

INDIA

INSURANCE MARKET OVERVIEW

by Hussein Elsayed



Official Name: Republic of India; Bharat Ganrajya

Location: The Indian peninsula is separated from mainland Asia by the Himalayas. The Country is surrounded by the Bay of Bengal in the east, the Arabian Sea in the west, and the Indian Ocean to the south. Afghanistan and Pakistan to the north-west; China, Bhutan and Nepal to the north; Myanmar to the far east; and Bangladesh to the east of West Bengal. Sri Lanka is separated from India by a narrow channel of sea, formed by Palk Strait and the Gulf of Mannar.

Surface Area: 3.3 Million Sq km.

Time Zone: GMT + 05:30.

Income Category: Lower middle income

Religion: According to the 2001 census, out of the total population of 1,028 million in the Country, Hindus constituted the majority with 80.5%, Muslims came second at 13.4%, followed by Christians, Sikhs, Buddhists, Jains, and others.

Language: There are 22 different languages that have been recognized by the Constitution of India, of which Hindi is an Official Language. Article 343(3) empowered Parliament to provide by law for continued use of English for official purposes.

Government Type: Sovereign Socialist Democratic Republic with a Parliamentary system of Government.

Legal System: The Constitution of India is the fountain source of the legal system in the Country.

Climate: The climate of India can broadly be classified as a tropical monsoon one. The Indian Meteorological Department (IMD) designates four official seasons:

- 1- Winter, from December to early April
- 2- Summer or pre-monsoon, from April to June (April to July in north-western India)
- 3- Monsoon or rainy, from June to September
- 4- Post-monsoon, from October to December.

Natural Hazards: ThinkHazard! WORLD BANK GROUP

River flood: High | Urban flood: High | Coastal flood: High | Earthquake: High | Landslide: High | Tsunami: Medium | Volcano: Low | Cyclone: High | Water scarcity: High | Extreme heat: High | Wildfire: High

Country Risk:

BEST'S COUNTRY RISK REPORT
CRT-4 August 22, 2023



(I) INDIA: Socio-Economic Information

Region	Southern Asia		UN membership date	30 October 1945		
Population (000, 2023)	1 417 173 ^{a,b}		Surface area (km ²)	3 287 263 ^c		
Pop. density (per km ² , 2023)	476.7 ^{a,b}		Sex ratio (m per 100 f)	106.6 ^{a,b}		
Capital city	New Delhi		National currency	Indian Rupee (INR)		
Capital city pop. (000, 2023)	29 399.1 ^{d,e}		Exchange rate (per US\$)	82.8 ^b		
Economic indicators	2010	2015	2023			
GDP: Gross domestic product (million current US\$)	1 669 620	2 146 759	3 201 471 ^c			
GDP growth rate (annual %, const. 2015 prices)	8.5	8.0	8.7 ^c			
GDP per capita (current US\$)	1 345.8	1 622.8	2 274.5 ^c			
Economy: Agriculture (% of Gross Value Added) ^{f,g}	18.4	17.7	18.6 ^c			
Economy: Industry (% of Gross Value Added) ^{g,h}	33.1	30.0	28.7 ^c			
Economy: Services and other activity (% of GVA) ^g	48.5	52.3	52.7 ^c			
Employment in agriculture (% of employed)	51.5	45.2 ⁱ	44.0 ^c			
Employment in industry (% of employed)	20.8 ⁱ	24.6 ⁱ	25.3 ^c			
Employment in services & other sectors (% employed)	26.7	30.3 ⁱ	30.7 ^{i,c}			
Unemployment rate (% of labour force) ⁱ	8.3	7.9	7.3			
Labour force participation rate (female/male pop. %)	28.8 / 79.3	23.7 / 75.9 ⁱ	24.1 / 73.8 ⁱ			
CPI: Consumer Price Index (2010=100) ^j	100	149	212 ^b			
Agricultural production index (2014-2016=100)	86	98	122 ^c			
International trade: exports (million current US\$)	220 408	264 381	452 684 ^b			
International trade: imports (million current US\$)	350 029	390 745	732 566 ^b			
International trade: balance (million current US\$)	- 129 621	- 126 364	- 279 882 ^b			
Balance of payments, current account (million US\$)	- 54 516	- 22 457	- 80 433 ^b			
Major trading partners	2022					
Export partners (% of exports)	United States	17.7	United Arab Emirates	6.9	Netherlands	4.1
Import partners (% of imports)	China	14.0	United Arab Emirates	7.4	United States	7.1
Social indicators	2010	2015	2023			
Population growth rate (average annual %)	1.4	1.2	0.7 ^{a,b}			
Urban population (% of total population)	30.9	32.8	34.5 ^e			
Urban population growth rate (average annual %) ^k	2.6	2.4	...			
Fertility rate, total (live births per woman)	2.6	2.3	2.0 ^{a,b}			
Life expectancy at birth (females/males, years)	68.6 / 65.3	71.1 / 68.3	69.4 / 66.3 ^{a,b}			
Population age distribution (0-14/60+ years old, %)	31.0 / 7.8	28.6 / 8.9	25.3 / 10.5 ^{a,b}			
International migrant stock (000/% of total pop.) ^l	5 574.0 / 0.5	5 210.8 / 0.4	4 878.7 / 0.4 ^m			
Refugees and others of concern to the UNHCR (000)	193.7 ⁿ	205.8	249.5 ^b			
Infant mortality rate (per 1 000 live births)	45.2	34.7	26.3 ^{a,b}			
Health: Current expenditure (% of GDP) ^o	3.3	3.6 ^p	3.0 ^{i,m}			
Health: Physicians (per 1 000 pop.)	0.7 ^m			
Education: Government expenditure (% of GDP)	3.4	4.1	4.6 ^c			
Education: Primary gross enrol. ratio (f/m per 100 pop.)	110.7 / 107.7 ⁱ	102.2 / 98.3	112.0 / 111.0 ^b			
Education: Lowr. sec. gross enrol. ratio (f/m per 100 pop.)	78.9 / 81.0	90.5 / 84.9	90.7 / 87.7 ^b			
Education: Upr. sec. gross enrol. ratio (f/m per 100 pop.)	47.4 / 52.5	62.6 / 64.2	69.9 / 72.2 ^b			
Intentional homicide rate (per 100 000 pop.)	3.7	3.4	2.9 ^c			
Seats held by women in the National Parliament (%)	10.8	12.0	15.1 ^q			
Environment and infrastructure indicators	2010	2015	2023			
Individuals using the Internet (per 100 inhabitants)	7.5 ⁱ	14.9 ⁱ	46.3 ^c			
Research & Development expenditure (% of GDP)	0.8	0.7	0.7 ^{i,r}			
Threatened species (number)	758	1 039	1 355 ^b			
Forested area (% of land area)	23.4	23.8	24.3 ^m			
CO ₂ emission estimates (million tons/tons per capita) ^o	1 625.1 / 1.3	2 094.1 / 1.6	2 135.2 / 1.5 ^m			
Energy production, primary (Petajoules)	21 105	21 875	23 600 ^m			
Energy supply per capita (Gigajoules)	22	27	27 ^m			
Tourist/visitor arrivals at national borders (000)	5 776	13 284 ^s	7 010 ^{s,c}			
Important sites for terrestrial biodiversity protected (%)	1.5	6.2	6.3 ^b			
Pop. using safely managed drinking water (urban/rural, %)	... / 43.8	... / 52.6	... / 66.0 ^b			
Pop. using safely managed sanitation (urban/rural %)	29.7 / 23.8	34.8 / 38.0	42.7 / 57.4 ^b			
Net Official Development Assist. received (% of GNI)	0.17	0.15	0.10 ^c			

