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I. WHAT'S HAPPENING AT NIA

1. PFRDA Chairman Dr. Deepak Mohanty's Visit to NIA Pune: Insights on India's Pension Landscape

On May 3, 2024, Dr. Deepak Mohanty, the Chairman of the Pension Fund Regulatory and Development Authority (PFRDA), visited the National Insurance Academy (NIA) campus in Pune. During his visit, Dr. Mohanty engaged in meaningful discussions with the Director Dr. Tarun Agarwal, Chair Professors, and Faculty members of NIA. The interaction centered on the current landscape of the pension sector in India, providing a comprehensive overview of its developments and challenges.

Dr. Mohanty highlighted the significant improvements made in expanding pension coverage across the country, particularly through schemes like the National Pension System (NPS). He emphasized the importance of these initiatives in ensuring financial security for citizens in their post-retirement years. Furthermore, he addressed the critical role of regulatory frameworks in safeguarding the interests of pensioners and promoting transparency within the sector.



The PFRDA Chairman also discussed the ongoing efforts to enhance financial literacy and awareness about pension benefits among the Indian populace. He highlighted the need for continuous innovation and collaboration between regulatory bodies, financial institutions, and educational entities like NIA to drive the growth and sustainability of the pension ecosystem.

The visit concluded with an interactive session where Dr. Mohanty and his colleague answered queries from the faculty, fostering a deeper understanding of the strategic priorities and future direction of the pension sector in India.

II. REGULATORY DEVELOPMENTS

1. Circulars

- a. Withdrawal of Circular. Click here for the circular:
<https://irdai.gov.in/web/guest/document-detail?documentId=4908968>
- b. Master Circular on RUSO and MTP Obligations. Click here for the circular:
<https://irdai.gov.in/web/guest/document-detail?documentId=4858052>
- c. Master Circular on Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers, 2024. Click here for the circular:
<https://irdai.gov.in/web/guest/document-detail?documentId=4885776>
- d. Master Circular on Expenses of Management, including Commission, of Insurers, 2024. Click here for the circular:
<https://irdai.gov.in/web/guest/document-detail?documentId=4886329>
- e. Master Circular on Actuarial, Finance and Investment Functions of Insurers. Click here for the circular:
<https://irdai.gov.in/web/guest/document-detail?documentId=4907769>
- f. Master Circular on RUSO and MTP Obligations. Click here for the circular:
<https://irdai.gov.in/web/guest/document-detail?documentId=4858052>
- g. Master Circular on Corporate Governance for Insurers, 2024. Click here for the circular:
<https://irdai.gov.in/web/guest/document-detail?documentId=4916164>
- h. Unsolicited Commercial Communications (UCC) through Telecom Resources - TRAI's Guidelines. Click here for the circular:

<https://irdai.gov.in/web/guest/document-detail?documentId=4944234>

- i. Master Circular on Health Insurance Business 29052024. Click here for the circular:

<https://irdai.gov.in/web/guest/document-detail?documentId=4942918>

- j. Master Circular on Reinsurance. Click here for the circular:

<https://irdai.gov.in/web/guest/document-detail?documentId=4974650>

2. Order:

- a. Order In the matter of Go Digit General Insurance Limited

<https://irdai.gov.in/web/guest/document-detail?documentId=4838450>

- b. Final Order in the matter of M_S Future Generali Life Insurance Company Ltd

<https://irdai.gov.in/web/guest/document-detail?documentId=4944660>

3. Press Release:

- a. Bima Vitarak Mantha

<https://irdai.gov.in/web/guest/document-detail?documentId=4858599>

- b. Shri Satyajit Tripathi assumes charge as Whole-time Member (Distribution) of the Authority

<https://irdai.gov.in/web/guest/document-detail?documentId=4925823>

- c. Health Master Circular

<https://irdai.gov.in/web/guest/document-detail?documentId=4943348>

III. INSURANCE INDUSTRY FLASH FIGURES FOR APRIL 2024

For monthly insurance industry data, click on:

