



In This Issue:

I. What's Happening at NIA

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

II. Regulatory Developments

III. Industry Flash Figures

IV. Topical Article

V. Insurance News

I. WHAT'S HAPPENING AT NIA

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

National Insurance Academy is pleased to announce its annual event, TATVA - HR Summit 2024, on Friday, 30th August 2024. This year's theme, "HR 3.0 to 4.0: Realigning the Talent Ecosystem," promises a dynamic lineup of speakers, discussions, and presentations focused on preparing the workforce for the future. The Human Resource function has undergone significant transformation in response to a changing business environment, technological advancements, and evolving employee needs. From the integration of HRIS (Human Resource Information System) to the adoption of Artificial Intelligence, Machine Learning, and other cutting-edge technologies, HR has made remarkable progress. In the event we are going to explore new perspectives and valuable insights to realign the talent ecosystem and drive the next phase of HR evolution.

**HR 3.0 to 4.0:
Realigning the
Talent Ecosystem**

Friday, 30th August 2024



**NATIONAL
INSURANCE
ACADEMY**

presents



HR SUMMIT 2024



II. REGULATORY DEVELOPMENTS

1. Circulars

- a. Repealing of Circular IRDA_INT_CIR_Comm_139_08_2018 dated 29_08_2018.

Click here for the circular:

<https://irdai.gov.in/web/guest/document-detail?documentId=5252686>

2. Order:

- a. Order in the matter of M_S Anmol Medicare Insurance TPA Limited
<https://irdai.gov.in/web/guest/document-detail?documentId=5186191>
- b. Order of IRDAI under Section 102 of the Insurance Act, 1938 in the matter of M_s Prowess Insurance Brokers Private Limited
<https://irdai.gov.in/web/guest/document-detail?documentId=5238825>
- c. Order in the matter of Bajaj finance limited
<https://irdai.gov.in/web/guest/document-detail?documentId=5249518>
- d. Final Order in the matter of Aegon Life (now known as Bandhan Life)
<https://irdai.gov.in/web/guest/document-detail?documentId=5239264>
- e. Order in the matter of Care Health Insurance Ltd.(CHIL)
<https://irdai.gov.in/web/guest/document-detail?documentId=5270956>

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

Reinsurance: The Backbone of India's Resilient Insurance Sector in 2024"

Introduction: The Indian insurance market has witnessed remarkable growth and transformation over the past decade, with reinsurance playing a pivotal role in its evolution. As of 2024, reinsurance continues to be a critical component in fortifying the financial stability of primary insurers and fostering innovation within the sector. This article delves into the significance of reinsurance in the Indian context, exploring its impact on risk management, market expansion, and regulatory developments.

The Stabilizing Force of Reinsurance: Reinsurance serves as a crucial risk transfer mechanism, allowing primary insurers to spread their risks and protect their balance sheets against large-scale losses. In the Indian market, where natural catastrophes and emerging risks pose significant challenges, reinsurance has repeatedly demonstrated its value in safeguarding insurers from financial distress.

For instance, during the devastating floods in Kerala in 2018, several insurance companies faced substantial claims that could have threatened their solvency. However, reinsurance arrangements helped absorb a significant portion of these losses, enabling insurers to honor their commitments to policyholders without jeopardizing their financial stability.

Similarly, the COVID-19 pandemic highlighted the importance of reinsurance in managing unforeseen risks. As health and life insurance claims surged, reinsurers stepped in to support primary insurers, ensuring the smooth settlement of claims and maintaining public trust in the insurance system.

Catalyzing Market Growth and Innovation: Beyond risk mitigation, reinsurance has been instrumental in driving growth and innovation within the Indian insurance landscape. By providing capacity and expertise, reinsurers have enabled primary insurers to expand their product offerings and enter new market segments.

The agricultural insurance sector, for example, has benefited significantly from reinsurance support. The Pradhan Mantri Fasal Bima Yojana (PMFBY), India's flagship crop insurance scheme, relies heavily on reinsurance to manage the volatile nature of agricultural risks. This backing has allowed insurers to offer comprehensive coverage to millions of farmers, contributing to the financial resilience of the agricultural sector.

Moreover, reinsurance has facilitated the development of innovative products tailored to India's unique needs. Parametric insurance solutions for natural disasters, cyber risk coverage, and renewable energy project insurance are just a few examples of how reinsurance expertise has helped address emerging risks in the Indian market.

