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I. WHAT'S HAPPENING AT NIA

1. International Research Conference at National Insurance Academy (NIA) Pune

The National Insurance Academy (NIA) hosted the International Research Conference on August 23, 2024, bringing together leading minds from the insurance sector, regulatory bodies, and global academic institutions. The event featured prominent figures from Life Insurance Corporation (LIC), key representatives from the Insurance Regulatory and Development Authority of India (IRDAI), and notable international experts, fostering a rich exchange of ideas.

The conference began with a welcome address by Mr. Renjit Gangadharan, Joint In-charge Director and Chair Professor (Non-Life) and Mr. V. Balagopal, Joint In-charge Director and Chair Professor (Life). The inaugural address was delivered by Mr. G.N. Bajpai, Chairman of GOVEVA Private Limited, followed by a keynote address from Mr. Satyajit Tripathi, Member (Distribution) of IRDAI. The inaugural session concluded with a vote of thanks by Dr. Sanjay Mali, Principal of PGDM at NIA.

The event was graced by around 22 distinguished speakers and 50 delegates, who participated in vibrant technical discussions and deliberations. The conference showcased several impactful presentations on key themes like Technology & Insurance, Innovative Insurance Products, and Insurance Inclusion, all of which garnered strong interest from the audience. In-depth research papers were presented on crucial topics such as enhancing financial capability, the growing importance of pensions, and the critical role women play in promoting insurance inclusion. These discussions aimed to spark meaningful dialogue and encourage fresh perspectives on these vital areas, helping to foster a deeper understanding of the challenges and opportunities within the insurance industry. By addressing these essential issues, the event is expected to drive further innovations and contribute significantly to the industry's ongoing development and future growth.







2. TATVA - HR Summit 2024 at National Insurance Academy (NIA) Pune

The HR Summit, held on 30th August 2024 at the National Insurance Academy, Pune, brought together top HR leaders to discuss the evolving talent ecosystem under the theme “HR 3.0 to 4.0: Realigning the Talent Ecosystem.” The event commenced with a welcome address by Mr. V. Balagopal, Joint In-charge Director and Chair Professor (Life), along with Mr. Renjit Gangadharan, Joint In-charge Director and Chair Professor (Non-Life). The keynote address was delivered online by Dr. Manjari Singh, Professor of HRM at IIM Ahmedabad. The inaugural session concluded with a vote of thanks by Dr. Sanjay Mali, Principal of PGDM at the National Insurance Academy. The summit focused on three key topics:

1.The Architects of Work: HR Perspective for a Disruptive World – Panellists discussed how HR professionals must adapt to the challenges of digital transformation, automation, and remote work by adopting flexible, inclusive, and human-centric strategies to redesign the workplace.

2.Next Gen Talent: Redefining the Employee Experience – This session emphasized the changing expectations of the new workforce, highlighting the importance of well-being,

technology integration, and personalized career development opportunities to attract and retain talent.

3. Business Schools: Forging the Leaders of Tomorrow – HR and academic leaders explored how business schools must align with industry needs by focusing on real-world experiences and developing future-ready leadership skills like emotional intelligence and adaptability. The Summit was graced by around 21 distinguished speakers, including CHROs, HR Heads, academic experts, and esteemed alumni. HR Professionals stressed the need for agility in managing workforce disruptions. They highlighted the growing importance of aligning HR practices with business strategy to drive innovation. Leaders also pointed out that organizations must focus on continuous learning to prepare employees for future challenges, ensuring long-term sustainability in an evolving talent landscape.





II. REGULATORY DEVELOPMENTS

1. Circulars

- a. Prevention of Money-Laundering (Maintenance of Records) Amendment Rules, 2024

Click here for the circular:

<https://irdai.gov.in/web/guest/document-detail?documentId=5422747>

- b. Submission of data by life Insurers to Insurance Information Bureau of India (IIBI)

Click here for the circular:

<https://irdai.gov.in/web/guest/document-detail?documentId=5376354>

- c. Insurance claims relating to landslides in Wayanad, Kerala

Click here for the circular:

<https://irdai.gov.in/web/guest/document-detail?documentId=5352309>

2. Order:

- a. Order in the matter of M_s HDFC Life Insurance Co. Ltd

<https://irdai.gov.in/web/guest/document-detail?documentId=5336773>

3. Press Release:

- a. Vision Meet on “Insurance for All” by 2047

<https://irdai.gov.in/web/guest/document-detail?documentId=5518406>

III. INSURANCE INDUSTRY FLASH FIGURES FOR JUNE 2024

For monthly insurance industry data, click on:

1. [Life Insurance](#) (Source: LI Council)
2. [Non-Life Insurance](#) (Source: GI Council)

IV. TOPICAL ARTICLE

Emerging Risks: Navigating the Unknown

Emerging risks refer to new or evolving risks that have the potential to impact the insurance industry in ways that are often unpredictable and unquantifiable. These risks arise from technological advancements, societal shifts, environmental changes, and geopolitical tensions. What sets emerging risks apart is their complexity and the uncertainty surrounding their future implications. Insurers often struggle to adequately assess and price these risks due to limited historical data and the speed at which these risks can develop. As the insurance industry continues to evolve, identifying and addressing emerging risks is crucial to safeguarding profitability and maintaining resilience.

