary - an individual who may become eligible to receive payment due to will, life insurance policy, retirement plan, annuity, trust, or other contract.

Benefits (Medical & Hospital Expenses) - total expenditures for health care services paid to or on behalf of a member.

Blanket coverage - coverage for property and liability that extends to more than one location, class of property or employee.

Boatowners/Personal Watercraft - covers damage to pleasure boats, motors, trailers, boating equipment and personal watercraft as well as bodily injury and property damage liability to others.

Bodily Injury - physical injury including sickness or disease to a person.

Boiler & Machinery or Equipment Breakdown & Machinery - coverage for the failure of boilers, machinery and other electrical equipment. Benefits include (i) property of the insured, which has been directly damaged by the accident; (ii) costs of temporary repairs and expediting expenses; and (iii) liability for damage to the property of others. Coverage also includes inspection of the equipment.

Bonds - a form of debt security whereby the debt holder has a creditor stake in the company. Obligations issued by business units, governmental units and certain nonprofit units having a fixed schedule for one or more future payments of money; includes commercial paper, negotiable certificates of deposit, repurchase agreements and equipment trust certificates.

Book Value - original cost, including capitalized acquisition costs and accumulated depreciation, unamortized premium and discount, deferred origination and commitment fees, direct write-downs, and increase/decrease by adjustment.

Broker - an individual who receives commissions from the sale and service of insurance policies. These individuals work on behalf of the customer and are not restricted to selling policies for a specific company but commissions are paid by the company with which the sale was made.

Builders' Risk Policies - typically written on a reporting or completed value form, this coverage insures against loss to buildings in the course of construction. The coverage also includes machinery and equipment used in the course of construction and to materials incidental to construction.

Burglary and Theft - coverage for property taken or destroyed by breaking and entering the insured's premises, burglary or theft, forgery or counterfeiting, fraud, kidnap and ransom, and off-premises exposure.

Business Auto - coverage for motor vehicles, other than those in the garage business, engaged in commerce. Business auto filings include singularly or in any combination coverage such as the following: Auto Liability, PIP, MP, Uninsured Motorist and/or Underinsured Motorists (UM/UIM); Specified Causes of Loss, Comprehensive, and Collision.

Business Interruption - loss of income as a result of property damage to a business facility.

Business owners Policy - business insurance typically for property, liability and business interruption coverage.

C

Calendar Year Deductible - in health insurance, the amount that must be paid by the insured during a calendar year before the insurer becomes responsible for further loss costs.

Capital and Surplus - a company's assets minus its liabilities.

Capital and Surplus Requirement - statutory requirement ordering companies to maintain their capital and surplus at an amount equal to or in excess of a specified amount to help assure the solvency of the company by providing a financial cushion against expected loss or misjudgments and generally measured as a company's admitted assets minus its liabilities, determined on a statutory accounting basis.

Capital Gains (Loss) - excess (deficiency) of the sales price of an asset over its book value. Calculated on the basis of original cost adjusted, as appropriate, for accrual of discount or amortization of premium and for depreciation.

Capitation Arrangement - a compensation plan used in connection with some managed care contracts where a physician or other medical provider is paid a flat amount, usually on a monthly basis, for each subscriber who has elected to use that physician or medical provider. Capitated payments are sometimes expressed in terms of a "per member/per month" payment. The capitated provider is generally responsible, under the conditions of the contract, for delivering or arranging for the delivery of all contracted health services required by the covered person.

Captive Agent - an individual who sells or services insurance contracts for a specific insurer or fleet of insurers.

Captive Insurer - an insurance company established by a parent firm for the purpose of insuring the parent's exposures.

Carrying Value (Amount) - the SAP book value plus accrued interest and reduced by any valuation allowance and any nonadmitted adjustment applied to the individual investment.

Cash - a medium of exchange.

Cash Equivalent - short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash, and (b) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with original maturities of three months or less qualify under this definition.

Casualty Insurance - a form of liability insurance providing coverage for negligent acts and omissions such as workers compensation, errors and omissions, fidelity, crime, glass, boiler, and various malpractice coverages.

Catastrophe Bonds - Bonds issued by an insurance company with funding tied to the company's losses from disasters, or acts of God. A loss exceeding a certain size triggers a reduction in the bond value or a change in the bond structure as loss payments are paid out of bond funds.

Catastrophe Loss - a large magnitude loss with little ability to forecast.

Ceded Premium - amount of premium (fees) used to purchase reinsurance.

Ceding Company - an insurance company that transfers risk by purchasing reinsurance.

Centers for Medicare & Medicaid Services (CMS) - U.S. governmental agency responsible for the licensing of federally qualified HMOs. This was formerly the Health Care Financing Administration.

Change in Valuation Basis - a change in the interest rate, mortality assumption or reserving method or other factors affecting the reserve computation of policies in force.

Chartered Life Underwriter (CLU) - a professional designation awarded by the American College to persons in the life insurance field who pass a series of exams in insurance, investment, taxation, employee benefit plans, estate planning, accounting, management, and economics.

Chartered Property Casualty Underwriter (CPCU) - a professional designation awarded by the American Institute of Property and Casualty Underwriters to persons in the property and liability insurance field who pass a series of exams in insurance, risk management, economics, finance, management, accounting, and law. Designates must also have at least three years experience in the insurance business or related field.

Claim - a request made by the insured for insurer remittance of payment due to loss incurred and covered under the policy agreement.

Claims Adjustment Expenses - costs expected to be incurred in connection with the adjustment and recording of accident and health, auto medical and workers' compensation claims.

Claims-made Form - A type of liability insurance form that only pays if the both event that causes (triggers) the claim and the actual claim are submitted to the insurance company during the policy term

Class Rating - a method of determining rates for all applicants within a given set of characteristics such as personal demographic and geographic location.

Coinsurance - A clause contained in most property insurance policies to encourage policy holders to carry a reasonable amount of insurance. If the insured fails to maintain the amount specified in the clause (Usually at least 80%), the insured shares a higher proportion of the loss. In medical insurance a percentage of each claim that the insured will bear.

Collar - an agreement to receive payments as the buyer of an Option, Cap or Floor and to make payments as the seller of a different Option, Cap or Floor.

Collateral Loans - unconditional obligations for the payment of money secured by the pledge of an investment.

Collateralized Bond Obligations (CBOs) - an investment-grade bond backed by a pool of low-grade debt securities, such as junk bonds, separated into tranches based on various levels of credit risk.

Collateralized Mortgage Obligations (CMOs) - a type of mortgage-backed security (MBS) with separate pools of pass-through security mortgages that contain varying classes of holders and maturities (tranches) with the advantage of predictable cash flow patterns.

Combinations - a special form of package policy composed of personal automobile and homeowners insurance.

Combined Ratio - an indication of the profitability of an insurance company, calculated by adding the loss and expense ratios.

Commencement Date - date when the organization first became obligated for any insurance risk via the issuance of policies and/or entering into a reinsurance agreement. Same as "effective date" of coverage.

Commercial Auto - coverage for motor vehicles owned by a business engaged in commerce that protects the insured against financial loss because of legal liability for motor vehicle related injuries, or damage to the property of others caused by accidents arising out of the ownership, maintenance, use, or care-custody & control of a motor vehicle. This includes Commercial Auto Combinations of Business Auto, Garage, Truckers and/or Other Commercial Auto.

Commercial Earthquake - earthquake property coverage for commercial ventures.

Commercial Farm and Ranch - a commercial package policy for farming and ranching risks that includes both property and liability coverage. Coverage includes barns, stables, other farm structures and farm inland marine, such as mobile equipment and livestock.

Commercial Flood - separate flood insurance policy sold to commercial ventures.

Commercial General Liability - flexible & broad commercial liability coverage with two major sub-lines: premises/operations sub-line and products/completed operations sub-line.

Commercial Mortgage-Backed Securities - a type of mortgage-backed security that is secured by the loan on a commercial property.

Commercial Multiple Peril - policy that packages two or more insurance coverages protecting an enterprise from various property and liability risk exposures. Frequently includes fire, allied lines, various other coverages (e.g., difference in conditions) and liability coverage. Such coverages would be included in other annual statement lines, if written individually. Include under this type of insurance multi-peril policies (other than farmowners, homeowners and automobile policies) that include coverage for liability other than auto.

Commercial Package Policy - provides a broad package of property and liability coverages for commercial ventures other than those provided insurance through a business owners policy.

Commercial Property - property insurance coverage sold to commercial ventures.

Commission - a percentage of premium paid to agents by insurance companies for the sale of policies.

Community Rating - a rating system where standard rating is established and usually adjusted within specific guidelines for each group on the basis of anticipated utilization by the group's employees.

Company Code - a five-digit identifying number assigned by NAIC, assigned to all insurance companies filing financial data with NAIC.

Completed Operations Liability - policies covering the liability of contractors, plumbers, electricians, repair shops, and similar firms to persons who have incurred bodily injury or property damage from defective work or operations completed or abandoned by or for the insured, away from the insured's premises.

