

Pvt insurers find PM crop insurance scheme costly

ICICI Lombard, Tata AIG and Cholamandalam pull out after claims ratio soars

NAMRATA ACHARYA
Kolkata, 2 November

At least three private insurers, ICICI Lombard General Insurance, Tata AIG and Cholamandalam MS General Insurance, have pulled out of the Pradhan Mantri Fasal Bima Yojana (PMFBY) or prime minister's crop insurance scheme.

This has raised concern on viability of its business model.

Together, these companies accounted for about ₹3,000 crore of premium. The three have not bid for the scheme this financial year.

E-mails to Tata AIG and Cholamandalam did not elicit a response. A senior official at ICICI Lombard only said it had not participated in the scheme this year.

According to a top official at government-owned Agriculture Insurance Company of India (AIC), only crop insurer in the country before PMFBY's advent, private did not take part or quoted unrealistically high rates in at least three states—Maharashtra, Uttarakhand and Himachal Pradesh.

One reason for private sector firms to shy away is last year's high claims ratio, exceeding 100 per cent, according to a high-ranking government official. As a result, many reinsurers have increased their overall rates. Earlier, reinsurance companies used to pay commission in the range of 7-20 per cent to insurance companies, which protected the latter against huge losses. After last year, reinsurance companies have reduced the commission to 3-3.5 per cent. PMFBY, being a mass scheme, is heavily dependent on reinsurance support.



In the first two years, PMFBY was profitable for both insurers and reinsurers, leading to a trend of aggressive bidding

More, in many states, insurance companies have faced delay in getting compensation from governments. PMFBY is based on actuarial calculations; rates are based on risk perception. Thus, premiums differ, based on crop and region. However, a farmer pays only a flat two per cent premium to insurance companies, the rest being reimbursed by central and state governments. On average, the premium is 12-15 per cent, with state and

central governments bearing five per cent each. Insurers in each state are chosen on the basis of competitive bidding.

Political intervention in claim settlements is another issue faced by private companies, say insurers. Further, crop cutting experiments (CCE), which determine overall yield and are crucial in assessing loss, is still manually conducted in most states, making it highly prone to human error. According to government data, a little more than seven million CCEs are conducted annually.

Notably, in the first two years, PMFBY was profitable for both insurers and reinsurers, leading to a trend of aggressive bidding. According to government data, in the 2016-17 and 2017-18 financial years, total premium collected was ₹48,230 crore, while claim payout was ₹38,121 crore, indicating that close to ₹10,000 crore went collectively to insurance and reinsurance firms.

"For crop insurance to be a viable business, there should be good geographical spread. If companies concentrate risks in a few pockets, either there will be bumper profit or bumper loss. In the case of AIC, since our business is quite big, we are able to balance the portfolio," said a senior official at AIC. It now accounts for more than half the market share in PMFBY.

AIC has also entered into a co-insurance agreement with three other public sector general insurance firms — New India Assurance, National Insurance and United India Insurance — for PMFBY. Under the scheme, while AIC will use offices, personnel and rural reach of the three companies, it will offer 12.5 per cent of the premium collected to each of them.

Meet the economy the IMF sees growing 86% in 2020

MATTHEW BRISTOW & EZRA FIESER
Bogota, 2 November

South America may be battered by weak growth, unrest and austerity but one of its smallest countries is about to experience the fastest economic growth on the planet.

Guyana, a country of 780,000 that neighbors Brazil and Venezuela in the region's northeast corner, will see its economy balloon 86 per cent next year after expanding 4.4 per cent this year, according to the International Monetary Fund. That's 14 times the projected pace of China and driven by Exxon Mobil Corp.'s discovery of oil.

"We're moving from a very low base to a stratospheric leap," Finance Minister Winston Jordan said in a telephone interview from Georgetown.

South America's only English-speaking nation owes the anticipated windfall to offshore oil deposits discovered in 2015. At the moment, the country doesn't produce any crude, though its neighbor Venezuela holds the world's largest reserves.

While Guyana's \$4 billion annual gross domestic product is about a tenth the size of Vermont's, it will expand to about \$15 billion by 2024, according to the IMF.

The government plans to use some of the money derived from its royalties to build highways to connect coastal towns to the sparsely populated interior, which has gold, diamond and bauxite deposits,



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Jordan said. The oil sector will represent about 40 per cent of the economy within five years, the IMF calculates.

The fund says its forecast may be subject to large revisions, since even small changes to the projected oil output in 2020 would result in big swings in the overall economic performance.

Exxon has partnered with Hess and China's CNOOC to develop one of the world's biggest new deepwater oil discoveries off the country's coast.

Exxon said it will begin pumping from its first well next month, and by 2025 Guyana will produce at least 750,000 barrels a day.

Total SA, Tullow Oil Plc and Repsol SA are also among the companies exploring for oil in Guyana's waters.

The government expects the initial \$300 million a year in revenue from profit-sharing and royalties to more than double after a second offshore well starts production around 2022. That money will go directly to a sovereign wealth fund the country established this year, which will be used for "inter-generational" savings, to protect against oil price swings, and to fund development plans, Jordan said.