A Global Perspective on Emerging Risks

From a global standpoint, the nature of emerging risks has become increasingly dynamic and interconnected. Climate change stands out as one of the most pressing global threats, with insurers grappling with the rising frequency and severity of natural disasters like floods, hurricanes, and wildfires. According to recent surveys, more than 70% of global insurers view climate change as a critical risk factor that could significantly alter the landscape of risk underwriting. Similarly, cybersecurity and data breaches have surged as key concerns, with cyberattacks growing in scale and sophistication. The increasing digitization of industries, including insurance, has expanded the attack surface, exposing both insurers and their clients to new vulnerabilities. Furthermore, the rise of artificial intelligence (AI), machine learning, and blockchain technologies has introduced opportunities but also heightened the risks related to data privacy, ethical concerns, and regulatory challenges.

This global shift towards technology-driven risks is compounded by geopolitical instability, inflationary pressures, and health crises like the COVID-19 pandemic, all of which have created a more volatile operating environment. The insurance industry must adopt a proactive and agile approach to navigate these uncertainties, leveraging technology and data analytics to assess, mitigate, and capitalize on these emerging risks.

The Indian Perspective

In India, the risk landscape mirrors global trends while presenting unique challenges specific to the region. Cybersecurity has emerged as a dominant concern for Indian businesses, with 38% of business leaders feeling highly or extremely exposed to cyber risks, surpassing other critical issues like climate change and inflation. The digitalization of the Indian economy has surged in recent years, fueled by government initiatives such as Digital India and increased adoption of digital payment platforms and cloud services. However, this digital transformation has also heightened the vulnerability of Indian companies to cyberattacks, data breaches, and technology disruptions. The rise in ransomware attacks, phishing incidents, and denial-of-service attacks has put the insurance sector on high alert. Insurers must now account for these risks when underwriting policies, prompting a reevaluation of cybersecurity measures and risk mitigation strategies.

Alongside cyber threats, climate change has also emerged as a significant risk in India. The country is particularly vulnerable to climate-related disasters such as floods, droughts, and cyclones, which have become more frequent and severe due to global warming. According to the World Bank, India faces an annual economic loss of approximately \$7 billion due to extreme weather events, underscoring the urgent need for insurers to address climate risks in their policies. As climate-related risks escalate, insurers in India are increasingly factoring in environmental risks when designing products and assessing potential claims. Moreover, the regulatory environment in India is evolving to mandate more stringent climate risk disclosures, further pressuring insurers to refine their risk management practices.

India's risk landscape also includes economic volatility and regulatory changes challenges. Inflationary pressures and macroeconomic uncertainty are forcing businesses to reassess their risk exposure. Additionally, changes in regulatory frameworks, including new norms around data privacy, compliance, and corporate governance, are introducing operational risks that insurers must navigate. As insurers strive to keep pace with these evolving risks, they must remain agile and innovative in their approach to risk management.

Challenges and Opportunities

Addressing emerging risks presents a dual challenge for insurers: identifying the risks early enough to mitigate them and developing strategies that can both protect and create value. For many insurers, this begins with the integration of technology into their risk management frameworks. Predictive analytics, artificial intelligence, and machine learning are now being used to analyze large datasets, enabling insurers to identify risk patterns and make more informed underwriting decisions. These technologies are proving especially valuable in managing risks related to climate change and cybersecurity, where traditional risk models fall short due to a lack of historical data.

Integrating advanced technologies presents challenges for insurers, including the need to constantly update systems and manage legacy technologies that can increase costs and vulnerabilities. Many Indian companies, for instance, report that outdated systems hinder compliance and adaptability. The shift to modern technologies demands significant investment and cultural changes, which can be daunting.

However, this landscape also offers substantial opportunities. Embracing new technologies like blockchain and AI can enhance risk management and provide deeper insights into customer behavior. Quantum computing promises to revolutionize risk modeling with more precise analytics. Additionally, the focus on sustainability allows insurers to develop products that align with global green trends and meet evolving regulatory and customer expectations.

In summary, while emerging risks present challenges, they also offer avenues for innovation and growth. Insurers who adapt to these changes proactively will be better positioned for future success and resilience.