Comprehensive (Hospital and Medical) - line of business providing for medical coverages; includes hospital, surgical, major medical coverages; does not include Medicare Supplement, administrative services (ASC) contracts, administrative services only (ASO) contracts, federal employees health benefit plans (FEHBP), medical only programs, Medicare and Medicaid programs, vision only and dental only business.

Comprehensive General Liability (CGL) - coverage of all business liabilities unless specifically excluded in the policy contract.

Comprehensive Personal Liability - comprehensive liability coverage for exposures arising out of the residence premises and activities of individuals and family members. (Non-business liability exposure protection for individuals.)

Comprehensive/Major Medical - policies that provide fully insured indemnity, HMO, PPO, or Fee for Service coverage for hospital, medical, and surgical expenses. Coverage excludes Short-Term Medical Insurance, the Federal Employees Health Benefit Program and non-comprehensive coverage such as basic hospital only, medical only, hospital confinement indemnity, surgical, outpatient indemnity, specified disease, intensive care, and organ and tissue transplant coverage.

Concurrent Causation - property loss incurred from two or more perils in which only one loss is covered but both are paid by the insurer due to simultaneous incident.

Conditions - requirements specified in the insurance contract that must be upheld by the insured to qualify for indemnification.

Condos - homeowners insurance sold to condominium owners occupying the described property.

Construction and Alteration Liability - covering the liability of an insured to persons who have incurred bodily injury or property damage from alterations involving demolition, new construction or change in size of a structure on the insured's premises.

Contingency Reserves - required by some jurisdictions as a hedge against adverse experience from operations, particularly adverse claim experience.

Contingent Liability - the liability of an insured to persons who have incurred bodily injury or property damage from work done by an independent contractor hired by the insured to perform work that was illegal, inherently dangerous, or directly supervised by the insured

Continuation of Care Requirement - statutory or contractual provision requiring providers to deliver care to an enrollee for some period following the date of a Health Plan Company's insolvency.

Continuing Care Retirement Communities - senior housing arrangements that in addition to housing include some provision for skilled nursing care.

Contract Reserves - reserves set up when, due to the gross premium structure, the future benefits exceed the future net premium. Contract reserves are in addition to claim and premium reserves.

Contractual Liability - liability coverage of an insured who has assumed the legal liability of another party by written or oral contract. Includes a contractual liability policy providing coverage for all obligations and liabilities incurred by a service contract provider under the terms of service contracts issued by the provider.

Convertible Term Insurance Policy - an insurance policy that can be converted into permanent insurance without a medical assessment. The insurer is required to renew the policy regardless of the health of the insured subject to policy conditions.

Coordination of Benefits (COB) - provision to eliminate over insurance and establish a prompt and orderly claims payment system when a person is covered by more than one group insurance and/or group service plan.

Copay - a cost sharing mechanism in group insurance plans where the insured pays a specified dollar amount of incurred medical expenses and the insurer pays the remainder.

Corrective Order - commissioner's directive of action to be completed by an insurer.

Credit - individual or group policies that provide benefits to a debtor for full or partial repayment of debt associated with a specific loan or other credit transaction upon disability or involuntary unemployment of debtor, except in connection with first mortgage loans.

Credit – Assumption Agreement - an insurance certificate issued on an existing insurance contract indicating that another insurer has assumed all of the risk under the contract from the ceding insurance company.

Credit - Credit Default - coverage purchased by manufacturers, merchants, educational institutions, or other providers of goods and services extending credit, for indemnification of losses or damages resulting from the nonpayment of debts owed to them for goods or services provided in the normal course of their business.

Credit – Involuntary Unemployment - makes loan/credit transaction payments to the creditor when the debtor becomes involuntarily unemployed.

Credit Accident and Health (group and individual) - coverage provided to or offered to borrowers in connection with a consumer credit transaction where the proceeds are used to repay a debt or an installment loan in the event the consumer is disabled as the result of an accident, including business not exceeding 120 months duration.

Credit Disability - makes monthly loan/credit transaction payments to the creditor upon the disablement of an insured debtor.

Credit Health Insurance - policy assigning creditor as beneficiary for insurance on a debtor thereby remitting balance of payment to creditor should the debtor become disabled.

Credit Involuntary Unemployment - credit insurance that provides a monthly or lump sum benefit during an unpaid leave of absence from employment resulting from specified causes, such as layoff, business closure, strike, illness of a close relative and adoption or birth of a child. This insurance is sometimes referred to as Credit Family Leave.

Credit Life Insurance - policy assigning creditor as beneficiary for insurance on a debtor thereby remitting balance of payment to creditor upon death of debtor.

Credit Personal Property Insurance - insurance written in connection with a credit transaction where the collateral is not a motor vehicle, mobile home or real estate and that covers perils to the goods purchased through a credit transaction or used as collateral for a credit transaction and that concerns a creditor's interest in the purchased goods or pledged collateral, either in whole or in part; or covers perils to goods purchased in connection with an open-end transaction.

Credit Placed Insurance - insurance that is purchased unilaterally by the creditor, who is the named insured, subsequent to the date of the credit transaction, providing coverage against loss, expense or damage to property as a result of fire, theft, collision or other risks of loss that would either impair a creditor's interest or adversely affect the value of collateral. "Creditor Placed Home" means "Creditor Placed Insurance" on homes, mobile homes and other real estate. "Creditor Placed Auto" means insurance on automobiles, boats or other vehicles.

Credit Risk - part of the risk-based capital formula that addresses the collectability of a company's receivables and the risk of losing a provider or intermediary that has received advance capitation payments.

Creditor-Placed Auto - single interest or dual interest credit insurance that is purchased unilaterally by the creditor, who is the named insured, subsequent to the date of the credit transaction, providing coverage against loss to property that would either impair a creditor's interest or adversely affect the value of collateral on automobiles, boats, or other vehicles.

Creditor-Placed Home - single interest or dual interest credit insurance purchased unilaterally by the creditor, who is the named insured, subsequent to the date of the credit transaction, providing coverage against loss to property that would either impair a creditor's interest or adversely affect the value of collateral on homes, mobile homes, and other real estate.

Crop - coverage protecting the insured against loss or damage to crops from a variety of perils, including but not limited to fire, lightening, loss of revenue, tornado, windstorm, hail, flood, rain, or damage by insects.

Crop-Hail Insurance - coverage for crop damage due to hail, fire or lightning.

D

Date of Issue - date when an insurance company issues a policy.

Declarations - policy statements regarding the applicant and property covered such as demographic and occupational information, property specifications and expected mileage per year .

Deductible - Portion of the insured loss (in dollars) paid by the policy holder

Deferred Annuity - annuity payment to be made as a single payment or a series of installments to begin at some future date, such as in a specified number of years or at a specified age.

Demutualization - conversion of a mutual insurance company to a capital stock company.

Dental Insurance - policies providing only dental treatment benefits such as routine dental examinations, preventive dental work, and dental procedures needed to treat tooth decay and diseases of the teeth and jaw.

Dental Only - line of business providing dental only coverage; coverage can be on a stand-alone basis or as a rider to a medical policy. If the coverage is as a rider, deductibles or out-of-pocket limits must be set separately from the medical coverage. Does not include self-insured business as well as FEHBP or Medicare and Medicaid programs.

Derivative - securities priced according to the value of other financial instruments such as commodity prices, interest rates, stock market prices, foreign or exchange rates.

Difference In Conditions (DIC) Insurance - special form of open-peril coverage written in conjunction with basic fire coverage and designed to provide protection against losses not reimbursed under the standard fire forms. Examples are flood and earthquake coverage.

Direct Incurred Loss - loss whereby the proximate cause is equivalent to the insured peril.

Direct Loss - Damage to covered real or personal property caused by a covered peril.

Direct Writer - an insurance company that sells policies to the insured through salaried representatives or exclusive agents only; reinsurance companies that deal directly with ceding companies instead of using brokers.

Direct Written Premium - total premiums received by an insurance company without any adjustments for the ceding of any portion of these premiums to the Reinsurer.

Directors & Officers Liability - liability coverage protecting directors or officers of a corporation from liability arising out of the performance of their professional duties on behalf of the corporation.

Disability Income - a policy designed to compensate insured individuals for a portion of the income they lose because of a disabling injury or illness.

Disability Income - Long-Term - policies that provide a weekly or monthly income benefit for more than five years for individual coverage and more than one year for group coverage for full or partial disability arising from accident and/or sickness.

Disability Income - Short-Term - policies that provide a weekly or monthly income benefit for up to five years for individual coverage and up to one year for group coverage for full or partial disability arising from accident and/or sickness.

Dividend - a refund of a portion of the premium paid by the insured from insurer surplus.

Domestic Insurer - an insurance company that is domiciled and licensed in the state in which it sells insurance.

Dual Interest - insurance that protects the creditor's and the debtor's interest in the collateral securing the debtor's credit transaction. "Dual Interest" includes insurance commonly referred to as "Limited Dual Interest."

Dwelling Property/Personal Liability - a special form of package policy composed of dwelling fire and/or allied lines, and personal liability insurance.