a Projected estimate (medium fertility variant). **b** 2022. **c** 2021. **d** Refers to the Delhi metropolitan area that is not restricted to state boundaries (National Capital Territory), includes contiguous suburban cities and towns, such as Faridabad, Gurgaon, and Ghaziabad. **e** 2019. **f** Excludes irrigation canals and landscaping care. **g** Data classified according to ISIC Rev. 4. **h** Excludes publishing activities, recycling. Includes irrigation canals. **i** Estimate. **j** Industrial workers. **k** Data refers to a 5-year period preceding the reference year. **l** Including refugees. **m** 2020. **n** Data as at the end of December. **o** Data refer to fiscal years beginning 1 April. **p** Break in the time series. **q** Data are as at 1 January of reporting year. **r** 2018. **s** Including nationals residing abroad.

(II) INDIA: Insurance Market

KEY HIGHLIGHTS

- IRDAI regulates the Indian insurance industry
- Composite insurance is not permitted in the Indian insurance industry.
- The gross written premium of India life insurance market was INR8.5 trillion (\$102.8 billion) in 2023 and will achieve a CAGR of more than 9% during 2024-2028.
- The gross written premium of the Indian general insurance market was INR3 trillion (\$36.5 billion) in 2023. The Indian general insurance sector growth peaked in 2022 and slowed down the following year majorly due to a decrease in liability, crop, credit guarantee, and marine, aviation, and transit (MAT) insurance premiums. The growth is anticipated to slow down over 2024–28 at a CAGR of more than 9%, due to elevated interest rates and medical inflation.
- Factors such as rapid urban economic expansion and increasing household income are driving India's non-life insurance market.
- The practice of non-admitted insurance is limited to the reinsurance segment.

(A) Historical Landmarks and Regulatory Environment

- 1829 : Creation of Madras Equitable Life Insurance Company.
- 1850: Creation of Triton Insurance Company; the first non-life insurance company set up by the British.
- 1870: Enactment of the British Insurance Act.
- 1871: Creation of Bombay Mutual Life Assurance Society, the first nationally owned insurance company.
- 1897: Creation of Empire of India Life Assurance Company.
- 1907: Creation of Indian Mercantile Insurance, the first company to market all non life classes of business.
- 1912: Publication of the first Life Insurance Companies Act.
- 1914: First publication of insurance market results.
- 1928: Enactment of the Indian Insurance Companies Act, a law that authorizes the government to collect statistical data on the life, non-life and pension transactions of Indian and foreign insurers.
- 1938: Updating the Insurance Act. Introducing new standards for controlling insurance activities.
- 1947: Creation of Oriental Insurance Company in Mumbai, the first non-life state-owned company. It is currently based in Delhi.
- 1950: Adoption of the decision to nationalize the insurance market.
- 1956:
 - Nationalisation of the life market.
 - Creation of Life Insurance Corporation (LIC), which takes over the portfolios of 154 Indian insurers, 26 foreign insurers and 75 pension companies, that is a total of 245 entities.
- 1957: Creation of the General Insurance Council, a body reporting to the Insurance Association of India, which is responsible for developing a Code of Conduct in non life insurance.
- 1968: Amendment of the Insurance Act: the amendments include investment regulation, minimum solvency margin determination and the creation of a tariff advisory committee.
- 1972:
 - Nationalization of non life insurance "General Insurance Business Act". The activities of 107 property and casualty insurers are divided into four national entities.
 - General Insurance Corporation (GIC) begins.
- 1993: Setting up a committee to reform the insurance sector.
- 1994: Reform Committee report delivered: reform committee calls for market reopening to private sector.
- 1999: Creation of the Insurance Regulatory and Development Authority (IRDAI), an independent body responsible for overseeing the insurance industry.
- April 2000: Change in the status of IRDAI from an independent body to a statutory body.