(By Mr. Vitesh, Student- PGDM, National Insurance Academy, Pune)

V. INSURANCE NEWS

IRDAI levies Rs 2 crores penalty on HDFC Life Insurance for violating norms

IRDAI has imposed a penalty of Rs 2 crore on HDFC Life Insurance for violating norms. The penalty must be paid within 45 days from the receipt of the order, and additional directives have also been issued. The regulator cited violations of norms related to policyholders' interests, web aggregators, and insurance distributors.

Read more at:

https://www.business-standard.com/companies/news/irdai-levies-rs-2-cr-penalty-on-hdfc-life-insurance-for-violating-norms-124080101606_1.html

Public-sector non-life insurers turn results around in FY2024

State-owned non-life insurers reported a combined net profit of INR75.58bn (\$903.3m) for the financial year ended 31 March 2024 (FY24).

Read more at:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/88976/Type/eDaily/India-Public-sector-non-life-insurers-turn-results-around-in-FY2024>

Life insurers to seek more time to comply with new policy surrender rules

Life insurance companies are planning to seek a three-month deadline extension from the regulator on the implementation of surrender value rules.

Read more at:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/88986/Type/eDaily/India-Life-insurers-to-seek-more-time-to-comply-with-new-policy-surrender->

IRCTC plugs critical data breach on insurance portal

The Indian Railway Catering and Tourism Corporation (IRCTC) has addressed a critical vulnerability on its insurance portal that previously allowed unauthorised access to passengers' travel details and enabled changes to nominee information in the insurance policy.

Read more at:

<https://www.thehindu.com/news/national/irctc-plugs-critical-data-breach-on-insurance-portal/article68485482.ece>

No Proposal to Merge Public Sector General Insurance Companies

As per government there is no proposal under consideration for merger of public sector general insurance companies. In a written reply to the Lok Sabha, Minister of State for Finance Pankaj Chaudhary said Rs 17,450 crore was infused during 2019-20 to 2021-22 in three PSU general insurance companies namely Oriental Insurance, National Insurance and United India Insurance to focus on their growth.

Read more at:

<https://www.news18.com/business/economy/no-proposal-to-merge-public-sector-general-insurance-companies-govt-8990741.html>

SBI General Insurance forms bancassurance partnership with HSBC

SBI General Insurance Company, one of India's leading general insurance companies, and HSBC India have entered a bancassurance partnership for the distribution of non-life insurance products.

Read more at:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/89034/Type/eDaily/India-SBI-General-Insurance-forms-bancassurance-partnership-with-HSBC>

LIC Q1 results: State-run insurance giant reports 9 percent jump in consolidated profit at Rs 10,544 crore

The country's largest Life insurer, Life Insurance Corporation of India (LIC) reported a 9 percent year-on-year (YoY) increase in consolidated net profit at Rs 10,544 crore for the first quarter ended June 2024 compared to Rs 9,635 crore in the corresponding quarter last year. The state-run insurer on August 8 reported a 16 percent YoY gain in net premium income during the quarter at Rs 1.14 lakh crore as against Rs 98,755 crore in the corresponding quarter of the previous year.

Read more at:

<https://www.businesstoday.in/markets/top-story/story/lic-q1-results-state-run-insurance-giant-reports-9-percent-jump-in-consolidated-profit-at-rs-10544-crore-440752-2024-08-08>

Health insurance master circular: General insurers seek 2-month extension

General insurers seek an extension in deadline until December 2024 from the regulator to comply with the revised master circular guidelines on health insurance products. The Insurance

Regulatory and Development Authority of India issued the 'Master Circular on Health Insurance Products' in June and asked general/health insurers to offer a wider range of products to customers, including those with all types of existing medical conditions and pre-existing diseases and chronic conditions.

Read more at:

https://www.business-standard.com/finance/insurance/health-insurance-master-circular-insurers-seek-deadline-extension-till-dec-124081100395_1.html

Insurance claims for seasonal illnesses rise 150% in past 3 years

Health insurance claims for seasonal illnesses have risen by about 150% over the last three years, according to a report put out by the online insurance platform Policybazaar.

Read more at:

<https://www.deccanherald.com/business/personal-finance/insurance-claims-for-seasonal-illnesses-rise-150-in-past-3-years-3147528>

PhonePe launched pre-approved term life insurance

PhonePe, today announced the launch of a 'pre-approved term life insurance' feature on its platform. The feature aims to make insurance coverage more accessible and affordable for millions of Indians by waiving the requirement for proof of income at the time of policy purchase.

Read more at:

https://www.business-standard.com/content/specials/phonepe-launches-pre-approved-term-life-insurance-124081201488_1.html

New accounting standard for insurers to take effect

The Corporate Affairs Ministry (MCA) has gazetted the much-awaited new accounting standard Ind AS 117 on 'Insurance Contracts', taking Indian accounting standards for insurers closer to global standards.

