



J.B.BODA



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J.B.BODA

NEWS AT J.B.BODA

J.B.Boda Annual Global Reinsurance Meet 2024



The recent J.B.Boda Annual Reinsurance Global Meet 2024 held at the J.W. Marriott Sahar in Mumbai, was a resounding success. Three days of intensive collaboration between our global teams yielded invaluable insights and strategic direction for the future of our business.

Through robust discussions on prevailing market trends and emerging innovations, we collectively explored new horizons and solidified our commitment to delivering exceptional value to our clients. Each team contributed unique perspectives and vision, enriching our collective understanding of the industry landscape.

We are excited to translate the momentum and ideas generated at this event into tangible results.

NEWS AT J.B.BODA

The Shriram General Insurance Co. Ltd. visited the J.B.Boda Head office



Mr. J.S. Gujral, Vice Chairman of Shriram General Insurance Co. Ltd., recently met with J.B.Boda Group Chairman Mr. Atul Boda at the company's Mumbai headquarters. Accompanying Mr. Gujral were key executives including Mr. Anil Aggarwal (CEO), Mr. Aftab Alvi (CMO), Mr. Shashi Kant Dahuja (ED & CUO), Mr. Akash Chandra (Regional Manager), and Mr. Gautam Jha (Sr. Manager - Corporate & Broker Relationship).

The meeting provided a platform for both organizations to comprehensively review their ongoing projects and collaborations. Leaders from J.B.Boda and Shriram General Insurance engaged in productive discussions to identify opportunities to further strengthen their partnership. A key focus of the meeting was aligning business strategies to collaborate in upcoming opportunities.

NEWS AT J.B.BODA

“RB Ventures” Launched at the Global Meet



The J.B.Boda Annual Reinsurance Global Meet 2024 witnessed a momentous occasion – the official launch of “RB Ventures” by our esteemed Group Managing Director, Mr. Rohit Boda.

In an address to the assembled J.B.Boda colleagues, Mr. Rohit Boda unveiled plans for this exciting new venture, offering a glimpse into its future roadmap. The launch culminated in the official unveiling of the RB Ventures website – www.rb.ventures – marking a significant step forward for the company.

INDIA - INSURANCE UPDATE

Tech-Driven Transformation: Crop Insurance on the Rise

The Economic Survey's prediction of a surge in crop insurance premiums is a testament to the transformative power of technology in India's agricultural landscape. The government's strategic push to leverage digital tools to assess crop damage and streamline the insurance process is a commendable step towards bolstering the resilience of our farming community.



Historically, Indian farmers have been at the mercy of unpredictable weather patterns, with crop failures often leading to financial ruin. Crop insurance has been seen as a potential safety net, but its effectiveness has been hampered by several factors, including delayed claims, low penetration rates, and lack of trust in the system.

The integration of technology into the crop insurance ecosystem is a game-changer. By harnessing the power of satellite imagery, artificial intelligence, and mobile applications, it is now possible to accurately assess crop losses in real-time, expedite claims processing, and enhance transparency. This not only benefits farmers by providing timely financial relief but also instills confidence in the insurance system.

However, challenges persist. Ensuring widespread internet connectivity in rural areas, building robust data infrastructure, and developing user-friendly platforms are crucial for the successful implementation of tech-driven crop insurance. Additionally, addressing issues related to premium affordability and awareness creation among farmers will be essential to maximize the impact of these initiatives.

The government's focus on technology-enabled crop insurance is a step in the right direction. By investing in research and development, fostering partnerships with the private sector, and empowering farmers with digital literacy, India can create a robust and resilient agricultural insurance ecosystem. This will not only protect farmers from financial losses but also contribute to the overall growth and development of the agricultural sector.

Source: Economic Survey of India 2023-24, news reports from major Indian financial newspapers and news channels covering the government's push for technology-driven crop insurance.