BLOOMBERG

Maharashtra's ₹10k cr relief to farmers inadequate: NCP

PRESS TRUST OF INDIA
Mumbai, 2 November

The BJP and Shiv Sena should come together and form government to provide relief to farmers hit by untimely rains, NCP leader Ajit Pawar said on Saturday even as he stressed his party will sit in the opposition. Pawar also termed as "inadequate" the

₹10,000 crore immediate assistance announced by the government for farmers affected by unseasonal rains.

Former Maharashtra deputy chief minister Pawar made the remarks after attending a meeting of NCP leaders convened by party president Sharad Pawar here to discuss crop loss due to untimely rains in parts of the state.

The meeting took place a day after Pawar, a former Union agriculture minister, visited Nashik to assess crop losses.

Maharashtra NCP chief Jayant Patil, party MPs Supriya Sule and Sunil Tatkare, senior leaders Chhagan Bhujbal, Dilip Walse-Patil and Dhananjay Munde attended the meeting held at the NCP supremo's residence here.

Will attempt soft landing soon: Isro chief



Isro Chairman K Sivan (left) and Director of IIT V Ramgopal Rao (centre) present Director's Gold medal to Mallika Singla at the annual convocation of IIT Delhi on Saturday

PHOTO: PTI

Chandrayaan-2 is not the end of the story about the country's attempts to conquer the moon, and the Indian Space Research Organisation (Isro) will attempt another soft landing "in the near future", the space agency's chief K Sivan said.

Sivan, who was in the national capital to attend IIT Delhi's golden jubilee convocation said a number of advanced satellite launches are planned in the coming months.

"You all have heard about

Chandrayaan-2 mission. On the technology part — yes, we could not achieve soft landing, but all the systems functioned until 300 metres from the moon's surface.

"Very valuable data is available to set things right. Let me assure that Isro will pull all its experience, knowledge and technical prowess to set things right and demonstrate soft landing in near the future," Sivan said in his address at the golden jubilee convocation of IIT Delhi.

PTI

HEALTH

FIT & PROPER

Your weekly health guide

What your genes are telling you to eat



PRANAV ANAM,
Founder & CEO, The Gene Box

Very often, people fighting obesity hear that they should stop consuming rice and rice products because it promotes weight gain. Look at the people from other South-East Asian countries where rice is more a staple than in India. How many of them are overweight or obese? In fact, new research suggests that a diet based on rice is less likely to make you obese than a diet devoid of it. This is where nutrigenomics (also known as nutritional genomics) comes into play. It gives you a better understanding of your body's requirement and the food it needs.

What is nutrigenomics and why does it matter?

There is a deep connection between food and genes. The food you eat has an impact on your genes and your genes have a profound impact on your nutritional requirements, metabolism and the ability to lose or gain weight. Every person's genes respond differently to the nutrients consumed through food or supplements. This knowledge is profound in leading a healthy life. Armed with this information, an individual can make appropriate choices regarding his or her health and is saved from a lot of trial and error. While it sounds all too technical, it's not anymore - you can get your genes tested to determine your nutrition needs, all without a single prick on your body.

Broadly speaking, nutrigenomics is the relationship between nutrients, diet and gene expression of our bodies. Many deem it to be the

"next big thing" to fight lifestyle-linked diseases. The launch of the Human Genome Project in the 1990s and the subsequent mapping of the human DNA sequencing ushered in the "era of big science", and jumpstarted the field of nutrigenomics. In the view of the increasing burden of nutrition-related, non-communicable diseases across the world, nutrigenomics could play an important role in developing more sustainable approaches to encourage dietary changes.

A promising future

Nutrigenomics is a systematic approach that examines the relationship between what we eat and our risk and response to diseases, and also molecular mediators — genes, gene expression and biomarkers, such as hormones and metabolites. It uses many types of tools to identify the risk of disease and its progression, such as maintaining food diaries to record nutrient input, biomarkers to understand a body's response, genomic assays to identify relevant gene variants and clinical data including age, weight, sex and BMI, to monitor the health impact of food.

For example, it can be used to recommend a low-fat diet versus a low-carbohydrate diet as the best way to lose weight.

A recent, multi-centre trial in the European Union showed that developing algorithms that integrated information on diet, phenotype and genotype and personalised nutrition approaches can offer bigger health gains than adhering to standard dietary guidelines.

In India, where the population is dense and disease burden is high, a nutrigenomic approach can be a game changer, especially in dealing with lifestyle diseases that constitute the lion's share of the non-communicable diseases in the country.

'But mom, video games are my job'

LEONARD SAX, MD
2 November

Kyle Giersdorf is 16 years old. He's a junior at Pottsgrove High School, about half an hour from my home in suburban Philadelphia. In July, he won the first-ever Fortnite World Cup, earning \$3 million.

As a family doctor, I often hear from parents about how their kids push back at any attempt to limit how much time they spend playing video games. The parents will say, it's after midnight, maybe it's time to turn off the video game and get some sleep. But the kid — usually a teenage boy — responds that he wants to be a professional gamer. "This is my job," the boy might say.