- **August 2000:** Opening up the market to foreign investors. The ceiling on foreign direct investment (FDI) is set at 26% of the company's capital.
- **December 2000:**
 - Restructuring of General Insurance Corporation (GIC). Insurer's subsidiaries become full-fledged independent companies.
 - GIC transforms into a national reinsurance company.
- **2015:** Raising the limit of foreign direct investment (FDI) from 26% to 49% of the company's capital.
- **2019:** Foreign investors may hold 100% of the share capital of a brokerage company.
- **2020**
 - Sep 2020; Within the context a pandemic, the IRDAI is enabling all health insurers to provide health insurance policies via digital means.
 - Oct 2020; Drone insurance in India. The product covers third party liabilities, the drone itself and bodily injuries. An accidental medical cover is also provided to the operator.
 - Dec 2020; The IRDAI requires non-life and health insurers to offer a standard insurance product for the underwriters of individual accident policies.
 - Dec 2020; WhatsApp, the Facebook-owned instant messaging platform, is marketing two microinsurance products for its users in India.
 - Dec 2020; The broker Aon is acquiring 49% of the Indian brokerage firm Anviti. This transaction would strengthen Anviti's operations in India.
- **2021**
 - Jan 2021; Motor premium linked to traffic violations in India.
 - Feb 2021; IRDAI is calling on all insurers to use an online digital service (Digilocker) to offer insurance policies for their customers.
 - March 2021; The Indian government approved the Insurance Law Amendment Bill of 1938. The main amendments focus on increasing the foreign direct investment (FDI) cap to 74% as opposed to the current 49%. In 2015, the government had already raised the FDI cap from 26% to 49%.
 - June 2021; IRDAI has made it mandatory for insurance intermediaries engaged in the distribution of insurance products to underwrite a professional third-party liability insurance policy. The guidelines came into effect on 1 July 2021.
 - June 2021; The Pension Funds Regulatory and Development Authority (PFRDA) has raised the maximum age of entry into the National Pension System (NPS) from 65 to 70 years.
 - Sep 2021; IRDAI has issued revised guidelines on credit insurance. The new regulations will come into force on 1 November 2021. The Indian non-life insurance companies will be able to provide credit insurance coverage to suppliers, licensed banks and other financial institutions to help businesses better manage risk.
- **2022**
 - Jan 2022; HDFC Life, India's leading private life insurer, has received approval from the IRDAI and CCI to acquire the entire share capital of Exide Life Insurance.
 - March 2022; The Ministry of Road Transport has suggested that Indian insurers increase motor third party liability (MTPL) rates for specific types of cars. The decision, which is pending the approval of the IRDAI and relevant stakeholders, will come into effect on 1 April 2022.
 - April 2022; The Indian government is injecting 50 billion INR (655.34 million USD) in the capital of three state-owned insurance companies. From that amount, 37 billion INR (484.95 million USD) are intended for National Insurance, 12 billion INR (157.28 million USD) for Oriental Insurance and 1 billion INR (13.11 million USD) for United India Insurance. The new funds infusion will allow the insurers to improve their solvency and their capital management after several years of unprofitable underwriting.
 - May 2022; Generali becomes majority shareholder of its Indian non-life joint venture. Generali has received the approval of the competent authorities to buy from Future Group 25% of the capital of its non-life subsidiary Future Generali India Insurance (FGII).
 - June 2022; Insurance product approval procedures loosened in India. IRDAI is now allowing local insurers to market health and other non-life products without prior IRDAI approval.

- July 2022; Swiss Re has signed a memorandum of understanding with the Institute of Insurance and Risk Management (IIRM), an Indian organization dedicated to the training of executives in the financial sector.
- Sep 2022; IRDAI has urged insurers to open online insurance accounts (e-AI) for their customers. This is a first step towards the dematerialization of insurance policies, which consists of converting physical documents into an online format.
- IRDAI has approved the implementation of a digital platform dedicated to the underwriting, management and settlement of claims. Called "Bima Sugam", the solution is expected to be operational in 2023.
- Oct 2022; IRDAI has authorized foreign reinsurance branches (FRBs) and Lloyd's India to repatriate excess capital. This decision, which took effect on 26 October 2022 is subject to certain conditions, including the prior approval of IRDAI and the compliance with a minimum shareholder's equity requirement.
- Oct 2022; IRDAI is giving non-life insurance companies more flexibility in designing, pricing and marketing their insurance products. Indian insurers are now allowed to market non-life policies without prior approval from IRDAI.
- Oct 2022; Mandatory mental illness coverage in health insurance policies. Starting 31 October 2022, all health insurance policies must provide coverage for mental illness treatment on the same basis as that available for physical illness treatment.
- 2023
 - March 2023; The Indian regulator (IRDAI) allowing insurers to set an overall limit on the amount of commissions paid to insurance intermediaries. The regulator has thus replaced the former individual limit with a global limit on insurers' management expenses.
 - Oct 2023; AXA has sold its 49% stake in its Indian joint venture Bharti AXA Life Insurance to its partner Bharti Group.
 - Aon has acquired Global Insurance Brokers, a composite broker licensed by the Indian regulatory authority (IRDAI).
 - Nov 2023; The Swiss Zurich Insurance Group has agreed to acquire 51% of the capital of non-life insurer Kotak Mahindra General Insurance.
 - This year, IRDAI also expanded the scope of Use & File procedure for life insurance industry, which was earlier introduced only for general insurance products
- 2024
 - Jan 2024; Himalayan Re (which was founded in 2021 as Nepal's first private reinsurance company) obtains license to operate in India.
 - On March 22, 2024, the Official Gazette published Notification No. IRDAI/Reg/11/205/2024 of the IRDAI stipulated regulations aimed at enhancing policyholder protection, refining insurance operations, and promoting sound management practices within the industry. The "Protection of Policyholder Interest Regulation 2024" takes effect 1 April 2024, mandating that all insurance policies be issued in electronic form.
 - IRDAI has removed the age cap on buying health insurance policies, effective from 1 April 2024.
 - April 2024; India's Goods and Services Tax (GST) Council is set to review exempting reinsurance business from GST
 - The IRDAI has announced its decision to allow general insurers to change the wordings in all corporate insurance policy documents, except motor third party.
 - IRDAI freed all tariffs such as for fire, motor and engineering insurance, with effect from 1 April 2024.
 - May 2024; 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.
 - May 2024; The IRDAI has issued a Master Circular on Actuarial, Finance and Investment Functions of Insurers.
 - May 2024; The government is planning to launch a centralised platform that would process health insurance claims across hospitals all over the country.

- May 2024; The IRDAI has issued a comprehensive Master Circular on Health Insurance Products, which aims to empower policyholders, ensure that they receive the highest standards of care and service, foster trust and transparency and bolster inclusive health insurance.
- May; Indian Government plans to sell a stake in Corporation of India (GIC Re) and Life Insurance Corporation of India (LIC) in the 2024-2025 financial year
- May 2024; The IRDAI has updated regulations to improve transparency in surrender charges and strengthen governance in product design and pricing. The revised rules, effective April 1 2024. These regulations are part of a broader regulatory overhaul to streamline insurance operations and enhance policyholder protection.
- June 2024 The first phase of Bima Sugam, a proposed ground-breaking one-stop online platform for insurance services, is expected to be launched around April next year, IRDAI chairman said at a 7 June meeting with the CEOs of life, general and health insurers. The objective of operating Bima Sugam is to make insurance more accessible, affordable and user-friendly. It is a platform where customers can buy a suitable insurance plan after making comparisons among various products. It also provides for a streamlined claim settlement process.