GLOBAL - INSURANCE UPDATE

Microsoft Outage: A Catalyst for Insurance Expansion

The recent global outage caused by a Microsoft software glitch has underscored the critical role technology plays in modern business. While the immediate impact was disruption and financial loss, the long-term consequences for the insurance industry could be far-reaching.



This incident serves as a stark reminder of the interconnectedness of our digital world. Businesses of all sizes, across industries, rely heavily on cloud-based services and software applications. When these systems fail, the repercussions are felt widely. From financial losses to reputational damage, the costs can be substantial.

One of the most significant impacts of the outage was the disruption to business operations. Many companies were unable to function effectively, leading to lost revenue, productivity losses, and damage to customer relationships. This highlights a critical gap in traditional insurance coverage: protection against business interruption due to third-party technology failures.

It is reasonable to expect that the insurance industry will respond by expanding coverage to address these emerging risks. Cyber insurance, already a growing market, is likely to see a surge in demand. Policies may be broadened to include coverage for business interruption due to third-party software failures, not just cyberattacks.

Moreover, insurance premiums are likely to increase. Insurers will need to reassess their risk models to account for the increased frequency and severity of technology-related incidents. This could lead to higher premiums for businesses that rely heavily on digital infrastructure.

The outage also highlights the importance of disaster recovery and business continuity planning. Insurance providers might offer incentives for businesses that can demonstrate robust contingency plans, potentially leading to lower premiums.

Ultimately, the Microsoft outage is a wake-up call for businesses and insurers alike. As our reliance on technology deepens, so too must our efforts to mitigate the risks associated with it. The insurance industry has an opportunity to step up and provide the necessary protection for businesses operating in an increasingly digital world.

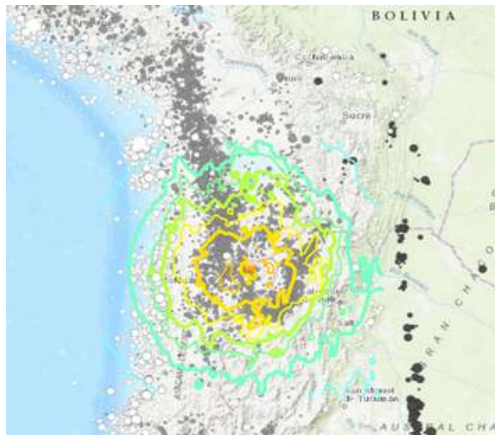
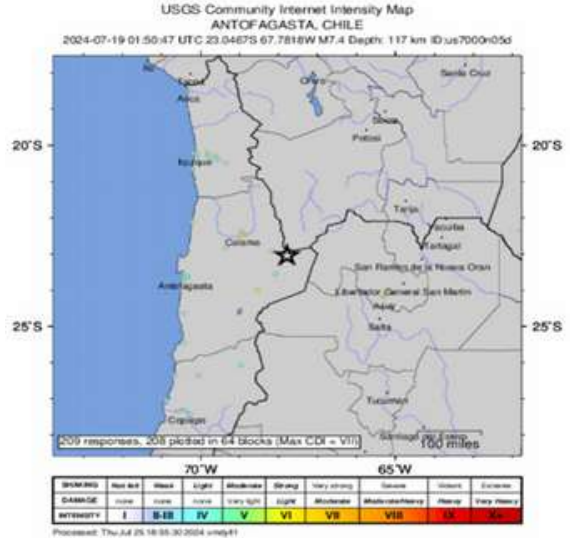
Source: Reuters, Bloomberg, Financial Times, and The Wall Street Journal



NAT CAT NEWS

Very strong MW7.4 earthquake hits San Pedro de Atacama, Chile

A very strong earthquake of Mw7.4 with an intermediate depth of 117.4 km (73 miles) within the subducted Nazca plate occurred under the triple country borders between Chile, Argentina, and Bolivia at 01:50 UTC on July 19, 2024 (21:50 LT, July 18). Earthquakes with focal depths between 70 and 300 km (43 and 186 miles) are termed as “intermediate-depth” earthquakes. Intermediate-depth earthquakes cause less damage on the ground surface above their foci than with similar-magnitude shallow-focus earthquakes, but large intermediate-depth earthquakes may be felt at great distances from their epicenters. This quake occurred as the result of normal faulting.