E-sports are booming. When the National Association of Collegiate Esports (NACE) was started three years ago, only seven American colleges offered formal e-sports competition. NACE now has more than 170 member colleges and universities in the United States.

Millions of young Americans are paying real money to watch other young people play video games. Tyler Blevins, known as "Ninja," earns \$500,000 a month playing Fortnite — and that was before he dumped his previous host, Twitch, where he had over 14 million followers, to join Microsoft's streaming platform, Mixer.

Does it make sense to support a teenager's dreams of being the next Tyler Blevins? Plenty of parents do everything they can to support their children's athletic dreams. They invest in soccer camp for the next Mia Hamm, do endless tennis drills with the next Serena Williams or wake up before sunrise to drive the next Michael Phelps to swim practice. Is it any different if your child is staying up all night playing video games?

The University of California, Irvine, offers scholarships to play e-sports in games such as Overwatch and League of Legends, just as many colleges have long offered scholarships to play



There are just over two million gamers broadcasting their games on Twitch, hoping to monetise their gaming skills and the top 10 streamers earn an average of \$2 million a year.

traditional sports such as soccer and football. In a phone interview, I asked Mark Deppe, director of the e-sports program: If you heard that one of your students was staying up till 5 in the morning playing video games, missing classes, what would you say? "That's not what we want to see," Deppe told me. "That's what we want to avoid. We teach time management. We teach mental health. We have a staff member dedicated to monitoring class attendance, assignments and grades."

"But what if a student says they want to be a professional gamer? What do you tell them?" I asked.

"We're pretty blunt. We show them the numbers. Sure, you might go pro, but you're probably not going to make enough money playing video games to live off that. Students sometimes ask about the 'path to pro.' I tell them to think about the path through pro. Even if you become a professional gamer, that career isn't likely to last more than a couple of years. You need to have a plan for what you will be doing after you hang up the mouse and keyboard. E-sports can't be your final destination." That's straight from the horse's

mouth, and you have Mr. Deppe's permission to quote him when you talk to your teen. The key to emotional well-being is balance. Children, especially teens, can easily careen off balance. As parents, we have to teach our kids the skills they need to keep from crashing through the guardrails.

That is not to say you should be dismissive of your child's passion. If your child is dreaming of being a professional gamer, I advise parents to answer just as they would a teenager who wants to be a professional athlete. Play your game. Improve your skills. But homework and other responsibilities come first. And don't sacrifice sleep. Sleep deprivation is a major risk factor for depression in teenagers.

Parents can support their kids' interests while also providing a reality check. Let's look at the numbers. There are just over two million gamers broadcasting their games on Twitch, hoping to monetise their gaming skills. The top 10 streamers earn an average of \$2 million a year, but the overwhelming majority of streamers earn much, much less. The odds of your kid making it into those top 10 are less than 1 in 200,000.

Most of those gamers aren't earning much. One YouTuber who reached the million-view milestone calculated that those million-plus views had earned him ... \$389.07.

If you had a child who was dreaming of being the next Tom Brady, you could point out that there are just over one million kids playing high school football in the United States: 1,006,013 to be precise. There are 1,696 players in the National Football League right now: 32 teams with 53 men on each roster. That means that only about one out of every 600 high school football players is going to play in the NFL (Take note that the odds of a high school football player making it to the NFL are hundreds of times better than the odds of a gamer making it to the top-10 list on Twitch). And, the average career of an NFL player is just over three years. So even if you are the one in 600 athlete who makes it to the NFL, you'd better have something else in place for when your three or four years in the league are up.

In other words, you respond to your aspiring pro-gamer teen just as you might respond to your aspiring pro-athlete teen. You say: I com-

Dentist group says antibiotics not needed for most toothaches

LISA RAPAPORT
2 November

In most cases, adults don't need to take antibiotics for a toothache, according to new guidelines from the American Dental Association (ADA).

Even though patients with toothaches are often prescribed antibiotics to help ease symptoms and prevent worsening of the problem, healthy adults should generally have dental treatment instead of antibiotics, according to the ADA guidance published in the Journal of the American Dental Association.

"Antibiotics should not be used until an infection progresses enough that it can no longer be treated with only dental treatment like a non-surgical root canal," said Peter Lockhart, chair of the ADA expert panel that developed the guidelines and a research professor at Carolinas Medical Center - Atrium Health in Charlotte, North Carolina. "Signs and symptoms of this progression include fever, swollen lymph nodes, facial swelling and extreme tiredness."

These recommendations apply to healthy adults, and are not intended to stop antibiotic use altogether, according to the ADA guidelines. The intent is to minimise overuse and the rise of more antibiotic-resistant infections by limiting antibiotic use to cases when these drugs are absolutely necessary. Dental pain and swelling are the most common reason that patients go to the emergency room or doctor's office for oral health problems, according to the ADA. Patients may have occasional sharp pain and a fever, or they might experience constant dull or severe pain.

General and specialty dentists are the third highest prescribers of antibiotics in all outpatient settings in the United States, according to the ADA.

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