Regulatory Evolution and Market Liberalization:

Recognizing the critical role of reinsurance, Indian regulators have implemented progressive policies to attract global reinsurers and enhance domestic capacity. The Insurance Regulatory and Development Authority of India (IRDAI) has taken significant steps to create a more conducive environment for reinsurance operations in the country.

One of the most notable developments has been the reduction in capital requirements for Foreign Reinsurance Branches (FRBs) operating in India. As of 2024, the minimum capital requirement for FRBs has been lowered to 50 crores (500 million rupees), down from the previous threshold of 100 crores. This move aims to encourage more international reinsurers to establish a presence in India, fostering competition and bringing global best practices to the local market.

Furthermore, the IRDAI has introduced regulations to streamline the reinsurance placement process and promote transparency. The implementation of the "order of preference" for reinsurance placements ensures a balance between supporting domestic reinsurance capacity and accessing international expertise.

The regulator has also emphasized the need for insurers to develop robust reinsurance programs, mandating annual reviews and board-level approval of reinsurance strategies. These measures have led to more sophisticated risk management practices across the industry.

Challenges and Future Outlook:

While reinsurance has played a crucial role in strengthening India's insurance sector, challenges remain. The increasing frequency and severity of natural catastrophes, driven by climate change, pose a significant threat to insurers and reinsurers alike. Developing sustainable and affordable solutions for climate-related risks will be a key focus area for the industry in the coming years.

Additionally, the rapid digitalization of the insurance value chain presents both opportunities and challenges for reinsurers. Embracing technologies such as artificial intelligence, blockchain, and advanced analytics will be essential for reinsurers to remain competitive and add value to their primary insurance partners.

Looking ahead, the Indian reinsurance market is poised for continued growth and evolution. The government's push for greater insurance penetration, coupled with the emergence of new risks, will create ample opportunities for reinsurers to demonstrate their value proposition.

Conclusion:

As India's insurance market continues to mature, the significance of reinsurance in ensuring its stability, growth, and innovation cannot be overstated. The symbiotic relationship between insurers and reinsurers has been instrumental in building a resilient financial ecosystem that can withstand shocks and meet the evolving needs of policyholders.

With supportive regulations, increasing domestic capacity, and the influx of global expertise, reinsurance is set to play an even more crucial role in shaping the future of India's insurance landscape. As the sector navigates the challenges and opportunities that lie ahead, the strategic importance of reinsurance will remain paramount in fostering a robust and dynamic insurance market that serves the diverse needs of India's growing economy.

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

V. INSURANCE NEWS

LIC partners with AT Kearney for agency transformation initiative

Life Insurance Corporation of India (LIC) has partnered with global strategy consulting firm A.T. Kearney to undertake a comprehensive agency transformation project to ensure that the corporation stays ahead of industry trends and regulatory changes.

Read more at:

https://economictimes.indiatimes.com/industry/banking/finance/insure/lic-partners-with-at-kearney-for-agency-transformation-initiative/articleshow/111493166.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

New accounting standards for Insurance & Banking companies soon

The ministry of corporate affairs (MCA) is in the process of bringing in new accounting standards for the insurance and banking sectors. As per brief they will bring the new accounting standards for the insurance sector shortly. For the banking sector, the ministry is in discussions with the Reserve Bank of India. In addition to this, they are getting recommendations from NFRA (National Financial Reporting Authority) and ICAI (The Institute of Chartered Accountants of India) to draft new accounting standards for LLPs.

To read the whole article click on:

<https://www.financialexpress.com/business/banking-finance-new-accounting-standards-for-insurance-banking-soon-said-mca-secy-3540841/>

Niva Bupa Health plans IPO to raise Rs 3,000 crore.

Niva Bupa Health Insurance, formerly known as Max Bupa Health Insurance, is gearing up for an initial public offering (IPO) of ₹3,000 crore, as per banking sources. The company, a joint venture between UK-based Bupa and the domestic private equity firm True North, has engaged investment bankers, such as Kotak Mahindra Capital, ICICI Securities, and Morgan Stanley, to manage the impending public issue, sources told ET.