E

Early warning system - a system designed by insurance industry regulators of identifying practices and risk-related trends that contribute to systemic risk by measuring insurer's financial stability.

Earned Premium - portion of insured's prepaid premium allocated to the insurance company's loss experience, expenses, and profit year-to-date.

Earthquake - property coverages for losses resulting from a sudden trembling or shaking of the earth, including that caused by volcanic eruption. Excluded are losses resulting from fire, explosion, flood or tidal wave following the covered event.

EBNR - Earned but not reported - premium amount insurer reasonably expects to receive for which contracts are not yet final and exact amounts are not definite.

EDP Policies - coverage to protect against losses arising out of damage to or destruction of electronic data processing equipment and its software.

Effective Date - date at which an insurance policy goes into force.

Elevators and Escalators Liability - liability coverage for bodily injury or property damage arising from the use of elevators or escalators operated, maintained or controlled by the insured.

Employee Benefit Liability - liability protection for an employer for claims arising from provisions in an employee benefit insurance plan provided for the economic and social welfare of employees. Examples of items covered are pension plans, group life insurance, group health insurance, group disability income insurance, and accidental death and dismemberment.

Employee Retirement Income Security Act of 1974 (ERISA) - a federal statute governing standards for private pension plans, including vesting requirements, funding mechanisms, and plan design.

Employers Liability - employers' liability coverage for the legal liability of employers arising out of injuries to employees. This code should be used when coverage is issued as an endorsement, or as part of a statutory workers' compensation policy.

Employment Practices Liability Coverage - liability insurance for employers providing coverage for wrongful termination, discrimination, or sexual harassment of the insured's current or former employees.

Encumbrance - outstanding mortgages or other debt related to real estate and any unpaid accrued acquisition or construction costs.

Endorsement - an amendment or rider to a policy adjusting the coverages and taking precedence over the general contract.

Environmental Impairment Liability (EIL) - coverage for negligence or omission resulting in pollution or environmental contamination.

Environmental Pollution Liability - liability coverage of an insured to persons who have incurred bodily injury or property damage from acids, fumes, smoke, toxic chemicals, waste materials or other pollutants.

Equity Indexed Annuity - a fixed annuity that earns interest or provides benefits that are linked to an external reference or equity index, subject to a minimum guarantee.

Errors and Omissions Liability | Professional Liability other than Medical - liability coverage of a professional or quasi professional insured to persons who have incurred bodily injury or property damage, or who have sustained any loss from omissions arising from the performance of services for others, errors in judgment, breaches of duty, or negligent or wrongful acts in business conduct.

Event Cancellation - coverage for financial loss because of the cancellation or postponement of a specific event due to weather or other unexpected cause beyond the control of the insured.

Excess and Umbrella Liability - liability coverage of an insured above a specific amount set forth in a basic policy issued by the primary insurer; or a self insurer for losses over a stated amount; or an insured or self insurer for known or unknown gaps in basic coverages or self insured retentions.

Excess of Loss Reinsurance - loss sharing mechanism where an insurer pays all claims up to a specified amount and a reinsurance company pays any claims in excess of stated amount.

Excess Workers' Compensation - either specific and/or aggregate excess workers' compensation insurance written above an attachment point or self-insured retention.

Expense Ratio - percentage of premium income used to attain and service policies. Derived by subtracting related expenses from incurred losses and dividing by written premiums.

Experience Rating - rating system where each group is rated entirely on the basis of its own expected claims in the coming period, with retrospective adjustments for prior periods. This method is prohibited under the conditions for federal qualification.

Exposure - risk of possible loss.

Extra Expense Insurance - a type of property insurance for extraordinary expenses related to business interruption such as a back-up generator in case of power failure.

F

Face Amount - the value of a policy to be provided upon maturity date or death.

Facultative Reinsurance - reinsurance for a specific policy for which terms can be negotiated by the original insurer and reinsurer.

FAIR Plan - Fair Access to Insurance Requirements - state pools designed to provide insurance to property owners who are unable to obtain property insurance through conventional means.

Fair Value - the amount at which an asset (or liability) could be bought (or incurred) or sold (or settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale. Quoted market prices in active markets are the best evidence of fair value and shall be used as the basis for the measurement, if available. If a quoted market price is available, the fair value is the product of the number of trading units times market price.

Farmowners Insurance - farmowners insurance sold for personal, family or household purposes. This package policy is similar to a homeowners policy, in that it has been developed for farms and ranches and includes both property and liability coverage for personal and business losses. Coverage includes farm dwellings and their contents, barns, stables, other farm structures and farm inland marine, such as mobile equipment and livestock.

Federal Flood Insurance - coverage for qualifying residents and businesses in flood prone regions through the National Flood Insurance Act, a federally subsidized flood insurance program enacted in 1968.

Federally Reinsured Crop - crop insurance coverage that is either wholly or in part reinsured by the Federal Crop Insurance Corporation (FCIC) under the Standard Reinsurance Agreement (SRA). This

includes the following products: Multiple Peril Crop Insurance (MPCI); Catastrophic Insurance, Crop Revenue Coverage (CRC); Income Protection and Revenue Assurance.

Fees Payable - fees incurred but not yet paid.

FEMA - Federal Emergency Management Agency - an independent agency, tasked with responding to, planning for, mitigating and recovery efforts of natural disasters.

Fidelity - a bond or policy covering an employer's loss resulting from an employee's dishonest act (e.g., loss of cash, securities, valuables, etc.).

Financial Guaranty - a surety bond, insurance policy, or an indemnity contract (when issued by an insurer), or similar guaranty types under which loss is payable upon proof of occurrence of financial loss to an insured claimant, obligee or indemnitee as a result of failure to perform a financial obligation or any other permissible product that is defined as or determined to be financial guaranty insurance.

Financial Reporting - insurance companies are required to maintain records and file annual and quarterly financial statements with regulators in accordance with statutory accounting principles (SAP). Statutory rules also govern how insurers should establish reserves for invested assets and claims and the conditions under which they can claim credit for reinsurance ceded.

Financial Responsibility Law - a statute requiring motorists to show capacity to pay for automobile-related losses.

Financial Statement - balance sheet and profit and loss statement of an insurance company. This statement is used by the NAIC, and by State Insurance Commissioners to regulate an insurance company according to reserve requirements, assets, and other liabilities.

Fire - coverage protecting the insured against the loss to real or personal property from damage caused by the peril of fire or lightning, including business interruption, loss of rents, etc.

Fire Legal Liability - coverage for property loss liability as the result of separate negligent acts and/or omissions of the insured that allows a spreading fire to cause bodily injury or property damage of others. An example is a tenant who, while occupying another party's property, through negligence causes fire damage to the property.

Flood - coverage protecting the insured against loss or damage to real or personal property from flood. (Note: If coverage for flood is offered as an additional peril on a property insurance policy, file it under the applicable property insurance filing code.)

Foreign Insurer - an insurance company selling policies in a state other than the state in which they are incorporated or domiciled.

Foreign Investment - an investment in a foreign jurisdiction, or an investment in a person, real estate or asset domiciled in a foreign jurisdiction. An investment shall not be deemed to be foreign if the issuing person, qualified primary credits source or qualified guarantor is a domestic jurisdiction or a person domiciled in a domestic jurisdiction, unless: a) The issuing person is a shell business entity; and b) The investment is not assumed, accepted, guaranteed or insured or otherwise backed by a domestic jurisdiction or a person, that is not a shell business entity, domiciled in a domestic jurisdiction.

Foreign jurisdiction - a jurisdiction outside of the United States, Canada or any province or political subdivision of the foregoing.

Fraternal Insurance - a form of group coverage or disability insurance available to members of a fraternal organization.

Fronting - an arrangement in which a primary insurer acts as the insurer of record by issuing a policy, but then passes the entire risk to a reinsurer in exchange for a commission. Often, the fronting insurer is licensed to do business in a state or country where the risk is located, but the reinsurer is not.

G

Generally Accepted Accounting Principles (GAAP) - an aggregate of the accounting standards, principles and best practices for the preparation of financial statements allowing for consistency in reporting.

Gramm-Leach Bliley Act (GLBA) - act, repealing Glass-Steagal Act of 1933, allows consolidation of commercial banks, investment institutions and insurance companies. Established a framework of responsibilities of federal and state regulators for these financial industries. It permits financial services companies to merge and engage in a variety of new business activities, including insurance, while attempting to address the regulatory issues raised by such combinations.

Goodwill - the difference between the cost of acquiring the entity and the reporting entity's share of the book value of the acquired entity.

Gross Paid-in and Contributed Surplus - amount of capital received in excess of the par value of the stock issued.

Gross Premium - the net premium for insurance plus commissions, operating and miscellaneous commissions. For life insurance, this is the premium including dividends.

Group Accident and Health - coverage written on a group basis (e.g., employees of a single employer and their dependents) that pays scheduled benefits or medical expenses caused by disease, accidental injury or accidental death. Excludes amounts attributable to uninsured accidents and health plans and the uninsured portion of partially insured accident and health plans.

