

# Insurance firms to expedite flood claim settlements; widespread damage may impact their bottomline

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With floods ravaging a large part of the country, including Bihar, Assam, Maharashtra, Karnataka and Kerala, insurance companies are getting ready to settle claims. But considering the widespread damage, the insurers are also likely to take a hit. “In Bihar and Assam, some insurance claims are coming in but for other parts of the country it is still too early. Once the flood water recedes, only then we will be able to get some estimates and begin work to process and settle claims,” said an executive with a public sector general insurance company.

“Relief work is on and advisories have been shared with customers on how they can reduce losses,” said a private sector general insurer.

The Insurance Regulatory and Development Authority of India (IRDAI), in a recent missive, advised insurance companies to expedite claim settlement after floods in Karnataka and parts of Maharashtra recede. “The recent floods have

caused immense loss to property in Karnataka,” it said, adding that special camps should be set up.

“If there are any death claims and death certificate is difficult to obtain on account of non-recovery of body, the process followed in the case of Jammu and Kashmir floods, Tamil Nadu and Kerala floods should be followed,” the IRDAI further said, adding that to gauge the magnitude of loss, all non-life insurers should submit information on claim settlement.

In April and May Odisha was ravaged by Cyclone Fani with losses estimated at about ₹3,000 crore.

“While there is a lot of under-insurance and often the insured-losses are low, the widespread floods could hit the bottom lines of at least some insurers and impact the combined ratio,” said an executive with a private sector insurance company.

However, Pushan Mahapatra, MD and CEO, SBI General Insurance, had told *BusinessLine* in an earlier interview that while making projections for loss ratios, it always factors in two natural calamity events because that has ‘become the order of the day’.

Sectors such as property, agriculture and motor vehicles are some of the main segments from where claims come in after floods, followed by health and life-related claims.

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