

### **Seminar on Insurance for Large Infrastructure Projects**

The Country has been seeing a spurt of large infrastructure projects over the last two decades. In today's world, developing infrastructure projects has become increasingly complicated and involve highly sophisticated and complex technical skills. Today's large projects covering construction, power and complex infrastructure development are exposed to many risks beyond conventional physical risk exposures.

Insurance of projects have become more complicated and there is increased demand for seamless coverage to the project from the beginning till the end including loss of profits and delay in startup. An additional dimension of risk that looms large over the infrastructure industry is in the area of liability which is again growing with the number of transcontinental high-value contracts, more global consumers and higher levels of awareness.

In this background, the Insurance Institute of India organized a seminar for the developers of large infrastructure projects so that their risk managers and decision makers are better empowered to derive maximum benefits from insurance.

Mr. S. K. Roy, Chairman and Managing Director, Life Insurance Corporation of India in his special address, pointed out challenges of the infrastructure industry, including funding needs, force majeure situations; and the responsibility of the insurance industry to protect the investors, the entrepreneurs and the nation's wealth. He observed that the Prime Minister had taken infrastructure development on a mission mode.

Mr. G. Srinivasan, Chairman and Managing Director of the New India Assurance Company Ltd., in his inaugural address, focused on the increased need of knowledge updation and learning from the past. He lamented the insufficiency of well-trained and specialized surveyors to deal with infrastructure insurance claims. Emphasizing that with the impetus that the Prime Minister was giving on development, every city was soon becoming a 'work in progress' and the insurance sector would have to gear up fast to cater to the industry's requirements.

Welcoming the elite audience, Mr. P. Venugopal, Secretary General, Insurance Institute of India endorsed the Institute's continual commitment to the insurance industry's academic needs. He stated that this was part of the series of seminars conducted as part of the Diamond Jubilee celebrations.

In the first technical session on risk management aspects of infrastructure projects chaired by Mr. G. Srinivasan, Chairman cum Managing Director of the New India Assurance Co. Ltd., there were presentations by Mr. Subba Rao, CEO, Cholamandalam MS Risk Services, Mr. Vivek Gadgil, CEO, L & T Metro Rail (Hyderabad) Ltd. and insurance experts, Mr. A. S. Chaubal, Consultant, Ex-TAC, Ex-GIC, Ex-Howden and Mr. Abhay Gujar, Head, Risk Management, Bajaj Allianz General Insurance Company Ltd.

Mr. R Chandrashekhar, Secretary General, General Insurance Council chaired the second technical session on underwriting challenges where Mr. M. K. Jindal, Ex Deputy General Manager, Oriental Insurance Co. Ltd., Mr. Aniruddha Singh, COO, Raheja QBE General Insurance Co. Ltd, Mr. John Pulinthanam, General Manager, National Insurance Company Limited and Mr. P. Chandrasekar, General Manager, KEC international Limited. A view was expressed on the need to design need-based insurance covers for the various risk exposures including liabilities of infrastructure projects.

The third technical session on claims challenges in infrastructure projects was chaired by Mr. P. J. Joseph Chairman-cum-Managing Director, Agriculture Insurance Co. of India. The speakers were Mr. K. Murali, Senior Vice President, Infrastructure Leasing and Financial Service Ltd, Mr. Gopalakrishna Murthy, National Manager Claims, HDFC Ergo General Insurance, Mr. C. B. Murali, Head Infrastructure Energy and Group Insurance Business, Aditya Birla Insurance Broking Co. Ltd., Mr. Rafi Ahmed, General Manager, The New India Assurance Co. Ltd.

Mr. A. K. Roy, President, Insurance Institute of India and CMD, General Insurance Corporation of India in his valedictory address cited the examples of Cyclone Hud Hud, Uarakhand floods, J & K floods and Nepal earthquake and forewarned the insurance professionals that the losses of the future would be much bigger than what the industry has ever seen. He advised them to be serious in collecting data and sharing it with all stakeholders so that insurers can take wiser decisions in future. Mr. A. Mukherjee, Director, College of Insurance, Insurance Institute of India, in his vote of thanks assured the distinguished delegates that the Institute had taken note of their views and would do its best to address the academic and professional needs of the industry.