Group Annuities – Deferred Non- Variable and Variable - an annuity contract that provides an accumulation based on both (1) funds that accumulate based on a guaranteed crediting interest rates or additional interest rate applied to designated considerations, and (2) funds where the accumulation vary in accordance with the rate of return of the underlying investment portfolio selected by the policyholder. The contract provides for the initiation of payments at some designated future date.

Group Annuities – Deferred Variable - an annuity contract that provides an accumulation based fund where the accumulation varies in accordance with the rate of return of the underlying investment portfolio selected by the policyholder. Must include at least one option to have the accumulation vary in accordance with the rate of return of the underlying investment portfolio selected by the policyholder and may include at least one option to have the series of payments vary in accordance with the rate of return of the underlying investment portfolio selected by the policyholder. This annuity contract provides for the initiation of payments at some designated future date.

Group Annuities – Immediate Non-Variable and Variable - an annuity contract that provides an accumulation based on both (1) funds that accumulate based on a guaranteed crediting interest rates or additional interest rate applied to designated considerations, and (2) funds where the accumulation vary in accordance with the rate of return of the underlying investment portfolio selected by the policyholder. The contract provides for the initiation of payments at some interval that may vary, however the annuity payouts must begin within 13 months.

Group Annuities – Immediate Variable - an annuity contract that provides for the first payment of the annuity at the end of the fixed interval of payment after purchase. The interval may vary, however the annuity payouts must begin within 13 months. The amount varies with the value of equities (separate account) purchased as investments by the insurance companies.

Group Annuities – Unallocated - annuity contracts or portions thereof where the Insurer purchases an annuity for the retirees.

Group Annuity - a contract providing income for a specified period of time, or duration of life for a person or persons established to benefit a group of employees.

Group Health - health insurance issued to employers, associations, trusts, or other groups covering employees or members and/or their dependents, to whom a certificate of coverage may be provided.

Group Code - a unique three to five digit number assigned by the NAIC to identify those companies that are part of a larger group of insurance companies.

Group Credit – Life - contracts sold in connection with loan/credit transactions or other credit transactions, which do not exceed a stated duration and/or amount and provide insurance protection against death.

Group Health Organizations – Health Maintenance (HMO) - a plan under which an enrollee pays a membership fixed fee in advance in return for a wide range of comprehensive health care services with the HMO's approved providers in a designated service area.

Guaranty Fund - funding mechanism employed by states to provide funds to cover policyholder obligations of insolvent reporting entities.

H

Hard Market - a market characterized by high demand and low supply.

Hazard - circumstance which tends to increase the probability or severity of a loss.

Health – Excess/Stop Loss - this type of insurance may be extended to either a health plan or a self-insured employer plan. Its purpose is to insure against the risk that any one claim will exceed a specific dollar amount or that an entire plan's losses will exceed a specific amount.

Health Insurance - a generic term applying to all types of insurance indemnifying or reimbursing for losses caused by bodily injury or illness including related medical expenses.

Health Maintenance Organization (HMO) - a medical group plan that provides physician, hospital, and clinical services to participating members in exchange for a periodic flat fee.

Health Plan - written promise of coverage given to an individual, family, or group of covered individuals, where a beneficiary is entitled to receive a defined set of health care benefits in exchange for a defined consideration, such as a premium.

Hold-Harmless Agreement - A risk transfer mechanism whereby one party assumes the liability of another party by contract

Homeowners Insurance - a package policy combining real and personal property coverage with personal liability coverage. Coverage applicable to the dwelling, appurtenant structures, unscheduled personal property and additional living expense are typical. Includes mobile homes at a fixed location.

Hospital Indemnity Coverage - coverage that provides a pre-determined, fixed benefit or daily indemnity for contingencies based on a stay at a hospital or intensive care facility.

Hull Insurance - coverage for damage to a vessel or aircraft and affixed items.

I

Incontestability Provision - a life insurance and annuity provision limiting the time within which the insurer has the legal right to void the contract on grounds of material misrepresentation in the policy application.

Incurred But Not Reported (IBNR) - (Pure IBNR) claims that have occurred but the insurer has not been notified of them at the reporting date. Estimates are established to book these claims. May include losses that have been reported to the reporting entity but have not yet been entered into the claims system or bulk provisions. Bulk provisions are reserves included with other IBNR reserves to reflect deficiencies in known case reserves. IBNR can sometimes include estimates of incurred but Not Enough Reported (IBNER)

Incurred Claims - paid claims plus amounts held in reserve for those that have been incurred but not yet paid.

Incurred Losses - sustained losses, paid or not, during a specified time period. Incurred losses are typically found by combining losses paid during the period plus unpaid losses sustained during the time period minus outstanding losses at the beginning of the period incurred in the previous period.

Indemnity, Principle of - a general legal principle related to insurance that holds that the individual recovering under an insurance policy should be restored to the approximate financial position he or she was in prior to the loss. Legal principle limiting compensation for damages be equivalent to the losses incurred.

Independent Adjuster - freelance contractor paid a fee for adjusting losses on behalf of companies.

Independent Agent - a representative of multiple insurance companies who sells and services policies for records which they own and operate under the American Agency System.

Independent Contractor - an individual who is not employed for a company but instead works for themselves providing goods or services to clients for a fee.

Index Annuity - an interest bearing fixed annuity tied to an equity index, such as the Dow Jones Industrial Average or S & P 500.

Individual Annuities – Deferred Variable - an annuity contract that provides an accumulation based fund where the accumulation varies in accordance with the rate of return of the underlying investment portfolio selected by the policyholder. Must include at least one option to have the accumulation vary in accordance with the rate of return of the underlying investment portfolio selected by the policyholder and may include at least one option to have the series of payments vary in accordance with the rate of return of the underlying investment portfolio selected by the policyholder. This annuity contract provides for the initiation of payments at some designated future date.

Individual Annuities – Immediate Variable - an annuity contract that provides for the first payment of the annuity at the end of the fixed interval of payment after purchase. The interval may vary, however the annuity payouts must begin within 13 months. The amount varies with the value of equities (separate account) purchased as investments by the insurance companies.

Individual Annuities – Special - contracts with certain noteworthy attributes.

Individual Annuities- Deferred Non-Variable and Variable - an annuity contract that provides an accumulation based on both (1) funds that accumulate based on a guaranteed crediting interest rates or additional interest rate applied to designated considerations, and (2) funds where the accumulation vary in accordance with the rate of return of the underlying investment portfolio selected by the policyholder. The contract provides for the initiation of payments at some designated future date.

Individual Annuities- Deferred Non-Variable - an annuity contract that provides an accumulation based on funds that accumulate based on a guaranteed crediting interest rate or additional interest rate. This annuity contract provides for the initiation of payments at some designated future date.

Individual Annuities- Immediate Non-Variable - an annuity contract that provides for the fixed payment of the annuity at the end of the first interval of payment after purchase. The interval may vary, however the annuity payouts must begin within 13 months.

Individual Annuities- Immediate Non-Variable and Variable - an annuity contract that provides an accumulation based on both (1) funds that accumulate based on a guaranteed crediting interest rates or additional interest rate applied to designated considerations, and (2) funds where the accumulation vary in accordance with the rate of return of the underlying investment portfolio selected by the policyholder. The contract provides for the initiation of payments at some interval that may vary, however the annuity payouts must begin within 13 months.

Individual Health - health insurance where the policy is issued to an individual covering the individual and/or their dependents in the individual market. This includes conversions from group policies.

Individual Credit – Credit Disability - makes monthly loan/credit transaction payments to the creditor upon the disablement of an insured debtor.

Individual Credit – Life - contracts sold in connection with loan/credit transactions or other credit transactions, which do not exceed a stated duration and/or amount and provide insurance protection against death.

Industrial Life - Industrial life insurance, also called "debit" insurance, is insurance under which premiums are paid monthly or more often, the face amount of the policy does not exceed a stated amount, and the words "industrial policy" are printed in prominent type on the face of the policy.

Inland Marine - coverage for property that may be in transit, held by a bailee, at a fixed location, a movable good that is often at different locations (e.g., off road constructions equipment), or

scheduled property (e.g., Homeowners Personal Property Floater) including items such as live animals, property with antique or collector's value, etc. This line also includes instrumentalities of transportation and communication, such as bridges, tunnels, piers, wharves, docks, pipelines, power and phone lines, and radio and television towers.

Insurable Interest - A right or relationship in regard to the subject matter of the insured contract such that the insured can suffer a financial loss from damage, loss or destruction to it. (Bickelhaupt and Magee)

Insurance - an economic device transferring risk from an individual to a company and reducing the uncertainty of risk via pooling.

Insurance Holding Company System - consists of two or more affiliated persons, one or more of which is an insurer.

Insurance Regulatory Information System (IRIS) - a baseline solvency screening system for the National Association of Insurance Commissioners (NAIC) and state insurance regulators established in the mid-1970s.