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

IV. TOPICAL ARTICLE

Generative AI: Transforming the Insurance Industry in India

Generative AI (Gen AI) is pushing the boundaries of artificial intelligence by enhancing human creativity and imagination. It's set to revolutionize the insurance industry by introducing new services, business models, and boosting overall productivity. Unlike other disruptive technologies like automation and machine learning, which focus on refining existing data and processes, Gen AI stands out for its ability to create entirely new content without needing specific programming. This means it can generate fresh and innovative outputs that anyone can access, regardless of their technical skills, making it a truly transformative force in the era of disruptive technologies.

Need for Gen AI in Insurance:

The GDP of India is \$4.12 trillion and is growing at a rate of 8.4%. As the economy expands, the per capita GDP also rises, leading to higher disposable incomes for individuals. This growth makes insurance more desirable and affordable for the average person. Additionally, India's insurance protection gap is 92%, the highest in the Asia-Pacific region according to Swiss Re. These factors highlight the increasing need for AI in the insurance sector to make insurance more affordable, accessible, and make it available.

Moreover, India's insurance market is projected to become the sixth largest in the world by the end of this decade. AI can revolutionize this industry by introducing new data channels, enhancing data processing capabilities, and leveraging advanced algorithms. These innovations will not only streamline operations but also make insurance products more personalized and widely available, ensuring that more people can protect themselves against unforeseen risks.

Use cases where Gen AI can create a value chain in Insurance:

Generative AI is transforming the insurance industry by enhancing various aspects of the value chain. In underwriting, AI helps underwriters evaluate potential risks more effectively by

analyzing extensive data sets, including historical claims and customer information, to create detailed risk profiles. This enables quicker and more informed decision-making. AI also revolutionizes claims processing and fraud detection by automating the assessment of claims documents. It can extract relevant details, summarize claims histories, and detect inconsistencies or fraudulent claims through pattern recognition. Furthermore, AI simplifies quote and policy generation by automating the creation of insurance quotes, policies, and related documentation, thereby reducing the manual workload and streamlining administrative tasks.

Customer support and engagement see significant improvements with AI-powered chatbots providing 24/7 support, reducing the burden on human agents. These chatbots can handle policy, coverage, and claims inquiries, ensuring immediate responses and enhancing customer satisfaction. Generative AI also personalizes communication by sending reminders for premium payments, policy updates, and delivering relevant content to maintain engagement. Additionally, AI can identify upsell and cross-sell opportunities by analyzing customer data and preferences. By understanding individual needs and risk profiles, insurers can offer tailored coverage options, increasing the likelihood of customers purchasing additional policies. The adoption of AI in these areas demonstrates its potential to make insurance more accessible, affordable, and responsive to customer needs, driving the industry's growth and evolution.

Regulatory framework for Gen AI.

In India, there is currently no specific regulatory framework for the use of Generative AI (Gen AI) in the insurance sector, unlike in the United States. However, India's existing frameworks, such as the Digital Personal Data Protection (DPDP) Act, can influence how Gen AI is utilized. In contrast, the National Association of Insurance Commissioners (NAIC) in the US has established principles for AI use in insurance. These guidelines focus on fairness, accountability, compliance, transparency, and security, aiming to protect consumers while encouraging innovation. Although not legally binding, these principles set a standard for responsible AI development and deployment in the insurance industry.

The DPDP Act in India, although not explicitly mentioning AI, aligns closely with the principles needed for responsible AI development. AI models depend on extensive data for training, and the DPDP Act requires consent or a lawful purpose for processing personal data. This means AI developers must ensure users consent to their data being used or that the data is anonymized. Transparency is crucial, as the Act emphasizes clarity around data processing, which applies to

AI as well. Users should understand how their data is used to generate AI outputs, and they have the right to access and correct their data. Data security is another key aspect, as the Act mandates robust measures to protect personal data, including that used in AI models. Lastly, accountability is emphasized, holding data controllers responsible for any violations. Similarly, organizations developing AI must ensure their models adhere to these principles, fostering a responsible and secure AI ecosystem in the Indian insurance sector.