▪ Key Legislation: Sources of Insurance and Reinsurance Law:

The key legislation for the regulation of insurance activities in India is Insurance Act, 1938 ([Read a copy Incorporating all amendments till 2021](#))



▪ Industry Regulator

Insurance Regulatory and Development Authority of India (IRDAI) was set up in 1999 upon the recommendation of the Malhotra (1) Committee report set up by the government. It was in 2000 that IRDAI became a governmental entity in charge of regulating insurance operations in the country. The IRDAI's main activity consists in overseeing the financial stability of insurance companies and supervising the operations of various market entities: insurers, reinsurers and intermediaries.



IRDAI's duties and responsibilities

- Grant, renew, modify, withdraw, suspend or cancel licenses of companies intent on operating or that are already operating on the insurance market,
- Protect the interests of the insured in case of disputes (indemnification, choice of policy beneficiary, ...)
- Specify the required qualifications, the code of good conduct and the appropriate training for insurance intermediaries, agents and brokers,
- Publish a code of good conduct for auditors and statutory auditors,
- Promote and coach professional insurance and reinsurance associations,
- Collect royalties in order to finance IRDAI's missions,
- Carry out inspection and auditing tasks with insurance and reinsurance companies and associations,
- Control and monitor tariffs, terms and conditions of contracts delivered by insurers and reinsurers on the market,
- Establish the form and procedure for the presentation of the accounts and financial statements that insurers and insurance intermediaries are required to submit,
- Supervise the financial investments made by insurance companies,
- Set the level of solvency margin,
- Arbitrate disputes arising between insurers and insurance intermediaries,
- Supervise the activities of the Tariff Advisory Committee (TAC).

▪ Industry Associations

Life Insurance Council

Life Insurance Council is a forum that connects the various stakeholders of the Life Insurance sector. It develops and coordinates all discussions between the Government, Regulatory Board and the Public. Constituted under Sec.64C of Insurance Act 1938, the Life Insurance Council functions through several sub-committees and includes all 24 life insurance companies in India.

Some of LI Council functions are

- *Creating a positive image of the industry and enhancing consumer confidence.*
- *Maintaining high standards of ethics and governance.*
- *Promoting awareness of the role and benefits of life insurance.*
- *Organizing structured and proactive discussions with Government, lawmakers and regulators.*
- *Conducting research in life insurance, publish monographs and contribute to development of the sector.*
- *Acting as forum of interaction with other organizations of the financial services sector.*
- *Playing a leading role in insurance education, research, training and conferences.*
- *Providing help and guidance to members when necessary.*
- *Be an active link between the Indian life insurance industry and the global markets.*

General Insurance Council

The General Insurance Council (GI Council) is a representative body of general insurers including Stand-alone Health Insurers, Specialized Insurers, Reinsurers, Foreign Reinsurer Branches(FRBs) and Lloyd's India, registered with IRDAI. As per Section 64C of the Insurance Act, 1938 (and amended in January 2015) all general insurers, health insurers and reinsurers granted registration and licence by IRDAI to carry out business in India are members of the General Insurance Council. After the passage of the Insurance Laws(Amendment) Act in April 2015, GI Council is a Self Regulatory Organization for the non-life insurance industry's market conduct and practices.



General Insurance Council

<https://www.gicouncil.in/>

As per Section 64L (1) of the Insurance Act, 1938 the GI Council has the following functions:

- *to aid and advise insurers, carrying on general insurance business, in the matter of setting up standards of conduct and sound practice and in the matter of rendering efficient service to holders of policies of general insurance*
- *to render advise to IRDAI in the matter of controlling the expenses of such insurers carrying on business in India in the matter of commission and other expenses*
- *to bring to the notice of IRDAI the case of any such insurer acting in a manner prejudicial to the interests of holders of general insurance*

Council for Insurance Ombudsmen

The Offices of Insurance Ombudsman are under the administrative control of Council for Insurance Ombudsmen (CIO), which has been constituted under the Insurance Ombudsman Rules, 2017. Office of Insurance Ombudsman is an alternate Grievance Redressal platform which has been setup with an aim to resolve grievances of aggrieved policyholders against Insurance Companies and its Intermediaries or Insurance Brokers in a speedy and cost-effective manner.

Related Organizations

- *Institute of Actuaries of India*
- *Insurance Brokers Association of India*
- *Indian Institute of Insurance Surveyors & Loss Assessors*
- *Insurance Information Bureau of India*

▪ Pools:

- **Terrorism Risk Pool:** The Indian Market Terrorism Risk Insurance Pool (IMTRIP) was formed with the initiative of all non-life insurers in India in April 2002, after terrorism cover was withdrawn by international reinsurers post 9/11 incident. The pool is administered by GIC Re. The Pool provides support to insurance of terrorism risks covered under property insurance policies, including cover to dwellings and fixed assets in multiple locations.

The Pool's premium income for 2022-23 was ₹Crore 1,809 crore as against ₹Crore 1,226.80 crore in 2021-22. The claims paid by the Pool during 2022-23 were ₹Crore 2.10 crore.

- **Nuclear Insurance Pool:** The enactment of Civil Liability for Nuclear Damage Act, 2010 mandates protection of unknown and potentially catastrophic risk arising out of nuclear events. Generally, nuclear perils are excluded from conventional insurance covers as it requires a large insurance capacity. Therefore, to protect the liability arising out of nuclear perils, Indian Nuclear Insurance Pool (INIP) was formed in 2015 which is also managed by GIC Re. The pool provides coverage to nuclear operators in the country and also to suppliers. The Pool's premium income for 2022-23 has been same as that of previous year i.e. ₹Crore 103.50 crore. No claim has been paid by the pool during the year 2022-23.
- **Marine Cargo Excluded Territories Pool (MCETPool):** Pursuant to the Russia-Ukraine war, international sanctions were imposed on doing business with Russia. Due to the same, reinsurance capacity was not available for Marine Cargo shipments of fertilizers and other commodities for Indian Insured's from the territories of the Republic of Belarus, Ukraine and/or the Russian Federation (called as 'Excluded Territories'). Hence, to address the issue, Marine Cargo Excluded Territories Pool (MCET Pool) was formed in the year 2022 with the initiative of the General Insurance Council and the pool is managed by GIC Re. The main objectives of the Pool are to enable pool members to provide insurance cover for Marine Cargo shipments of fertilizers imports and exports only for Indian Insured's from Excluded Territories and to cover other commodities for Indian Insureds as may be required and with rates/terms to be agreed in consultation with the Underwriting Committee of the Pool. The Pool's premium income for 2022- 23 was ₹Crore 26.59 crore. No claim has been paid by the pool during the year 2022-23.