Insurance to Value - Amount of insurance purchased vs. the actual replacement cost of the insured property expressed as a ratio.

Insured - party(ies) covered by an insurance policy.

Insurer - an insurer or reinsurer authorized to write property and/or casualty insurance under the laws of any state.

Intermediary - a person, corporation or other business entity (not licensed as a medical provider) that arranges, by contracts with physicians and other licensed medical providers, to deliver health services for a health insurer and its enrollees via a separate contract between the intermediary and the insurer.

International - includes all business transacted outside the U.S. and its territories and possessions where the appropriate line of business is not determinable.

Internet Liability Insurance/Cyber Insurance - coverage for cyber commerce including copyright infringement, libel, and violation of privacy.

Investment grade - the obligation has been determined to be in one of the top four generic lettered rating classifications by a securities rating agency acceptable to the commissioner, that the obligation has been identified in writing by such a rating agency to be of investment grade quality, or, if the obligation has not been submitted to any such rating agency, that the obligation has been determined to be investment grade (Class 1 and Class 2) by the Securities Valuation Office of the National Association of Insurance Commissioners.

Investment Income Accrued - investment income earned as of the reporting date but not legally due to be paid to the reporting entity until subsequent to the reporting date.

Investment Income Due - investment income earned and legally due to be paid to the reporting entity as of the reporting date.

Investment Income Gross - shall be recorded as earned and shall include investment income collected during the period, the change in investment income due and accrued, the change in unearned investment income plus any amortization (e.g., discounts or premiums on bonds, origination fees on mortgage loans, etc.)

Irrevocable Beneficiary - a life insurance policy beneficiary who has a vested interest in the policy proceeds even during the insured's lifetime because the policy owner has the right to change the beneficiary designation only after obtaining the beneficiary's consent.

J

Joint and Last Survivor Annuity - retirement plan that continues to payout so long as at least one, of two or more, annuitants is alive.

Joint Underwriting Association (JUA) - a loss-sharing mechanism combining several insurance companies to provide extra capacity due to type or size of exposure.

Joint-Life Annuity - an annuity contract that ceases upon the death of the first of two or more annuitants.

K

Key-Persons Insurance - a policy purchased by, for the benefit of, a business insuring the life or lives of personnel integral to the business operations.

Kidnap/Ransom Insurance - coverage for ransom or extortion costs and related expenses.

L

Lapse - termination of a policy due to failure to pay the required renewal premium.

Level Premium Insurance - life insurance policy for which the cost is equally distributed over the term of the premium period, remaining constant throughout.

Liability - a certain or probable future sacrifice of economic benefits arising from present obligations of a particular entity to transfer assets or to provide services to other entities in the future as a result of a past transactions(s) or event(s). three essential characteristics: a) It embodies a present duty or responsibility to one or more other entities that entails settlement by probable future transfer or use of assets at a specified or determinable date, on occurrence of a specified event, or on demand; b) The duty or responsibility obligates a particular entity, leaving it little or no discretion to avoid the future sacrifice; and c) The transaction or other event obligating the entity has already happened.

Life – Endowment - insurance that pays the same benefit amount should the insured die during the term of the contract, or if the insured survives to the end of the specified coverage term or age.

Life – Flexible Premium Adjustable Life - a group life insurance that provides a face amount that is adjustable to the certificate holder and allows the certificate holder to vary the modal premium that is paid or to skip a payment so long as the certificate value is sufficient to keep the certificate in force, and under which separately identified interest credits (other than in connection with dividend accumulation, premium deposit funds or other supplementary accounts) and mortality and expense charges are made to individual certificates while providing minimum guaranteed values.

Life Settlements - a contract or agreement in which a policyholder agrees to sell or transfer ownership in all or part of a life insurance policy to a third party for compensation that is less than the expected death benefit of a policy.

Lifetime Disability Benefit - a provision in some disability income policies to recoup lost wages for the term of disability or remainder of insured's life in case of permanent disability.

Limited Benefit - policies that provide coverage for vision, prescription drug, and/or any other single service plan or program. Also include short-term care policies that provide coverage for less than one year for medical and other services provided in a setting other than an acute care unit of the hospital.

Limited Payment Life Insurance - a form of whole-life insurance with a pre-defined number of premiums to be paid.

Limited Policies - health insurance coverage for a certain ailment, such as cancer.

Limits - maximum value to be derived from a policy.

Line of Business - classification of business written by insurers.

Liquor Liability - coverage for the liability of an entity involved in the retail or wholesale sales of alcoholic beverages, or the serving of alcoholic beverages, to persons who have incurred bodily injury or property damage arising from an intoxicated person.

Living benefits rider - a rider attached to a life insurance policy providing long term care for the terminally ill.

Lloyd's of London - association offering membership in various syndicates of wealthy individuals organized for the purpose of writing insurance for a particular hazard.

Loan-backed Securities - pass-through certificates, collateralized mortgage obligations (CMOs), and other securitized loans not included in structured securities where payment of interest and/or

principal is directly proportional to the interest and/or principal received by the issuer from the mortgage pool or other underlying securities.

Long Duration Contracts - contracts, excluding financial guaranty contracts, mortgage guaranty contracts and surety contracts, that fulfill both of the following conditions: (1) the contract term is greater than or equal to thirteen months and (2) the insurer can neither cancel nor increase the premium during the contract term.

Long-Term Care - policies that provide coverage for not less than one year for diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services provided in a setting other than an acute care unit of a hospital, including policies that provide benefits for cognitive impairment or loss of functional capacity. This includes policies providing only nursing home care, home health care, community based care, or any combination. The policy does not include coverage provided under comprehensive/major medical policies, Medicare Advantage, or for accelerated health benefit-type products.

Long-Term Disability Income Insurance - policy providing monthly income payments for insureds who become disabled for an extensive length of time, typically two years or longer.

Loss - physical damage to property or bodily injury, including loss of use or loss of income

Loss Adjustment Expense (LAE) - expected payments for costs to be incurred in connection with the adjustment and recording of losses. Can be classified into two broad categories: Defense and Cost Containment (DCC) and Adjusting and Other (AO). Can also be separated into (Allocated Loss Adjustment Expense) and (Unallocated Loss Adjustment Expense for ratemaking purposes.

Loss Frequency - incidence of claims on a policy during a premium period.

Loss of Use Insurance - policy providing protection against loss of use due to damage or destruction of property.

Loss Payable Clause - coverage for third party mortgagee in case of default on insured property, secured by a loan, that has been lost or damaged.

Loss Ratio - the percentage of incurred losses to earned premiums.

Loss Reserve - the amount that insurers set aside to cover claims incurred but not yet paid.

Loss Reserves - an estimate of liability or provision in an insurer's financial statement, indicating the amount the insurer expects to pay for losses incurred but not yet reported or reported claims that haven't been paid.

Losses Incurred - Includes claims that have been paid and/or have amounts held in reserve for future payment

Losses Incurred But Not Reported (IBNR) - An estimated amount set aside by the insurance company to pay claims that may have occurred, but for some reason have not yet been reported to the insurance company.

M

Major Medical - a hospital/surgical/medical expense contract that provides comprehensive benefits as defined in the state in which the contract will be delivered.

Malpractice - alleged misconduct or negligence in a professional act resulting in loss or injury.

Managed Care - system of health care delivery that attempts to influence the utilization, quality, and cost of services provided.

Mandated benefits - insurance required by state or federal law.

Manufacturers Output Policies - provides broad form coverage of personal property of an insured manufacturer including raw material, goods in process, finished goods and goods shipped to customers.

Margin Premium - a deposit that an organization is required to maintain with a broker with respect to the Futures Contracts purchased or sold.

Market Value - fair value or the price that could be derived from current sale of an asset.

Mechanical Breakdown Insurance - premiums attributable to policies covering repair or replacement service, or indemnification for that service, for the operational or structural failure of

property due to defects in materials or workmanship, or normal wear and tear. (May cover motor vehicles, mobile equipment, boats, appliances, electronics, residual structures, etc.)

Medicaid - policies issued in association with the Federal/State entitlement program created by Title XIX of the Social Security Act of 1965 that pays for medical assistance for certain individuals and families with low incomes and resources.

Medical & Hospital Expenses (Benefits or Claims) - total expenditures for health care services paid to or on behalf of members.

Medical Malpractice - insurance coverage protecting a licensed health care provider or health care facility against legal liability resulting from the death or injury of any person due to the insured's misconduct, negligence, or incompetence, in rendering or failure to render professional services.

Medical Only - line of business that provides medical only benefits without hospital coverage. An example would be provider-sponsored organizations where there is no coverage for other than provider (non-hospital) services. Does not include self-insured business, FEHBP, Medicare and Medicaid programs, or dental only business.

Medical Professional Liability - insurance coverage protecting a licensed health care provider or health care facility against legal liability resulting from the death or injury of any person due to the insured's misconduct, negligence, or incompetence in rendering professional services. Medical Professional Liability is also known as Medical Malpractice.

