



## OTHER INTERESTING NEWS

**Paytm raises \$1.4 billion from Softbank**

**Irish Banks Test Blockchain Network for Interbank Payments**

**Railways to launch redesigned e-tendering system**

**PaySense Raises \$5.3 Mn from Jungle Ventures, Nexus, Naspers**

## Today's View

### Towards Insurance Portability

After allowing portability in health insurance policies in 2011, insurance regulator IRDA is in process of allowing life insurance policy holders to switch from one insurer to another without surrendering their existing policies and losing any benefits or credits earned on existing policy.

India's life insurance sector is the biggest in the world with about 360 million policies. This number is expected to grow at an annual average of 12-15% over the next five years, according to the India Brand Equity Foundation, a government trust under the department of commerce.

By allowing life insurance portability, IRDA aims to save customers the cost of surrenders while changing policies if they are unsatisfied with their existing insurer. The portability plan is also in line with the government and IRDA's objective to curb misselling of insurance in the country. Under current rules, such a transfer is not allowed. If a policyholder wishes to discontinue existing policy before it reaches maturity, one has to pay a "surrender charge", which can be as much as 70% of premiums paid till date.

However, significant groundwork has to be done before implementation of this policy. Portability will need changes in underwriting policies for insurers along with standardization of prices including mortality and morbidity rates across various insurers. Most importantly, life insurers should start issuing policies only in a dematerialized (demat) format to achieve complete digitisation of insurance platform.

We believe that Insurance portability, if implemented, has potential to usher in dramatic improvement in customer service delivery and overall efficiency of the insurance sector. Where under the new regime some players would flourish, others may require an insurance of their own future!

## OTHER INTERESTING NEWS

**Paytm raises \$1.4 billion from Softbank, valuation jumps to over \$8 billion**

Softbank has made its biggest investment in an Indian digital enterprise by sealing a funding round of Rs 9,000 crore (\$1.4 billion) in One97 Communications which owns mobile payments provider Paytm.



**Banking on Son**  
 Paytm owner One97 Communications raises \$1.4 b from Softbank, giving it access to take on banks & new entrants in payments  
 Softbank to have one board seat, likely to appoint Kabir Mishra  
 Investment of part of Softbank's corpus allocation drive in India, where it is also in talks to invest in Flipkart  
 Capital to be invested in payments business and Paytm Payments Bank, where One97 owns 49% stake  
 One97 does not own a stake in online marketplace Paytm Mall, which was demerged earlier this year  
 Softbank is also in talks to pick up a secondary stake in One97 from early investor SAIF Partners, which could be one of the most lucrative early-stage exits

Softbank is expected to buy shares in a secondary transaction about \$400 million to gain a full 20% stake in the company.

Source-The Economic Times

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Date- 19<sup>th</sup> May 17

## TRAI suggests Aadhaar eKYC for internet and broadband connections

Telecom regulator TRAI recommended the use of Aadhaar-based eKYC verification for subscribers of fixed line, internet and broadband connections, as in the case of mobile connections.

Telecom Regulatory Authority of India's (TRAI) recommendation, if accepted by the Department of Telecom, would make the authentication process fast and reliable and lead to substantial savings for the industry.

Source-The Economic Times

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## Education, health, jobs are the keys to new Digital India

Digital India programme will move to focus on better impact in areas such as job creation, health and education.

A robust platform has been built under Digital India with the Jan Dhan, Aadhaar and mobile services (JAM) trinity. The idea now is that from there how do we move on the next stack of services and focus on one, job creation; two, on using emerging technologies and integrating it with key services such as health, education; and the third, to focus on creating large platform, which unlocks value for everyone.

Source-The Times of India

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## #FINTECHACK: Building a community of experts and driving the Startup ecosystem

YES BANK is creating that community of experts, mentors, influencers, entrepreneurs, investors and partners – #FINTECHACK- one stop platform for startups to learn the best practices from Industry experts who created them.

#FINTECHACK is a community where one can discover like-minded individuals, not only mentors and investors but also partners and co-create innovative solutions on the open APIs provided by YES BANK and ecosystem partners. It is a platform for accelerated learning or hacks, providing not only a sandbox testing environment, but also a dedicated focussed group for testing and quick pivots.