▪ Form and Structure of Insurers

The Insurance Act specifies that an insurer must be one of the following:

- a public limited company formed under the Companies Act 2013;
- a statutory body established by an Act of Parliament to carry on insurance business;
- an insurance cooperative society; or
- a foreign company engaged in reinsurance business through a branch established in India.

Insurance companies structured and funded:

Currently, foreign investment in an insurance company is allowed up to 74% of the paid-up equity capital. In terms of structuring, there are broadly two structures that are prevalent in India:

- *Direct investment: Shareholders and investors invest directly in the insurance company.*
- *Indirect investment: A special purpose vehicle (SPV) is formed in accordance with the Insurance Regulatory and Development Authority of India (Investment by Private Equity Funds in Indian Insurance Companies) Guidelines 2017 and the shareholders/investors/promoters invest in the insurance company through that SPV.*

Further, there are certain restrictions set out in the insurance regulatory framework, including in relation to the shareholding percentage of Indian investors and the transfer of shares, which must be adhered to at the time of structuring the shareholding of an insurance company in India.

▪ Authorizations are required to provide insurance services:

An entity must be registered with the Insurance Regulatory and Development Authority of India (IRDAI) and obtain a certificate of registration under the applicable laws to undertake insurance activities in India. The scope of insurance activities may vary based on the registration with the IRDAI and various conditions broadly encompassed under applicable regulations, guidelines and circulars. For instance, an applicant for registration as an insurer may undertake insurance business under the classes specified in the IRDAI (Registration of Indian Insurance Companies) Regulations 2000; whereas an insurance broker registered under the IRDAI (Insurance Broker) Regulations 2018 may exclusively carry on the business of an insurance broker as permitted under these regulations. Similarly, a corporate agent may be registered under the IRDAI (Registration of Corporate Agents) Regulations 2015 where its principal business is other than the distribution of insurance products and insurance distribution is a subsidiary activity. Thus, the scope of activities undertaken by an entity is determined based on the conditions and restrictions applicable to it under its certificate of registration and the relevant norms governing its operations.

▪ Capital Requirements

Minimum paid-up capital requirements

- Insurer INR1bn
- Reinsurer INR2bn
- Direct broker INR7.5m
- Reinsurance broker INR40m
- Composite broker INR50m

INR 82.75 = US\$1.00 as at January 1, 2023.



A foreign company carrying on reinsurance business through a branch in India is required to have net owned funds of INR50bn. However, a foreign company engaged in the re-insurance business through a branch established in an IFSC in the SEZ is required to have net owned funds of not less than INR 10bn.

Equity shares having a single face value and other forms of capital as may be specified by regulations are allowed. However, voting rights of shareholders are restricted to equity shares only.

The minimum registered and paid-in capital of an insurer is RMB 200 million or its equivalent in a foreign currency.

A broker with a nationwide business permit must have a paid-in capital of no less than RMB 50 million, whereas a broker with only a regional business permit must have a paid-in capital of no less than RMB 10 million.

For a professional agent, the paid-in capital must be no less than RMB 50 million for nationwide business and no less than RMB 20 million for regional business.

▪ Compulsory Insurances

List of Compulsory Insurances

- *Motor third party liability.*
- *Third party liability for manufacturers of hazardous materials.*
- *Professional indemnity for direct brokers, reinsurance brokers and stockbrokers.*
- *Aviation carriers' liability.*
- *Professional indemnity for mutual fund managers.*
- *Professional indemnity for insurance marketing firms.*
- *Shipowners' liability for marine oil pollution (a financial guarantee or insurance).*

▪ Risk based capital – insurers

Every insurer and re-insurer shall at all times maintain an excess of value of assets over liabilities of not less than 50 per cent of the amount of minimum capital that such insurer or re-insurer is required to bring.

Available Solvency Margin (ASM) i.e. excess of the value of assets over the value of insurance liabilities and other liabilities of policyholders' funds and shareholders' funds, shall not be less than the higher of (a) 50 per cent of the amount of minimum capital prescribed under the Insurance Act and (b) 100 per cent of the Required Solvency Margin (RSM). An insurer is required to maintain a control solvency margin as stipulated by the IRDAI, which currently is a solvency ratio of 150 per cent. In this regard, the Insurance Act prescribes that if at any time the insurer is not able to maintain the required control level of solvency margin, without prejudice to taking any other action as deemed fit by the IRDAI, the IRDAI may require such insurer to submit a financial scheme indicating a plan of action to correct the deficiency within a specified period not exceeding six months.

▪ Risk management requirements

The CG Guidelines require all insurers to establish a risk management committee to implement the insurer's risk management strategy and formulate an effective risk management framework and risk management policy. The risk management committee is also required, among other things, to:

- *advise the board on risk management decisions in relation to strategic and operational matters;*
- *maintain an aggregated view on the risk profile of the insurer for all categories of risks;*
- *review and monitor the solvency position and business continuity of the insurer; and*
- *formulate and implement the board-approved fraud monitoring policy.*

Further, the board of directors must disclose the risk management architecture in its annual accounts. The IRDAI also reviews the quality of risk management functions while assessing the corporate governance of the insurer.

▪ Restructuring and insolvency

The Insolvency and Bankruptcy Code 2016 governs the law relating to the insolvency of corporate persons, partnership firms and individuals. The definition of 'corporate persons' under Section 3(7) of the code excludes 'financial service providers', including insurers. The code also provides the government with the power to introduce specific rules on the insolvency of financial service providers.

Pursuant to this power, the government notified the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules 2019. The rules apply to such financial service providers as may be notified. To date, the rules have only been notified for non-banking finance companies, including housing finance companies.

Consequently, the insolvency of insurers is still governed by the Insurance Act and the relevant provisions of the Companies Act 2013.

▪ Consumer Protection:

The Policyholders Regulations issued by the Insurance Regulatory and Development Authority of India are the primary regulations on the protection of policyholders' interests. The Policyholders Regulations prescribe the practices that must be undertaken by insurers and insurance intermediaries at the point of sale of the insurance policy to ensure that the policyholder understands the terms of the policy properly.

In addition, the Policyholders Regulations prescribe the claims procedure that must be followed by insurers to ensure the timely processing of claims. Insurers must pay interest at 2% above the prevalent bank rate where payment of the claim amount is delayed.

Insurers must also put in place proper grievance redressal procedures and mechanisms in accordance with the applicable provisions for the resolution of grievances of policyholders.