India's Potential to Lead in Gen AI Insurance:

India has the potential to become a global leader in Generative AI (Gen AI) within the insurance sector, thanks to its tech-savvy population and robust digital infrastructure. The Digital India initiative has laid the foundation for a digitally empowered society and knowledge economy. This, combined with India's diverse linguistic landscape, presents a unique opportunity for AI to bridge communication gaps. Prime Minister Narendra Modi's recent use of the AI-powered Indian language translation tool, Bhashini, exemplifies how AI can make information accessible in real time across various vernacular languages. This capability can be extended to the insurance sector, ensuring that personalized and comprehensible insurance products reach every corner of the country.

Furthermore, India's vast and untapped insurance market is ripe for innovation through customized products and microinsurance. AI can play a pivotal role in creating affordable and accessible insurance solutions tailored to the specific needs of individuals and small businesses. By enabling insurers to gain a more granular view of risks, AI facilitates the coverage of previously difficult-to-insure risks, thus reducing protection gaps. This shift from a reactive to a proactive approach, emphasizing risk prevention and mitigation, can significantly boost efficiency and foster a more tailored interaction between insurers and customers. Leveraging AI to develop and deploy these innovative insurance products will not only enhance the accessibility and affordability of insurance but also position India as a pioneer in the global insurance landscape.

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

V. INSURANCE NEWS

Bima Vistaar priced at Rs 1,500: Life, health, property insurance bundled in one product

The Insurance Regulatory and Development Authority of India (IRDAI) has reportedly fixed the pricing of 'Bima Vistaar' – a single insurance product that covers life, health, accidental damage and property. This all-in-one insurance product, designed for people living in rural areas of the country, is priced at Rs 1,500 per policy.

To read the whole article click on:

<https://www.financialexpress.com/money/bima-vistaar-priced-at-rs-1500-life-health-property-insurance-bundled-in-one-product-know-full-features-and-benefits-3474048/>

Life insurance market predicted to grow by 11-13% in next 3-5 years

New-business premium in India's life insurance market in the financial year that commenced on 1 April 2024 (FY2025) is expected to rebound on a comparatively lower base, according to CareEdge, an analytical group offering credit rating, analytics, consulting, and sustainability services.

To read the whole article click on:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/88056/Type/eDaily/India-Life-insurance-market-predicted-to-grow-by-11-13-in-next-3-5-years>

Insurers receptive to covering chronic ailments, declare PEDs honestly

The Insurance Regulatory and Development Authority of India (Irdai) recently issued the Irdai (Insurance Products) Regulations, 2024. This notification introduces several customer-friendly measures, including reducing the maximum waiting period for pre-existing diseases (PEDs), a shorter duration for conditions to qualify as PEDs, and a decreased moratorium period.

To read the whole article click on:

https://www.business-standard.com/finance/personal-finance/insurers-receptive-to-covering-chronic-ailments-so-declare-honestly-124050100671_1.html

Motor insurance branch continues to lose market share in 1Q 2024

Motor insurance premiums accounted for 43.7% of non-life insurers' total premiums in 1Q2024, representing a drop of one percentage point from 44.7% in 1Q2023, according to data released by the National Financial Regulatory Administration (NFRA).

To read the whole article click on:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/88077/type/eCin/Motor-insurance-branch-continues-to-lose-market-share-in-1Q2024>

Centre may push for 12% GST for health insurance; lower rate seen to widen cover

To make health insurance more affordable and attractive, the Centre may push for a lower GST tax rate to 12%, compared to 18% now, on health insurance premiums up to Rs 30,000. Going by the current market rates, a premium up to Rs 30,000 could buy health insurance sum insured around Rs 10 lakh/annum for a family of four members, depending upon various factors such as type of coverage, age of insured, and so on.