Source-VC Circle

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## How HDFC Bank is giving shape to its digital vision

Nitin Chugh, country head of digital banking at HDFC Bank said that HDFC Bank is giving shape to its digital vision in a number of ways. There digital vision is the same as the philosophy with which they run their business.

The objective is to provide services, interfaces and products in a manner that the customer can interchangeably consume them on any of the digital channels—such as online banking, smartphones and social media.

Source-Mint

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This News Letter has been prepared with the assistance of Pankaj Tadas and Manish Kulkarni

## PaySense Raises \$5.3 Mn from Jungle Ventures, Nexus, Naspers

Mumbai-based fintech startup PaySense has raised \$5.3 Mn Series A funding led by Jungle Ventures, along with Naspers Group and Nexus Venture Partners.

The startup provides credit using advanced data sciences. It is available in nine cities including Mumbai, Delhi NCR, Bengaluru and Chennai. The startup will use the newly raised funds for team expansion and to improve its technology and for pan-India expansion.

Source-Inc 42

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## Hyderabad retailers levy service charge on digital payments

Retailers levy service charge to lighten the burden imposed on them by banks and payment gateway operators.

The vigorous push being given by the government to digital transactions is being exploited by retailers who are charging customers 'service charge' for digital payments. Retailers have adopted this practice when payment gateways and card swipe merchants have started levying transaction charges.

Source-Indian Express

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## Google Rebuilds AdMob, Offers New Digital Payment Options and Partner Program

Google will announce at its I/O developers conference on Wednesday a completely redesigned AdMob advertising platform and advancements to its digital payment service aimed at helping developers accelerate their ability to build in-app experiences for customers.

Developers will have the ability to pick an app to monitor, review the key metrics and then quickly take action to fine-tune its performance.

Source-Media Post

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## Zomato hacked, data of 17 million users stolen: Report

According to a report in security blog HackRead, "A vendor going by the online handle of 'nclay' is claiming to have hacked Zomato and selling the data of its 17 million registered users on a popular Dark Web marketplace."

Zomato, however, claimed that the data is safe. It also assured users that the payment-related information on Zomato is stored separately from this (stolen) data in a highly secure PCI Data Security Standard (DSS) compliant vault.

Source-Gadgets Now

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## Mastercard Inks Deal with Expedia to Simplify Payments

Mastercard recently inked a deal with Expedia.com to facilitate travelers using the website to make payment through "Masterpass", a digital payment service of Mastercard.

The agreement will not only provide travelers with more options and simplify their hotel, flight, and cruise reservations on Expedia, Orbitz and Travelocity, but also ensure security of such online transactions.

Source-Nasdaq

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## Geographic information system driving digital transformation in India

Geographic information system is playing a huge role in initiatives such as Digital India and Smart Cities Mission. The Digital India initiative is under way with 22 projects on digital infrastructure and on-demand government services.

The Smart Cities Mission aims to transform more than 100 cities to become more citizen-friendly and sustainable. With these initiatives, India is becoming a leader in digital transformation.

Source-Mint

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## Irish Banks Test Blockchain Network for Interbank Payments

Ulster Bank is leading an effort in Ireland to underpin the payment systems between major national banks with an Ethereum-based blockchain. This modified Ethereum platform was developed in-house by Ulster's parent company, the Royal Bank of Scotland (RBS).

The Ethereum blockchain adapted by RBS is called Emerald. Emerald has undergone significant testing by the digital dockhands at Dogpatch Labs, also in Dublin, where dummy payments evaluated the performance of the interbank system, acknowledging payments in less than 10 seconds while executing large transaction volumes.

Source-ETH News

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## Railways to launch redesigned e-tendering system

The railways will launch shortly its redesigned e-tendering system with more user-friendly new features to facilitate digital participation of over 60,000 vendors.

Ushering in a new era by going paperless, the system envisages that bids are invited online and the entire process leading to award of a tender is done electronically.

Source-The Economic Times

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