(B) INDIA: Insurance Market Statistics & Performance



Main Indicators	2023	
	Turnover	126 446 million USD
	Penetration rate	3.7%
	Insurance density	89.05 USD

Market Structure	Market players	Total
	Non-life insurance companies	25
	Life insurance companies	25
	Reinsurance companies	12
	Stand-Alone Health Insurers ⁽¹⁾	5
	Specialized companies	2
	Total	69

Data as of 31/03/2023

⁽¹⁾ Companies specializing in health insurance

Figures in millions USD

Evolution of Life and Non Life Premiums (2019-2023)	2019	2020	2021	2022	2023	
	Life	24 350	25 107	27 085	29 177	31 264
	Non-life	72 965	76 090	85 641	91 508	95 182
Total	97 315	101 197	112 726	120 685	126 446	

Indicators as at 31 March. In India, the financial year begins on 1 April of year Y and ends on 31 March of Y+1.

Exchange rate as at 31/03/2023: 1 INR = 0.01217 USD, at 31/03/2022: 1 INR = 0.01322 USD, at 31/03/2021: 1 INR = 0.01363 USD, at 31/03/2020: 1 INR = 0.01329 USD, at 31/03/2019: 1 INR = 0.01437 USD

Figures in millions USD

Turnover by Class of Business (2019-2023)	Class of business	2019	2020	2021	2022	2023	2023 shares
	Motor	9 272	9 164	9 240	9 311	9 892	9.53%
	Health	7 305	7 557	8 690	10 643	11 886	7.50%
	Fire	1 677	2 090	2 741	2 849	2 913	1.72%
	Marine	465	470	476	551	615	0.48%
	Other risks	5 631	5 826	5 938	5 823	5 958	5.79%
	Non-life total	24 350	25 107	27 085	29 177	31 264	25.02%
	Life total	72 965	76 090	85 641	91 508	95 182	74.98%
	Grand total	97 315	101 197	112 726	120 685	126 446	100%

Figures in millions

Net loss ratio 2023 by type of non-life insurance company		Net earned premiums		Net incurred losses		Net loss ratio
		In INR	In USD	In INR	In USD	
	Stand-Alone Health Insurers	208 120	2 532	127 873	1 556	61.44%
Specialized companies	77 065	938	56 804	691	73.71%	
Private companies	801 307	9 752	602 016	7 327	75.13%	
Public companies	713 458	8 683	706 435	8 597	99.02%	
Non-life total	1 799 950	21 905	1 493 128	18 171	82.95%	

Figures in millions

Net loss ratio 2023 by non- life class of business	Net earned premiums		Net incurred losses		Net loss ratio
	In INR	In USD	In INR	In USD	
	Fire	89 071	1 084	51 656	629
Marine	28 736	350	21 588	263	75.13%
Motor	686 423	8 354	579 913	7 057	84.48%
Health	791 148	9 628	690 430	8 402	87.27%
Other risks	204 572	2 489	149 541	1 820	73.10%
Non-life total	1 799 950	21 905	1 493 128	18 171	82.95%

Source: Insurance Regulatory and Development Authority of India (IRDAI)

▪ List of main insurance companies in India: ranking per 2023 turnover

Life insurance companies in India

Figures in millions

Life Indian insurers	2023 turnover		2022 turnover		2022-2023	2023
	INR	USD	INR	USD	evolution ⁽¹⁾	shares
<i>State-owned companies</i>						
Life Insurance Corporation of India	4 742 634	57 718	4 276 052	56 529	10.91%	60.64%
<i>Private companies</i>						
SBI Life Insurance Company	673 156	8 192	587 596	7 768	14.56%	8.61%
HDFC Life Insurance Company	575 334	7 002	459 628	6 076	25.17%	7.36%
ICICI Prudential Life Insurance Co.	399 328	4 860	374 580	4 952	6.61%	5.11%
MaxLife Insurance Company	253 419	3 084	224 142	2 963	13.06%	3.24%
TATA AIA Life Insurance Co.	205 035	2 495	144 450	1 910	41.94%	2.62%
Bajaj Allianz Life Insurance Co.	194 614	2 369	161 271	2 132	20.68%	2.49%
Kotak Mahindra Life Insurance	153 205	1 865	130 151	1 721	17.71%	1.96%
Aditya Birla Sunlife Insurance Co.	150 697	1 834	121 402	1 605	24.13%	1.93%
PNB Metlife India Insurance Co.	87 852	1 069	73 483	971	19.55%	1.12%
Canara HSBC OBC Life Ins. Co.	71 974	876	58 899	779	22.20%	0.92%
IndiaFirst Life Insurance Co.	60 745	739	51 866	686	17.12%	0.78%
Star Union Dai-ichi Life Ins. Co.	57 464	699	41 368	547	38.91%	0.73%
Reliance Nippon Life Ins. Co.	51 221	624	50 366	666	1.70%	0.65%
Bharti AXA Life Insurance Company	29 206	355	26 016	344	12.26%	0.37%
Shriram Life Insurance Company	25 464	310	23 496	311	8.38%	0.32%
Ageas Federal Life Insurance Co.	22 890	279	22 073	292	3.70%	0.29%
Future Generali India Life Ins. Co.	17 580	214	14 335	189	22.64%	0.22%
Edelweiss Tokio Life Insurance Co.	16 905	206	14 642	194	15.46%	0.22%
Pramerica Life Insurance Company	14 954	182	10 988	145	36.09%	0.19%
Aviva Life Ins. Company India	13 174	160	12 681	167	3.89%	0.17%
Aegon Life Insurance Company	3 699	45	4 165	55	-11.19%	0.05%
Sahara India Life Insurance Co.	442	5	614	8	-28.01%	0.01%
Exide Life Insurance Company	-	-	37 680	498	-	-
Total	3 078 358	37 464	2 645 892	34 979	16.34%	39.36%
Life total	7 820 992	95 182	6 921 944	91 508	12.99%	100%