Overall, the population in this region resides in structures that are resistant to earthquake shaking (adobe block), though vulnerable structures exist (rubble/field stone masonry). The performance of modern structures in Chilean earthquakes testifies to the adequate seismic design requirements of the building code, the government’s ability to enforce the code, and the public’s willingness to follow principles of earthquake-resistant building design. However, the structures in some regions of Chile performed significantly better than others, partly due to the regional variation in construction.

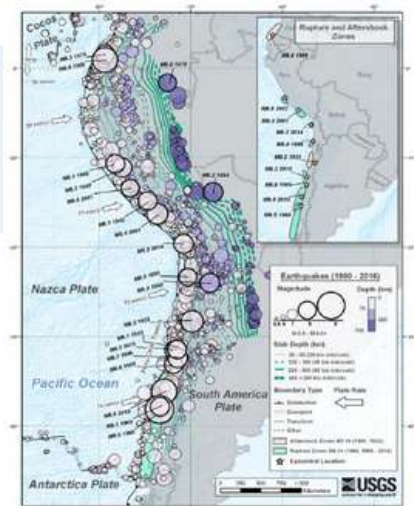
This image indicates population affected by different intensity of this earthquake.

Recent earthquakes in this area have caused secondary perils such as tsunamis and landslides that have also contributed to losses. Liquefaction triggered by this earthquake is estimated to be significant in severity and (or) spatial extent.

Regional Historical Seismicity:

Chile has high earthquake hazard region. The biggest recorded event occurred in 1960. In addition, some other major events have occurred in the past. The image shows those events.

At the location of this July 19th, 2024, earthquake, the Nazca plate moves eastward with respect to the South America plate, subducting at the Peru-Chile Trench along the South America coastline at a velocity of about 74 mm (2.9 inches) per year. The Chilean subduction zone is well known for producing very large earthquakes along the coastline, including the 2010 - Mw8.8 Maule earthquake and 1960 - Mw9.5 Valdivia earthquake.



NAT CAT NEWS

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Past events & Losses:

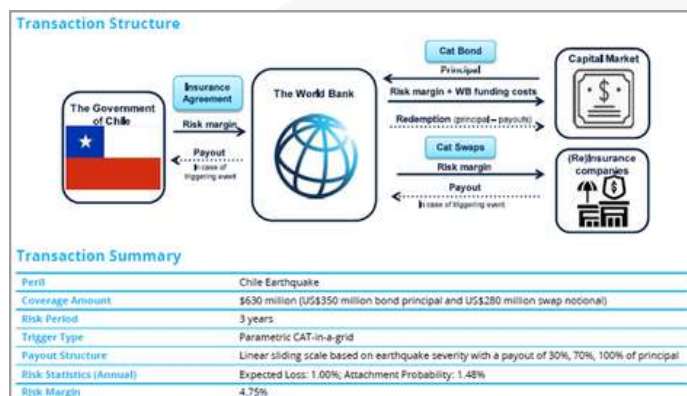
Event Date	Location	Magnitude (M _w)	Losses in \$ million as per occurrence year	
			Economical	Insured
16/09/2015	Illapel	8.3	1000	500
1/4/2014	Iquique	8.2	NA	NA
27/02/2010	Maule	8.8	30000	8000
13/06/2005	Tarapaca	7.8	NA	40
30/06/1998	Antofagasta	6.5	NA	NA
15/10/1997	Pueblo Nuevo/Illapel	7.1	48	NA
30/07/1995	Antofagasta	8	30000	8500
3/3/1985	Santiago/Valparaiso and San Antonio	7.6	1500	85
28/03/1965	Valparaiso	7.4	125	NA
18/06/1960	Valdivia	8.8	800	NA
24/01/1939	Chillan	8.3	920	NA
1/12/1928	Talca	8.3	25	NA
16/08/1906	Valparaiso	8.6	260	NA

Insurance market:

Chile has a highly developed insurance market & EQ coverage is sold as an add-on cover within the standard fire policy. Separate earthquake policies are not available to homeowners and businesses, except for an international program or if excess layer coverage is required. Damage from fires that occur as a result of earthquakes is also covered. ~90% of property policies carry EQ coverage out of which ~10% of residential properties & 60% of commercial properties are insured. But there is no insurance pool such as California Earthquake Authority.