To read the whole article click on:

<https://www.msn.com/en-in/money/markets/niva-bupa-health-plans-ipo-to-raise-rs-3-000-crore/ar-AA1n1vwS?ocid=BingNewsVerp>

Ritu Nanda held a record for selling 17,000 LIC pension plans in a day

Late actor and director Raj Kapoor's daughter Ritu Nanda, who succumbed to cancer today, was one of the top insurance agents for the Life Insurance Corporation of India (LIC) for selling the most number of policies in a short span of time. The 71-year-old, who was married to the former Escorts Group Chairman Rajan Nanda, was one among the Kapoor family's 'daughter' who kept away from the glamour and grit of the Bollywood to become an independent entrepreneur.

To read the whole article click on:

<https://www.livemint.com/news/india/ritu-nanda-held-a-record-for-selling-17-000-lic-pension-plans-in-a-day-11578988748588.html>

IDFC First Bank raises Rs 3,200 Cr. by selling shares to LIC, 5 others

IDFC First Bank has raised Rs 3,200 crore by selling equity shares to six insurance companies, including LIC and HDFC Life. In a regulatory filing, IDFC First Bank informed that an authorised committee of the board of directors approved the allotment of more than 39.68 crore shares for Rs 80.63 per scrip, "aggregating to Rs 3,200 crore".

To read the whole article click on:

https://www.business-standard.com/industry/banking/idfc-first-bank-raises-rs-3-200-cr-by-selling-shares-to-lic-5-others-124070401127_1.html

IRDAI may consider implementing risk-based supervision model

The country's insurance regulator may consider implementing a risk-based supervision model, similar to that in the banking sector, which will establish principles for managing operational, market, and governance risks in the insurance industry.

To read the whole article click on:

https://www.business-standard.com/finance/insurance/irdai-may-adopt-risk-based-supervision-for-insurance-industry-keki-mistry-124071500805_1.html

How can NHCE simplify the claims process for insurers?

To put it simply, NHCX is going to be a single-window interface between policyholders, hospitals and health insurance companies. This single-window interface is expected to replace the current system which traditionally relied on manual paperwork and required a lot of effort from policyholders and the hospital.

To read the whole article click on:

<https://www.livemint.com/insurance/health-insurance-how-can-nhce-simplify-the-claims-process-for-insurers-irdai-national-health-claims-exchange-11720776684967.html>

Life insurers record 23% rise in new premium collection in April-June

Driven by strong demand for enhanced insurance protection from individual consumers, new policy issuances increased by 12.13 per cent on a Y-o-Y basis in June, resulting in the addition of new 21,79,282 policies vis-à-vis 19,43,529 policies in the year-ago period.

To read the whole article click on:

<https://www.deccanherald.com/business/economy/life-insurers-record-23-rise-in-new-premium-collection-in-april-june-3097101>

ACC approves appointment of 8 EDs in Public Sector General Insurance Cos.

Appointments Committee of the Cabinet (ACC) has approved the appointment of eight Executive Directors in Public Sector General Insurance Companies (PGICs).

To read the whole article click on:

<https://www.thehindubusinessline.com/money-and-banking/acc-approves-appointment-of-8-eds-in-public-sector-general-insurance-cos/article68384287.ece>

Govt mulls expanding coverage of flagship health insurance scheme

The Indian government is considering doubling the beneficiary base under its flagship Ayushman Bharat health insurance scheme over the next three years, beginning with all those aged above 70 years to be brought under its coverage.

To read the whole article click on:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/88717/Type/eDaily/India-Govt-mulls-expanding-coverage-of-flagship-health-insurance-scheme>

Faster health insurance claim settlement via single-window platform NHCX begins

The era of simplified, easy, more streamlined, and faster settlement of health insurance claims has started. HDFC Ergo said on Tuesday, July 9, 2024, that they have successfully processed its first claim through the National Health Claims Exchange (NHCX) platform.

To read the whole article click on:

https://economictimes.indiatimes.com/wealth/insure/health-insurance/faster-health-insurance-claim-settlement-via-single-window-platform-nhcx-begins-how-it-will-help-policyholders/articleshow/111610469.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Govt eyes reforms aimed at lowering fiscal burden of crop insurance premium by Rs 5,000 Crores.

The government is aiming to lower the fiscal burden for crop insurance premium by Rs 5,000 crore for both the Center and states with technological reforms, risk diversification and wider coverage.