⁽¹⁾ Growth rate in local currency

Non-life insurance companies India

Figures in millions

Non-life Indian insurers	2023 turnover		2022 turnover		2022-2023 evolution ⁽¹⁾	2023 shares
	INR	USD	INR	USD		
State-owned companies						
<i>The New India Assurance</i>	344 841	4 197	325 739	4 306	5.86%	13.42%
<i>United India Insurance</i>	176 443	2 147	157 222	2 078	12.23%	6.87%
<i>The Oriental Insurance</i>	156 149	1 900	137 110	1 813	13.89%	6.08%
<i>National Insurance</i>	151 480	1 844	130 257	1 722	16.29%	5.90%
Total	828 913	10 088	750 328	9 919	10.47%	32.27%
Private companies						
<i>ICICI Lombard General Insurance</i>	210 251	2 559	179 769	2 377	16.96%	8.18%
<i>HDFC ERGO General Insurance</i>	166 358	2 025	134 975	1 784	23.25%	6.48%
<i>Bajaj Allianz General Insurance</i>	153 366	1 866	136 886	1 810	12.04%	5.97%
<i>Tata AIG General Insurance</i>	131 760	1 604	100 250	1 325	31.43%	5.13%
<i>SBI General Insurance</i>	108 284	1 318	91 662	1 212	18.13%	4.21%
<i>Reliance General Insurance</i>	103 390	1 258	94 090	1 244	9.88%	4.02%
<i>IFFCO Tokio General Insurance</i>	98 710	1 201	84 529	1 117	16.78%	3.84%
<i>Go Digit General Insurance</i>	61 601	750	46 739	618	31.80%	2.40%
<i>Cholamandalam MS General Ins.</i>	61 560	749	48 241	638	27.61%	2.40%
<i>Future Generali India Insurance</i>	45 462	553	41 380	547	9.86%	1.77%
<i>Universal Sompo General Insurance</i>	41 031	499	34 561	457	18.72%	1.60%
<i>Royal Sundaram General Insurance</i>	33 798	411	28 666	379	17.90%	1.31%
<i>Magma HDI General Insurance</i>	25 341	308	17 572	232	44.21%	0.99%
<i>Shriram General Insurance</i>	22 658	276	17 529	232	29.26%	0.88%
<i>Liberty General Insurance</i>	19 573	238	15 065	199	29.92%	0.76%
<i>Acko General Insurance</i>	15 094	184	9 882	131	52.74%	0.59%
<i>Kotak Mahindra General Insurance</i>	11 341	138	7 425	98	52.74%	0.44%
<i>Zuno General Insurance</i>	5 335	65	3 489	46	52.91%	0.21%
<i>Raheja QBE General Insurance</i>	3 799	46	3 758	50	1.09%	0.15%
<i>Navi General Insurance Limited</i>	706	9	1 066	14	-33.77%	0.03%
<i>Kshema General Insurance</i> ⁽²⁾	-	-	-	-	-	-
<i>Bharti AXA General Insurance</i> ⁽³⁾	-	-	-	-	-	-
<i>HDFC ERGO General Insurance</i> ⁽⁴⁾	-	-	-	-	-	-
Total	1 319 418	16 057	1 097 534	14 510	20.22%	51.36%
Stand-Alone Health Insurers						
<i>Star Health & Allied Insurance</i>	129 525	1 576	114 635	1 516	12.99%	5.04%
<i>Care Health Insurance</i>	51 416	626	38 809	513	32.48%	2%
<i>Niva Bupa Health Insurance</i>	40 730	496	28 100	372	44.95%	1.58%
<i>Aditya Birla Health insurance</i>	27 170	331	17 266	228	57.36%	1.06%
<i>ManipalCigna Health Insurance</i>	13 598	165	9 862	130	37.88%	0.53%
<i>HDFC ERGO Health Insurance</i> ⁽²⁾	-	-	-	-	-	-
<i>Reliance Health Insurance</i> ⁽³⁾	-	-	-	-	-	-
Total	262 439	3 194	208 672	2 759	25.77%	10.21%
Specialized companies						
<i>Agriculture Ins. Company of India</i>	146 198	1 779	139 402	1 843	4.88%	5.69%
<i>ECGC</i>	11 975	146	11 066	146	8.21%	0.47%
Total	158 173	1 925	150 468	1 989	5.12%	6.16%
Non-life total	2 568 943	31 264	2 207 002	29 177	16.40%	100%

⁽¹⁾ Growth rate in local currency.

⁽²⁾ HDFC ERGO Health Insurance merged with HDFC Ergo General Insurance Co on 1 March 2020.

⁽³⁾ Out of business.



Strengths	<ul style="list-style-type: none"> ▪ India offers one of the largest consumer bases globally. ▪ The market is increasingly open to foreign competition, with the barriers to entry gradually diminishing, leading to increased foreign investment in the insurance sector, particularly in the life market. ▪ Life insurance plays an important role as a conduit for organized savings among those Indian households that can afford it. ▪ The non-life market is especially fragmented, which provides for mergers and partnerships.
Weaknesses	<ul style="list-style-type: none"> ▪ The market is still heavily dominated by state-owned players, which creates challenges for private insurance providers. ▪ Widespread poverty, particularly in rural areas, means that the majority of the population still does not use insurance and awareness is limited. ▪ Price competition is constraining the growth of motor vehicle insurance. ▪ Microinsurance is still at an early stage of development.
Opportunities	<ul style="list-style-type: none"> ▪ The regulator is moving towards implementing a risk-based capital framework and consolidated, principles-based regulations, which will support the stability and growth of the sector. ▪ The regulator's 'file-and-use' policy will improve the ease of doing business in the insurance sector and facilitate quicker launches of new products.. ▪ Low levels of penetration and density, especially in the non-life sub-sector, indicate that this market offers considerable long-term growth opportunities. ▪ Rising income levels and affordability will continue to drive demand for insurance products from first-time users.
Threats	<ul style="list-style-type: none"> ▪ Volatility in financial markets can impact investment returns. ▪ Barriers to foreign investment and ownership remain. ▪ Claims costs from large-scale natural disasters are surging. ▪ Fraud remains an issue, particularly in the life insurance market, pushing up claims.