Medicare - a state assistance program, passed under Title XVIII of the Social Security Amendments of 1965, to provide hospital and medical expense insurance to those over 65 years of age.

Medicare + Choice - a major initiative in the Balanced Budget Act of 1997 (also called Medicare Part C), under which Medicare beneficiaries may select from among several managed care options or a Medicare system.

Medicare Advantage Plan - an HMO, PPO, or Private Fee-For Service Plan that contracts with Medicare Advantage Prescription Drug Plan also includes drug benefits. The plan may provide extra coverage such as vision, hearing, dental, and/or health and wellness programs. Medicare pays a fixed amount for insured's care every month to the companies offering Medicare Advantage plans.

Medicare Cost - contract with Center for Medicare and Medicaid Services (CMS) for Medicare coverage. These contracts with CMS provide reimbursement through pre-determined monthly amount per member based on a total estimated budget. The beneficiary may use providers outside the provider network. Does not include stand alone Medicare Part D Plans.

Medicare Part D - Stand-Alone - stand-alone Part D coverage written through individual contracts; stand-alone Part D coverage written through group contracts and certificates; and Part D coverage written on employer groups where the reporting entity is responsible for reporting claims to the Centers for Medicare & Medicaid Services (CMS).

Medicare Supplement - Insurance coverage sold on an individual or group basis to help fill the "gaps" in the protections granted by the federal Medicare program. This is strictly supplemental coverage and cannot duplicate any benefits provided by Medicare. It is structured to pay part or all of Medicare's deductibles and co-payments. It may also cover some services and expenses not covered by Medicare. Also known as "Medigap" insurance.

Medigap - supplementary private health insurance products to Medicare insurance benefits.

Minimum Premium Plan - an arrangement under which an insurance carrier will, for a fee, handle the administration of claims and insure against large claims for a self-insured group. The employer self-funds a fixed percentage (e.g. 90%) of the estimated monthly claims, and the insurer covers the remainder.

Mobile Homes - Homeowners - homeowners insurance sold to owners occupying the described mobile home.

Mobile Homes under Transport - coverage for mobile homes while under transport for personal or commercial use.

Modified Guaranteed - an annuity that contains a provision that adjusts the value of withdrawn funds based on a formula in the contract. The formula reflects market value adjustments.

Moral Hazard - personality characteristics that increase probability of losses. For example not taking proper care to protect insured property because the insured knows the insurance company will replace it if it is damaged or stolen.

Morale Hazard - negligence or disregard on the part of the insured which could lead to probable loss.

Morbidity - the frequency or severity of disease or illness within a subset of the population.

Morbidity Risk - the potential for a person to experience illness, injury, or other physical or psychological impairment, whether temporary or permanent. Morbidity risk excludes the potential for an individual's death, but includes the potential for an illness or injury that results in death.

Morbidity Table - a statistical record of the rate of illness among the defined age groups.

Mortality Table - chart that shows the death rates of a particular population at each age displayed as the number of deaths per thousand.

Mortgage - a note used to secure a loan for real property.

Mortgage Guaranty - insurance that indemnifies a lender for loss upon foreclosure if a borrower fails to meet required mortgage payments.

Mortgage Insurance - a form of life insurance coverage payable to a third party lender/mortgagee upon the death of the insured/mortgagor for loss of loan payments.

Mortgage-Backed Securities - a type of asset-backed security that is secured by a mortgage or collection of mortgages. These securities must also be grouped in one of the top two ratings as determined by an accredited credit rating agency, and usually pay periodic payments that are similar to coupon payments. Furthermore, the mortgage must have originated from a regulated and authorized financial institution.

Multi-Peril Insurance - personal and business property coverage combining several types of property insurance in one policy.

Municipal Bond Guarantee Insurance - coverage sold to municipalities to guarantee the principle payment on bonds issued.

Municipal Liability - liability coverage for the acts of a municipality.

Municipal obligation bond - any security, or other instrument, including a state lease but not a lease of any other governmental entity, under which a payment obligation is created, issued by or on behalf of a governmental unit to finance a project servicing a substantial public purpose, and 1) Payable from tax revenues, but not tax allocations, within the jurisdiction of such governmental unit; 2) Payable or guaranteed by the United States of America or any agency, department or instrumentality thereof, or by a state housing agency; 3) Payable from rates or charges (but not tolls) levied or collected in respect of a non-nuclear utility project, public transportation facility (other than an airport facility) or public higher education facility; or 4) With respect to lease obligations, payable from future appropriations.

Mutual Insurance Company - a privately held insurer owned by its policyholders, operated as a non-profit that may or may not be incorporated.

Mutual Insurance Holding Company - a company organized as a mutual and owning a capital stock insurer or insurers for the benefit of pooling risk for many people, typically those in the same industry.

N

Named Insured - the individual defined as the insured in the policy contract. .

Named Peril Coverage - insurance for losses explicitly defined in the policy contract.

National Association of Insurance Commissioners (NAIC) - the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and

internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.

Negligence - failure to exercise reasonable consideration resulting in loss or damage to oneself or others.

Net Admitted Assets - total of assets whose values are permitted by state law to be included in the annual statement of the insurer.

Net Income - total revenues from an insurer's operations less total expenses and income taxes

Net Premiums Earned - premiums on property/casualty or health policies that will not have to be returned to the policyholder if the policy is cancelled.

NFIP - National Flood Insurance Program - flood insurance and floodplain management for personal and business property administered under the National Flood Act of 1968. Encourages participation by private insurers through a flood insurance pool .

Nonadmitted Assets - assets having economic value other than those which can be used to fulfill policyholder obligations, or those assets which are unavailable due to encumbrances or other third party interests and should not be recognized on the balance sheet.

Nonadmitted Insurer - insurance company not licensed to do business within a given state.

Non-controlled stock insurers - insurers in which a parent company has: 1) a financial interest represented by the direct or indirect ownership of less than 50% of voting shares, and 2) does not have the ability to exercise control over the insurer, e.g., through voting stock or management contract

Non-proportional Reinsurance - reinsurance that is not secured on individual lives for specific individual amount of reinsurance, but rather reinsurance that protects the ceding company's overall experience on its entire portfolio of business, or at least a broad segment of it. The most common forms of non-proportional reinsurance are stop loss and catastrophe.

Notional Value - the principal value upon which future payments are based in a derivative transaction as at a specific period in time (the "as of" reporting date) in the reporting currency.

Nationally Recognized Statistical Rating Organization (NRSRO) - refers to rating organizations so designated by the SEC whose status has been confirmed by the Securities Valuation Office. Examples are: Moody's Investors Service, Inc., Standard & Poor's (S&P), A.M. Best Company (A.M. Best) and Fitch Ratings and Dominion Bond Rating Service (DBRS).

Nuclear Energy Liability - coverage for bodily injury and property damage liability resulting from the nuclear energy material (whether or not radioactive) on the insured business's premises or in transit.

O

Occurrence - an accident , including injurious exposure to conditions, which results, during the policy period in bodily injury or property damage neither expected or intended from the standpoint of the insured. (Bickelhaupt and Magee)

Ocean Marine - coverage for ocean and inland water transportation exposures; goods or cargoes; ships or hulls; earnings; and liability.

Officer - a president, vice-president, treasurer, actuary, secretary, controller and any other person who performs for the company functions corresponding to those performed by the foregoing officers.

Option - an agreement giving the buyer the right to buy or receive, sell or deliver, enter into, extend or terminate, or effect a cash settlement based on the actual or expected price, level, performance or value of one or more Underlying Interests.

Other Accident and Health - accident and health coverages not otherwise properly classified as Group Accident and Health or Credit Accident and Health (e.g., collectively renewable and individual non-cancelable, guaranteed renewable, non-renewable for stated reasons only, etc.). Include all Medicare Part D Prescription Drug Coverage, whether sold on a stand-alone basis or through a Medicare Advantage product and whether sold directly to an individual or through a group.

Other Liability - coverage protecting the insured against legal liability resulting from negligence, carelessness, or a failure to act resulting in property damage or personal injury to others.

Other Underwriting Expenses - allocable expenses other than loss adjustment expenses and investment expenses.

Owner Occupied - homeowners insurance sold to owners occupying the described property.

P

Package Policy - two or more distinct policies combined into a single contract.

Par Value - the nominal or face value of a stock or bond.

Peril - the cause of property damage or personal injury, origin of desire for insurance. "Cause of Loss"

Permanent Life Insurance - policy that remains active for the life of the insured.

Personal Auto Policy - coverage designed to insure private passenger automobiles and certain types of trucks owned by an individual or husband and wife.

Personal Earthquake - earthquake property coverage for personal, family or household purposes.

Personal Flood - separate flood insurance policy sold for personal, family or household purposes.

Personal GAP Insurance - credit insurance that insures the excess of the outstanding indebtedness over the primary property insurance benefits in the event of a total loss to a collateral asset.

Personal Injury Liability - liability coverage for those who have been discriminated against, falsely arrested, illegally detained, libeled, maliciously prosecuted, slandered, suffered from identity theft, mental anguish or alienation of affections, or have had their right of privacy violated.