To read the whole article click on:

<https://www.financialexpress.com/business/healthcare-centre-may-push-for-12-gst-for-health-insurance-lower-rate-seen-to-widen-cover-3477933/>

Over 90% policyholders want companies to publish monthly claim settlement numbers on websites

Nearly 93 percent of general policy holders want each insurance company to publish the data of total claims received, rejected and approved. The surveyed policyholders want this data to be published every month on the websites of insurers, revealed LocalCircles survey findings.

To read the whole article click on:

<https://www.livemint.com/insurance/insurance-93-policyholders-want-companies-to-publish-monthly-claim-settlement-numbers-on-websites-health-insurance-11714842880881.html>

Health insurance sector hits record growth, settles claims worth Rs 75,000 crore at 25% Profit

With Rs 1 lakh crore in the premium collection, the health insurance segment has become the largest vertical of the general insurance industry constituting 37 percent of the industry revenue. The sector has settled as much as 2.5 crore claims worth Rs 75,000 crore in FY24, making the industry financially healthy with a 25 per cent operating profit.

To read the whole article click on:

<https://www.newindianexpress.com/business/2024/May/07/health-insurance-sector-hits-record-growth-settles-claims-worth-rs-75000-crore-at-25-profit>

IRDAI imposes a fine of Rs 1 crore on IPO-bound Go Digit Insurance

The Insurance Regulatory and Development Authority of India imposed a penalty of Rs 1 crore on Go Digit General Insurance for non-disclosure of a change in the conversion ratio of compulsorily convertible preference shares (CCPS).

To read the whole article click on:

https://www.business-standard.com/finance/insurance/irdai-imposes-a-fine-of-rs-1-crore-on-ipo-bound-go-digit-insurance-124050701456_1.html

Life insurance industry to surpass US\$216bn by 2028, forecasts GlobalData

Life insurance industry is set to grow at a compound annual growth rate (CAGR) of 10% to INR13.5tn (\$216.1bn) in 2028 from INR9.3tn in 2024 in terms of gross written premiums (GWP), forecasts GlobalData, a leading data and analytics company.

To read the whole article click on:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/88146/Type/eDaily/India-Life-insurance-industry-to-surpass-US-216bn-by-2028-forecasts-GlobalData>

IRDAI sets out methodology for insurers to provide minimum rural-sector coverage

The Insurance Regulatory and Development Authority of India (IRDAI) has issued a directive making it mandatory for all life, general and stand-alone health insurers to provide a minimum level of coverage in villages or gram panchayat. The objective is to realise the vision of "Insurance for All" by 2047.

To read the whole article click on:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/88175/Type/eDaily/India-Regulator-sets-out-methodology-for-insurers-to-provide-minimum-rural-sector-coverage>

Go Digit General Insurance raises Rs 1,176.59 crore from anchor investors

Anushka Sharma and Virat Kohli-backed Go Digit General Insurance Limited garnered Rs 1,176.59 crores from anchor investors, the company said in stock exchange filing. The company allocated over 43 million (43,257,009) equity shares at Rs 272 per share to anchor investors, ahead of its initial public offering (IPO) that opens for public subscription.

To read the whole article click on:

https://www.business-standard.com/companies/start-ups/go-digit-general-insurance-raises-rs-1-176-59-crore-from-anchor-investors-124051500010_1.html

LIC gets 3-yr extension from Sebi to achieve 10% public shareholding

Life Insurance Corporation (LIC) of India has been granted a three-year extension by the Securities and Exchange Board of India (Sebi) to achieve a 10 per cent public shareholding.

To read the whole article click on:

https://www.business-standard.com/companies/news/lic-gets-3-yr-extension-from-sebi-to-achieve-10-public-shareholding-124051500464_1.html

General insurance industry to reach US\$57.3bn by 2028

General insurance industry is set to grow at a compound annual growth rate (CAGR) of 9.9% from INR3.35tn (\$40.36bn) in 2024 to INR4.89tn (\$57.3bn) in 2028, in terms of gross written premiums (GWP), forecasts data and analytics company GlobalData.