Read more at:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/89134/Type/eDaily/India-New-accounting-standard-for-insurers-to-take-effect>

Over 90% of SMEs lack insurance

Less than 10% of micro, small, and medium enterprises (MSMEs) in India have adequate insurance coverage, according to a report released by the National Institute for Micro, Small and Medium Enterprises (NI-MSME).

Read more at:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/89130/Type/eDaily/India-Over-90-of-SMEs-lack-insurance>

Government sets sights on 100% FDI in insurance, weighs options to secure political clearance

Officials are considering a proposal to raise the foreign direct investment (FDI) limit in the insurance sector from 74% to 100%. This initiative has the support of the Insurance Regulatory and Development Authority of India (IRDAI), but it will require political approval since amending the Insurance Act is necessary.

Read more at:

https://economictimes.indiatimes.com/industry/banking/finance/insure/govt-sets-sights-on-100-fdi-in-insurance-weighs-options-to-secure-political-clearance/articleshow/112622333.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

LIC Housing Finance raises Rs 1,050 crore through 5-year bond at 7.75%

LIC Housing Finance raised Rs 1,050 crore through bonds maturing in 5 years at a coupon rate of 7.75 per cent. The company was aiming to raise up to Rs 3,000 crore. The issue had a base size of Rs 1,000 crore and a greenshoe option of Rs 2,000 crore.

Read more at:

https://www.business-standard.com/companies/news/lic-housing-finance-raises-rs-1-050-crore-through-5-year-bond-at-7-75-124082201256_1.html

Magma HDI General Insurance Processes First Claim Through NHCX Portal

Magma HDI General Insurance Co. has announced that it processed its first claim through the National Health Claims Exchange portal. The NHCX platform, introduced by the National Health

Authority, has been set up to streamline healthcare claims under the central government's Ayushman Bharat health initiative.

Read more at:

<https://www.ndtvprofit.com/technology/magma-hdi-general-insurance-processes-first-claim-through-nhcx-portal>

On Govt table: Double Ayushman Bharat's insurance cover limit, count of beneficiaries

Double insurance cover under Ayushman Bharat to Rs 10 lakh (and up to Rs 15 lakh for women), adding another 4 lakh private hospital beds under the scheme and increasing the number of beneficiaries from 55 crore to 100 crore – these have been pitched as the Union Health Ministry's key priorities for the NDA's third term.

Read more at:

<https://indianexpress.com/article/india/on-govt-table-double-ayushman-bharats-insurance-cover-limit-count-of-beneficiaries-9526402/>

Insurance industry meets to lay groundwork to realise "Insurance for All by 2047" vision

Several insurance industry players attended the "Insurance for All" Vision Meet to craft a foundational framework that would guide the vision of achieving "Insurance for All" by 2047.

Read more at:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/89215/Type/eDaily/India-Insurance-industry-meets-to-lay-groundwork-to-realise-Insurance-for-All-by-2047-vision>

Health insurance commands 41% of general insurance premiums

The health insurance segment, which surpassed motor insurance as the largest segment in general insurance in the post-Covid boom, now accounts for 41% of industry premiums, with motor insurance continuing to cede ground.

Read more at:

<https://www.financialexpress.com/money/insurance-health-insurance-commands-41-of-general-insurance-premiums-3594224/>

IFRS 17 adds complexity to reinsurers' financial statements

According to a new AM Best report, a key ongoing shift in financial reporting to the International Financial Reporting Standards (IFRS) 17 is underway, representing a significant accounting change that has necessitated the segmentation of performance analysis in the reinsurance market.

Read more at:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/89251/Type/eDaily/IFRS-17-adds-complexity-to-reinsurers-financial-statements>

GST Council may consider relief on life insurance premium

The GST Council is likely to consider giving relief on life insurance premium. As on date, insurance premium attracts GST up to 18 per cent. It is believed that Fitment Committee (the committee of officers from Centre and State) has favoured relief on life insurance premium, while discussion is on for relief on health insurance.

Read more at:

<https://www.thehindubusinessline.com/money-and-banking/gst-council-may-consider-relief-on-life-insurance-premium/article68581986.ece>

LIC gets GST demand notice of Rs 606 crore

Life Insurance Corporation of India (LIC) said tax authorities has been slapped a demand notice of about Rs 605.58 crore on it for short payment of Goods and Services Tax (GST) for financial year 2019-20. The corporation has received a communication/demand order for interest and penalty for Maharashtra.

Read more at:

<https://legal.economicstimes.indiatimes.com/news/corporate-business/lic-gets-gst-demand-notice-of-rs-606-crore/112902933>

Please share your feedback at <http://niapune.org.in/in-feedback>