Personal Injury Protection Coverage/PIP - automobile coverage available in states that have enacted no-fault laws or other auto reparation reform laws for treatment of injuries to the insured and passengers of the insured.

Personal Property - single interest or dual interest credit insurance (where collateral is not a motor vehicle, mobile home, or real estate) that covers perils to goods purchased or used as collateral and that concerns a creditor's interest in the purchased goods or pledged collateral either in whole or in part; or covers perils to goods purchased in connection with an open-end credit transaction.

Pet Insurance Plans - veterinary care plan insurance policy providing care for a pet animal (e.g., dog or cat) of the insured owner in the event of its illness or accident.

Policy - a written contract ratifying the legality of an insurance agreement.

Policy Dividend - a refund of part of the premium on a participating life insurance policy. Amount of payment is determined by subtracting the actual premium expense from the premium charged. The payment can be taken as cash, applied to a purchase an increment of paid-up insurance, left on deposit with the insurance company or applied to purchase term insurance for one year.

Policy Period - time period during which insurance coverage is in effect.

Policy Reserve - the amount of money allocated specifically for the fulfillment of policy obligations by a life insurance company; reserves are in place to safeguard that the company is able to pay all future claims.

Policyholders Surplus - assets in excess of the liabilities of a company or net income above any monies indebted to legal obligation.

Pollution - environmental contamination.

Pool - an association organized for the purpose of absorbing losses through a risk-sharing mechanism thereby limiting individual exposures.

Preferred Provider Organization (PPO) - arrangement, insured or uninsured, where contracts are established by Health Plan Companies (typically, commercial insurers, and, in some circumstances, by self-insured employers) with health care providers. The Health Plans involved will often designate these contracted providers as "preferred" and will provide an incentive, usually in the form of lower deductibles or co-payments, to encourage covered individuals to use these providers. Members are allowed benefits for non-participating provider services on an indemnity basis with significant copayments and providers are often, but not always, paid on a discounted fee for service basis.

Preferred Risk - insured, or applicant for insurance, who presents likelihood of risk lower than that of the standard applicant.

Premises and Operations - policies covering the liability of an insured to persons who have incurred bodily injury or property damage on an insured's premises during normal operations or routine maintenance, or from an insured's business operations either on or off of the insured's premises.

Premium - Money charged for the insurance coverage reflecting expectation of loss.

Premiums Earned - the portion of premium for which the policy protection or coverage has already been given during the now-expired portion of the policy term.

Premiums Net - is the amount calculated on the basis of the interest and mortality table used to calculate the reporting entity's statutory policy reserves.

Premiums Written - total premiums generated from all policies (contracts) written by an insurer within a given period of time.

Primary Insurance - coverage that takes precedence when more than one policy covers the same loss.

Prior Approval Law - a state regulatory requirement for pre-approval of all insurance rates and forms.

Private Passenger Auto (PPA) - filings that include singularly or in any combination coverage such as the following: Auto Liability, Personal Injury Protection (PIP), Medical Payments (MP), Uninsured/Underinsured (UM/UIM); Specified Causes of Loss, Comprehensive, and Collision.

Producer - an individual who sells, services, or negotiates insurance policies either on behalf of a company or independently.

Product Liability - insurance coverage protecting the manufacturer, distributor, seller, or lessor of a product against legal liability resulting from a defective condition causing personal injury, or damage, to any individual or entity, associated with the use of the product.

Professional Errors and Omissions Liability - coverage available to pay for liability arising out of the performance of professional or business related duties, with coverage being tailored to the needs of the specific profession. Examples include abstracters, accountants, insurance adjusters, architects, engineers, insurance agents and brokers, lawyers, real estate agents, stockbrokers.

Property - coverage protecting the insured against loss or damage to real or personal property from a variety of perils, including but not limited to fire, lightning, business interruption, loss of rents, glass breakage, tornado, windstorm, hail, water damage, explosion, riot, civil commotion, rain, or damage from aircraft or vehicles.

Pro-rata (proportional) Reinsurance - portion of the losses and premium reinsurer shares with the ceding entity.

Protected Cell - an insurance-linked security retained within the insurance or reinsurance company and is used to insulate the proceeds of the securities offering from the general business risks of the insurer, granting an additional comfort level for investors of the securitized instrument.

Protection and Indemnity (P&I) Insurance - a broad form of marine legal liability insurance coverage.

Provider Sponsored Network (PSN) - formal affiliations of providers, sometimes called "integrated delivery systems", organized and operated to provide an integrated network of health care providers with which third parties, such as insurance companies, HMOs, or other Health Plan Companies, may contract for health care services to covered individuals. Some models of integration include Physician Hospital Organizations, Management Service Organizations, Group Practices Without Walls, Medical Foundations, and Health Provider Cooperatives.

Provisions - contingencies outlined in an insurance policy.

Proximate Cause - event covered under insured's policy agreement.

Public Adjuster - independent claims adjuster representing policyholders instead of insurance companies.

Pure Premium - that portion of the premium equal to expected losses void of insurance company expenses, premium taxes, contingencies, or profit margin.

Pure Risk - circumstance including possibility of loss or no loss but no possibility of gain.

Q

Qualified Actuary - a person who meets the basic education, experience and continuing education requirements (these differ by line of business) of the Specific Qualification Standard for Statements of Actuarial Opinion, NAIC Property and Casualty Annual Statement, as set forth in the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, promulgated by the American Academy of Actuaries, and is in good standing of the American Academy of Actuaries who has been approved as qualified for signing casualty loss reserve opinions by the Casualty Practice Council of the American Academy of Actuaries.

R

Rate - value of insured losses expressed as a cost per unit of insurance.

Risk Based Capital (RBC) Ratio - ratio used to identify insurance companies that are poorly capitalized. Calculated by dividing the company's capital by the minimum amount of capital regulatory authorities have deemed necessary to support the insurance operations.

Rebate - a refund of part or all of a premium payment.

Reinsurance - a transaction between a primary insurer and another licensed (re) insurer where the reinsurer agrees to cover all or part of the losses and/or loss adjustment expenses of the primary insurer. The assumption is in exchange for a premium. Indemnification is on a proportional or non-proportional basis.

Reinsurer - company assuming reinsurance risk.

Renewable Term Insurance - insurance that is renewable for a limited number of successive terms by the policyholder and is not contingent upon medical examination.

Renters Insurance - liability coverage for contents within a renter's residence. Coverage does not include the structure but does include any affixed items provided or changed by the renter.

Replacement Cost - the cost of replacing property without a reduction for depreciation due to normal wear and tear.

Reported Losses - Includes both expected payments for losses relating to insured events that have occurred and have been reported to the insurance company, but not yet paid.

Reserve - A portion of the premium retained to pay future claims

Reserve Credit - reduction of reserve amounts for reinsurance ceded. Reductions may include the claim reserve and/or the unearned premium reserve.

Residence - the domicile location of a member as shown by his or her determination as a resident.

Residual Market Plan - method devised for coverage of greater than average risk individuals who cannot obtain insurance through normal market channels.

Retention - a mechanism of internal fund allocation for loss exposure used in place of or as a supplement to risk transfer to an insurance company.

Retention Limit - maximum amount of medical and hospital expense an insurer will carry on its own. The limit can be for an individual claim and/or for the insurers total claims, depending upon the terms of the reinsurance contract.

Retrocession - the portion of risk that a reinsurance company cedes or amount of insurance the company chooses not to retain.

Retrospective Rating - the process of determining the cost of an insurance policy based on the actual loss experience determined as an adjustment to the initial premium payment.

Rider - an amendment to a policy agreement.

Risk - Uncertainty concerning the possibility of loss by a peril for which insurance is pursued.

Risk Retention Act - a 1986 federal statute amending portions of the Product Liability Risk Retention Act of 1981 and enacted to make organization of Risk Retention Groups and Purchasing Groups more efficient.

Risk Retention Group - group-owned insurer organized for the purpose of assuming and spreading the liability risks to its members.

S

Salvage - value recoverable after a loss.

Statutory Accounting Principles (SAP) - a set of accounting principles set forth by the National Association of Insurance Commissioners used to prepare statutory financial statements for insurance companies.

Securitization of Insurance Risk - a method for insurance companies to access capital and hedge risks by converting policies into securities that can be sold in financial markets.

Security - a share, participation, or other interest in property or in an enterprise of the issuer or an obligation of the issuer.

Self-Insurance - type of insurance often used for high frequency low severity risks where risk is not transferred to an insurance company but retained and accounted for internally.

Separate Account - segregated funds held and invested independently of other assets by an insurer for the purpose of a group retirement fund.

Short-term Disability - a company standard defining a period of time employees are eligible for short-term disability coverage, typically for 2 years or less.

Short-Term Medical - policies that provide major medical coverage for a short period of time, typically 30 to 180 days. These policies may be renewable for multiple periods.

Situs of Contract - the jurisdiction in which the contract is issued or delivered as stated in the contract.

Social Insurance - compulsory insurance plan administered by a federal or state government agency with the primary emphasis on social adequacy.