To read the whole article click on:

<https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/88211/Type/eDaily/India-General-insurance-industry-to-reach-US-57-3bn-by-2028>

Ratan Tata-backed Upstox forays into insurance distribution

Ratan Tata and Tiger Global backed Upstox, a wealth management platform, has forayed into the insurance distribution business. Currently, Upstox is offering term life insurance on its platform and is planning to roll out health, motor and travel insurance soon.

To read the whole article click on:

<https://www.thehindubusinessline.com/money-and-banking/ratan-tata-backed-upstox-forays-into-insurance-distribution/article68195901.ece>

Insurance market set for competitive premiums under new IRDAI commission norms

The new norms on commission payments to insurance agents and other intermediaries issued by the Insurance Regulatory and Development Authority of India (IRDAI) are expected to result in more competitive premiums in the insurance market, according to industry experts.

To read the whole article click on:

<https://www.thehindubusinessline.com/money-and-banking/insurance-market-set-for-competitive-premiums-under-new-irdai-commission-norms/article68199451.ece>

Noida-based Paytm General Insurance withdraws application with IRDAI

Paytm General Insurance Limited (PGIL), an associated company of One97 Communications, has withdrawn its application for registration as a general insurance company with the Insurance Regulatory and Development Authority of India (IRDAI).

To read the whole article click on:

https://www.business-standard.com/companies/news/paytm-general-insurance-withdraws-general-insurance-application-with-irdai-124052600204_1.html

LIC to enter health insurance? 'Done some internal groundwork', exploring acquisition opportunities

Life Insurance Corporation (LIC) may enter the health insurance segment and is reportedly exploring acquisition opportunities. This comes amid a proposal to allow composite insurance companies in the sector.

To read the whole article click on:

<https://www.hindustantimes.com/business/lic-to-enter-health-insurance-done-some-internal-groundwork-exploring-acquisition-opportunities-101716865239817.html>

Government asks insurance companies to roll out daycare package for Ayush patients

The government has asked insurance providers to introduce daycare packages for patients seeking Ayush treatment and said it expects insurance coverage to expand as the treatment guidelines are standardised.

To read the whole article click on:

<https://economictimes.indiatimes.com/markets/stocks/news/govt-asks-insurance-companies-to-roll-out-daycare-package-for-ayush-patients/articleshow/110480107.cms?from=mdr>

LIC Q4 net profit up 2.5%, declares Rs 6 per share dividend

Life Insurance Corp. of India (LIC), the country's biggest insurer, reported a 2.5% increase in net profit to ₹13,762 crore for the March quarter, with wage increases accounted for in the period preventing further expansion in the bottom line.

To read the whole article click on:

<https://economictimes.indiatimes.com/markets/stocks/earnings/lic-q4-net-profit-up-2-5-declares-rs-6/share-dividend/articleshow/110479922.cms?from=mdr>

Health insurance cashless claims may now be settled in three hours

Health insurance companies have to do final authorisation for cashless claims within three hours of receiving a patient discharge request from the hospital, the insurance regulator said in a new master circular released.

To read the whole article click on:

https://www.business-standard.com/finance/personal-finance/irdai-asks-insurers-to-approve-cashless-claim-in-3-hours-check-all-changes-124053000959_1.html

DICGC posts 17% growth in insurance fund

The Deposit Insurance and Credit Guarantee Corporation (DICGC), a wholly-owned subsidiary of the Reserve Bank of India (RBI), reported a 17% increase in its deposit insurance fund in FY24. The Deposit Insurance Fund (DIF), which is crucial for settling claims of depositors from liquidated or amalgamated banks, climbed to ₹1,98,310 crore as of March 31, 2024, up from ₹1,69,602 crore the previous year.

To read the whole article click on:

https://economictimes.indiatimes.com/markets/stocks/news/dicgc-posts-17-growth-in-insurance-fund/articleshow/110577407.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

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