To read the whole article click on:

<https://www.moneycontrol.com/news/business/economy/govt-eyes-reforms-aimed-at-lowering-fiscal-burden-of-crop-insurance-premium-by-rs-5000-cr-12765265.html>

Gross written premiums of general insurers up 13.3% in Q1, FY24

India's general insurance industry reported an 8.76% increase in gross premium written for June and a 13.33% increase for the first quarter of the financial year, driven by rising demand for motor and health insurance policies.

To read the whole article click on:

<http://library-intranet.niapune.org.in/newsheadlines/upload/The%20Economic%20Times%202024-07-10%2010-12-20.pdf>

Top private life insurance firms hike term policy premium by 4-7%

Major private sector life insurance companies, including HDFC Life, ICICI Prudential, Bajaj Allianz and Max Life Insurance, have increased their term insurance premiums by 4-7 per cent in response to moderation in bond yields, inflation concerns, and adjustments in reinsurance rates, according to industry sources privy to the development. Many other insurers are expected to follow suit.

To read the whole article click on:

https://www.business-standard.com/finance/news/top-private-life-insurance-firms-hike-term-policy-premium-by-4-7-124071001205_1.html

IRDAI Regulator amends rules on commissions on long-term motor policies

The IRDAI has repealed its guideline capping the commission for long-term motor insurance policies, aligning these policies with the standard one-year motor insurance policies.

To read the whole article click on:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/88860/Type/eDaily/India-Regulator-amends-rules-on-commissions-on-long-term-motor-policies>

Allianz to become Asia's 4th biggest composite insurer on completion of purchase of majority stake in Income Insurance

German global insurer Allianz's proposed acquisition of a majority stake in leading Singapore insurer, Income Insurance, would clearly strengthen Allianz's business profile in Asia, a strategic area of growth for the group, says Mr Manuel Arrive, a director of insurance at Fitch Ratings.

To read the whole article click on:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/88858/Type/eDaily/Allianz-to-become-Asia-s-4th-biggest-composite-insurer-on-completion-of-purchase-of-majority-stake-in-Income-Insurance>

TDS on life insurance payouts reduced from 5% to 2% from October 1

From October 1, 2024, the tax deducted at source (TDS) on life insurance payouts will go down from 5 percent to 2 percent. This change was introduced as part of Budget 2024 proposals announced on July 23.

To read the whole article click on:

<https://www.moneycontrol.com/news/business/budget/tds-on-life-insurance-payouts-reduced-from-5-to-2-from-october-1-12776451.html>

IRDAI fines Care Health Insurance Rs 1 cr, asks to cancel ESOPs issued to Rashmi Saluja

Care Health Insurance (CHIL) has been asked to buyback shares it sold to Rashmi Saluja, cancel the employee stock options that have not been exercised and pay a fine of Rs 1 crore by the Insurance Regulatory and Development Authority of India (IRDAI).

To read the whole article click on:

<https://www.moneycontrol.com/news/business/markets/irdai-fines-care-health-insurance-rs-1-cr-asks-to-cancel-esops-issued-to-rashmi-saluja-12776738.html>

Acko acquires health tech startup OneCare in all-cash deal

General insurance startup Acko has acquired digital chronic care management company OneCare for an undisclosed amount. The all-cash acquisition aligns with Acko's vision of evolving into a comprehensive healthcare provider to its customers, extending beyond insurance services.

To read the whole article click on:

https://m.economictimes.com/tech/technology/acko-acquires-health-tech-startup-onecare-in-all-cash-deal/amp_articleshow/111991364.cms

Munich Re's ratings raised to 'AA' on continued strong earnings and diversification

Munich Re's overall profitability and earnings diversification has improved significantly over the past couple of years, says S&P Global Ratings (S&P) which has raised to 'AA' from 'AA-' the long-term issuer credit and insurer financial strength ratings on the entities within the Munich Re group. The outlook is 'Stable'.

To read the whole article click on:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/88935/Type/eDaily/Reinsurance-Munich-Re-s-ratings-raised-to-AA-on-continued-strong-earnings-and-diversification>

InsuranceDekho enters reinsurance broking sector with composite licence

InsuranceDekho, an online insurance platform, has received approval from the Insurance Regulatory and Development Authority of India (IRDAI) to enter the reinsurance broking sector with a composite insurance broking license marking a significant milestone in the company's mission to revolutionise insurance accessibility and distribution across India.

To read the whole article click on:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/88947/Type/eDaily/India-InsuranceDekho-enters-reinsurance-broking-sector-with-composite-licence>

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