Soft Market - a buyer's market characterized by abundant supply of insurance driving premiums down.

Special revenue bond - any security, or other instrument under which a payment obligation is created, issued by or on behalf of a governmental unit to finance a project serving a substantial public purpose and not payable from the sources in connection with the payment of municipal obligation bonds.

Specified Disease Coverage - coverage that provides primarily pre-determined benefits for expenses of the care of cancer and/or other specified diseases.

Specified/Named Disease - policies that provide benefits only for the diagnosis and/or treatment of a specifically named disease or diseases. Benefits can be paid as expense incurred, per diem or as a principal sum.

Standard Risk - a person who, according to a company's underwriting standards, is considered a normal risk and insurable at standard rates. High or low risk candidates may qualify for extra or discounted rates based on their deviation from the standard.

State Children's Health Insurance Program - policies issued in association with the Federal/State partnership created by title XXI of the Social Security Act.

State of Domicile - the state where a company's home office is located.

State Page - Exhibit of Premiums and Losses for each state a company is licensed. The state of domicile receives a schedule for each jurisdiction the company wrote direct business, or has amounts paid, incurred or unpaid.

Statement Type - refers to the primary business type under which the company files its annual and quarterly statement, such as Life, Property, Health, Fraternal, Title.

Statement Value - the Statutory Accounting Principle book value reduced by any valuation allowance and non-admitted adjustment applied to an individual investment or a similar group of investments, e.g., bonds, mortgage loans, common stock.

Statutory Accounting - method of accounting standards and principles used by state regulatory authorities to measure the financial condition of regulated companies and other insurance enterprises. This method tends to be more conservative than the Generally Accepted Accounting Principles used by most businesses. Compliance with solvency and other standards is determined using financial documents prepared in accordance with Statutory Accounting Principles.

Stock Insurance Company - business owned by stockholders.

Stop Loss/Excess Loss - individual or group policies providing coverage to a health plan, a self-insured employer plan, or a medical provider providing coverage to insure against the risk that any one claim or an entire plan's losses will exceed a specified dollar amount.

Structured Securities - loan-backed securities that have been divided into two or more classes of investors where the payment of interest and/or principal of any class of securities has been allocated in a manner that is not proportional to interest and/or principal received by the issuer from the mortgage pool or other underlying securities.

Structured Settlements - periodic fixed payments to a claimant for a determinable period, or for life, for the settlement of a claim.

Subrogation - situation where an insurer, on behalf of the insured, has a legal right to bring a liability suit against a third party who caused losses to the insured. Insurer maintains the right to seek reimbursement for losses incurred by insurer at the fault of a third party.

Subrogation Clause - section of insurance policies giving an insurer the right to take legal action against a third party responsible for a loss to an insured for which a claim has been paid.

Subsequent Event - events or transactions that occur subsequent to the balance sheet date, but before the issuance of the statutory financial statements and before the date the audited financial statements are issued, or available to be issued.

Substandard Risk - (impaired risk) risks deemed undesirable due to medical condition or hazardous occupation requiring the use of a waiver, a special policy form, or a higher premium charge.

Superfund - federal act mandating retroactive liability for environmental pollution where responsible party maintains accountability for environmental clean-up regardless of length of time since polluting event occurred.

Surety Bond - a three-party agreement whereby a guarantor (insurer) assumes an obligation or responsibility to pay a second party (obligee) should the principal debtor (obligor) become in default.

Surplus - insurance term referring to retained earnings.

Surplus Line - specialized property or liability coverage available via nonadmitted insurers where coverage is not available through an admitted insurer, licensed to sell that particular coverage in the state.

Swap - an agreement to exchange or net payments as the buyer of an Option, Cap or Floor and to make payments as the seller of a different Option, Cap or Floor.

T

Tenants - homeowners insurance sold to tenants occupying the described property.

Term - period of time for which policy is in effect.

Term Insurance - life insurance payable only if death of insured occurs within a specified time, such as 5 or 10 years, or before a specified age.

Third Party - person other than the insured or insurer who has incurred losses or is entitled to receive payment due to acts or omissions of the insured.

Title Insurance - coverage that guarantees the validity of a title to real and personal property. Buyers of real and personal property and mortgage lenders rely upon the coverage to protect them against losses from undiscovered defects in existence when the policy is issued.

Total Liabilities - total money owed or expected to be owed by the insurance company.

Total Revenue - premiums, revenue, investment income, and income from other sources.

Travel Coverage - covers financial loss due to trip cancellation/interruption; lost or damaged baggage; trip or baggage delays; missed connections and/or changes in itinerary; and casualty losses due to rental vehicle damage.

Treaty - a reinsurance agreement between the ceding company and reinsurer.

U

Unallocated Loss Adjustment Expense (ULAE) - loss adjustment expenses that cannot be specifically tied to a claim.

Umbrella and Excess (Commercial) - coverage for the liability of a commercial venture above a specific amount set forth in a basic policy issued by the primary insurer; or a self-insurer for losses over a stated amount; or an insured or self-insurer for known or unknown gaps in basic coverages or self-insured retentions.

Umbrella and Excess (Personal) - non-business liability protection for individuals above a specific amount set forth in a basic policy issued by the primary insurer; or a self-insurer for losses over a stated amount; or an insured or self-insurer for known or unknown gaps in basic coverages or self-insured retentions.

Unauthorized Reinsurance - reinsurance placed with a company not authorized in the reporting company's state of domicile.

Underinsured Motorist Coverage - policy option for bodily injury or property losses caused by a motorist with coverage insufficient to cover total dollar amount of losses. Compensation for the injured party is equal to the difference between the losses incurred and the liability covered by the motorist at fault.

Underlying Interest - the asset(s), liability(ies) or other interest(s) underlying a derivative instrument, including, but not limited to, any one or more securities, currencies, rates indices, commodities, derivative instruments, or other financial market instruments.

Underwriter - person who identifies, examines and classifies the degree of risk represented by a proposed insured in order to determine whether or not coverage should be provided and, if so, at what rate.

Underwriting - the process by which an insurance company examines risk and determines whether the insurer will accept the risk or not, classifies those accepted and determines the appropriate rate for coverage provided.

Underwriting Risk - section of the risk-based capital formula calculating requirements for reserves and premiums.

Unearned Premium - amount of premium for which payment has been made by the policyholder but coverage has not yet been provided.

Unearned Premium Reserve - all premiums (fees) received for coverage extending beyond the statement date; appears as a liability on the balance sheet.

Universal Life Insurance - adjustable life insurance under which premiums and coverage are adjustable, company expenses are not specifically disclosed to the insured but a financial report is provided to policyholder's annually.

Unpaid Losses - claims that are in the course of settlement. The term may also include claims that have been incurred but not reported.

V

Valued Policy - an insurance contract for which the value is agreed upon in advance and is not related to the amount of the insured loss.

Valued Policy Law - state legislation which specifies that the insured shall receive the face amount of the policy in the event of a total loss to a dwelling rather than the actual cash value regardless of the principle of indemnity.

Variable Annuity - an annuity contract under which the premium payments are used to purchase stock and the value of each unit is relative to the value of the investment portfolio.

Variable Life Insurance - life insurance whose face value and/or duration varies depending upon the value of underlying securities.

Variable Universal Life - combines the flexible premium features of universal life with the component of variable life in which excess credited to the cash value of the account depends on investment results of separate accounts. The policyholder selects the accounts into which the premium payments are to be made.

Viatical Settlements - contracts or agreements in which a buyer agrees to purchase all or a part of a life insurance policy.

Vision - limited benefit expense policies. Provides benefits for eye care and eye care accessories. Generally provides a stated dollar amount per annual eye examination. Benefits often include a stated dollar amount for glasses and contacts. May include surgical benefits for injury or sickness associated with the eye.

W

Warrant - an agreement that gives the holder the right to purchase an underlying financial instrument at a given price and time or at a series of prices and times according to a schedule or warrant agreement.

Warranty - coverage that protects against manufacturer's defects past the normal warranty period and for repair after breakdown to return a product to its originally intended use. Warranty insurance generally protects consumers from financial loss caused by the seller's failure to rectify or compensate for defective or incomplete work and cost of parts and labor necessary to restore a product's usefulness. Includes but is not limited to coverage for all obligations and liabilities incurred by a service contract provider, mechanical breakdown insurance and service contracts written by insurers.

Whole Life - life insurance that may be kept in force for a person's entire life and that pays a benefit upon the person's death, whenever that may be.

Whole Life Insurance - life insurance that may be kept in force for the duration of a person's life and pays a benefit upon the person's death. Premiums are made for same time period.

Workers' Compensation - insurance that covers an employer's liability for injuries, disability or death to persons in their employment, without regard to fault, as prescribed by state or federal workers' compensation laws and other statutes.

Written Premium - the contractually determined amount charged by the reporting entity to the policyholder for the effective period of the contract based on the expectation of risk, policy benefits, and expenses associated with the coverage provided by the terms of the insurance contract.