Financial protection against earthquakes:

In March 2023, the International Bank for Reconstruction and Development (IBRD) priced a joint CAT bond and swap transaction providing a total of \$630 million of EQ insurance coverage (\$350 million of CAT bonds & \$280 million of CAT swaps) to the Govt. of Chile. By simultaneously offering the risk to both bond investors and to insurance and reinsurance companies in swap form, the World Bank and Chile were able to access a larger amount of risk bearing capacity than either market could offer on its own. It makes funds readily available in the case of disaster, protects Chile's fiscal budget, and reduces the potential need to mobilize debt in an event's aftermath. The coverage is for three years with payouts triggered if an EQ meets the pre-defined parametric criteria for location and severity.



References:

- AIR Worldwide
- iii.org
- Swiss Re
- The Watchers
- USGS

AGRICULTURE NEWS

Prediction of flash drought, a devastating natural disaster through unusual phenomenon in plants

Flash drought is the rapid onset or intensification of drought. It is set in motion by lower-than-normal rates of precipitation, accompanied by abnormally high temperatures, winds, and radiation. Together, these changes in weather can rapidly alter the local climate. Higher temperature increases evapotranspiration and further lowers soil moisture, which decreases rapidly as drought conditions continue.

Geographic differences and climate patterns also impact the development of flash drought. Regular droughts develop over seasons, but flash droughts can be devastating since, as their name implies, they set in quickly within days to weeks. This rapid drying has led to extreme economic loss and crop failure, endangering our food supply. If not predicted and discovered early enough, changes in soil moisture that accompany flash drought can cause extensive damage to agriculture, economies, and ecosystem goods and services.



Researchers studying plant activity from space have discovered a pattern that could predict the onset of flash droughts. According to Phys.org, instruments aboard NASA's satellites have provided surprising details regarding plant behaviour leading up to a flash drought. If scientists can predict a flash drought and give farmers weeks or even months to prepare, they could make informed decisions about irrigation and crop planting to lessen the impact of these natural disasters. Scientists from NASA's Jet Propulsion Laboratory in California used their satellites to study plant activity prior to flash droughts from 2015 to 2020. Geophysical Research Letters recently shared a report detailing the latest discoveries from these studies. During photosynthesis, a plant's chlorophyll expels some unused photons that create a soft glow. This glow is called solar-induced fluorescence and is too faint to be seen with the naked eye, but NASA's satellites were able to capture it from space, according to the Phys.org report.

When the fluorescence appears brighter, it indicates an uptick in the amount of carbon dioxide plants are taking in from the atmosphere. The data showed that prior to a flash drought, as the weather became warmer and dryer, plant life thrived while creating unusually bright fluorescence. Further data gathered by the satellites OCO-2 and SMAP showed a correlation between soil moisture and this unusual fluorescence. As the plants became more active, they absorbed extra water from the soil, creating a dangerous situation once temperatures spiked. These patterns of plant fluorescence show promise as a reliable early-warning indicator of flash drought with enough lead time to act. In addition to providing information that helps our economy and protects our food supply, these NASA satellites also provided data that could help scientists create more accurate carbon cycle prediction models in the future. These satellites and others orbiting the Earth study issues such as air pollution, tracking bodies of water, and drought effects to provide us with critical data to help us all have a safer and cleaner future.

Source - <https://www.thecooldown.com>
- <https://www.drought.gov>



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