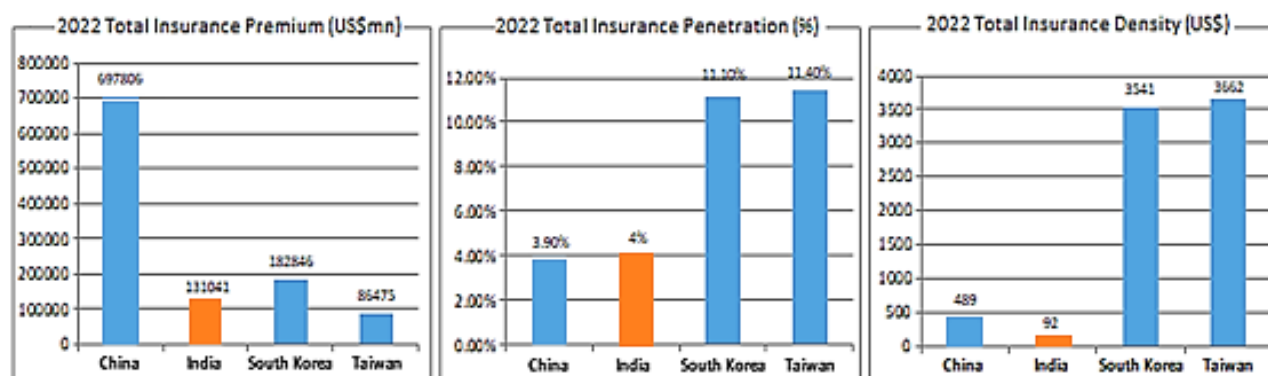
➤ **INDIA Insurance Market: Regional Comparison**

ASIA-PACIFIC INSURANCE RISK/REWARD INDEX

	Industry Rewards	Industry Rewards Non-Life	Industry Rewards Life	Country Rewards	Rewards	Industry Risk	Country Risks	Risks	Insurance Risk/Reward Score	Rank
Singapore	83,75	75,00	92,50	71,62	78,90	95,00	77,11	84,27	80,51	1
Hong Kong, China	76,25	60,00	92,50	71,28	74,26	100,00	67,47	80,48	76,13	2
South Korea	83,75	82,50	85,00	63,16	75,51	60,00	78,92	71,35	74,27	3
Australia	70,00	80,00	60,00	62,08	66,83	90,00	84,64	86,78	72,82	4
Taiwan, China	78,75	75,00	82,50	59,71	71,13	70,00	75,62	73,37	71,81	5
Japan	77,50	72,50	82,50	53,57	67,93	65,00	81,12	74,67	69,95	6
New Zealand	51,25	57,50	45,00	67,66	57,81	90,00	80,45	84,27	65,75	7
Mainland China	72,50	70,00	75,00	43,49	60,90	55,00	60,30	58,18	60,08	8
Malaysia	52,50	47,50	57,50	61,06	55,93	75,00	61,20	66,72	59,16	9
Thailand	60,00	55,00	65,00	53,35	57,34	70,00	58,44	63,07	59,06	10
India	65,00	60,00	70,00	42,99	56,20	45,00	64,31	56,59	56,31	11
Macao, China	40,00	27,50	52,50	64,27	49,71	65,00	55,67	59,40	52,61	12
Philippines	45,00	40,00	50,00	46,40	45,56	75,00	56,21	63,72	51,01	13
Indonesia	48,75	42,50	55,00	47,68	48,32	55,00	57,12	56,27	50,71	14
Vietnam	46,25	40,00	52,50	42,53	44,76	55,00	50,14	52,08	46,96	15
Sri Lanka	18,75	15,00	22,50	40,16	27,32	45,00	46,13	45,68	32,82	16
Mongolia	11,25	15,00	7,50	48,56	26,17	40,00	53,45	48,07	32,74	17
Fiji	18,75	20,00	17,50	42,28	28,16	50,00	32,63	39,58	31,59	18
Pakistan	21,25	17,50	25,00	37,23	27,64	40,00	35,75	37,45	30,59	19
Bangladesh	21,25	22,50	20,00	36,93	27,52	20,00	46,74	36,04	30,08	20
Cambodia	7,50	15,00	0,00	39,96	20,48	40,00	30,24	34,14	24,58	21
Regional Average	50,00	47,14	52,86	52,19	50,88	61,90	59,70	60,58	53,79	

Note: May include territories, special administrative regions, provinces and autonomous regions.
Scores out of 100; higher score = lower risk.

Source: BMI



Source: Swiss Re Sigma: www.sigma-explorer.com

➤ INDIA: Insurance Market Forecast:

Source: Business Monitor Online, 7 Feb 2024



- India's insurance industry is vibrant and growing rapidly, which is attracting new market entrants and high levels of foreign investment. An active regulator is effectively enhancing the competitiveness, efficiency, transparency and innovativeness of the sector, which is increasing its appeal and prospects. Both sub-sectors are benefitting from volume- and value-based growth in premiums as the market's robust economic performance boosts disposable incomes among the widening pool of potential customers.
- In January 2024, India's Insurance Regulatory and Development Authority (IRDA) announced the launch of the first consolidated regulation aimed at promoting a favourable business environment and empowering boards of insurance companies to make operational decisions with sufficient flexibility. The 2024 Expenses of Management, including Commission, of Insurers Regulations outlines the regulations pertaining to management expenses and the payment of commissions. This initiative is part of a broader regulatory overhaul, driven by the objective of streamlining the existing array of regulatory stipulations to ensure a more coherent and efficient regulatory framework for the insurance sector and enhance transparency and accountability.
- New players continue to enter India's attractive insurance industry. In January 2024, IRDA announced that it had granted a Certificate of Registration to a new health insurer (Narayana Health Insurance) to carry out health insurance business in India. Between March and June 2023, IRDA granted licences to three new life insurers to begin operating in the market, namely Go Digit Life Insurance, Acko Life Insurance and Credit Access Life Insurance. These were the first new life insurance registrations granted since 2011. As of June, IRDA reported that another 20 applications across the life, non-life and reinsurance markets were in the pipeline at various stages of registration.
- In September 2023, IRDA introduced measures allowing more choices and benefits for policyholders with withdrawn life insurance products that are no longer available for sale but are still serviced by insurers. Companies can offer new riders to the existing policyholders of withdrawn products. An option to change the premium paying mode can be provided. Interest rates for policy revivals and policy loans, if any, can be reduced. Policyholders can choose how often they receive certain benefits from policies with income benefit payments.
- Life insurance premiums are expected to increase by 12.1% in 2024 to INR8.8trn (USD108.3bn), while non-life premiums will expand by a weaker 11.5% to INR2.9trn (USD35.4bn).
- Through to 2028, life insurance premiums are set to rise by 10.2% a year to reach INR12.7trn (USD147.4bn). Medium-term growth in non-life insurance premiums is forecast to average a slightly slower 9.5% annually to take premiums to INR4.1trn (USD46.9bn) in 2028.

Headline Insurance Forecasts (India 2021-2028)

Indicator	2021	2022	2023	2024f	2025f	2026f	2027f	2028f
Gross life premiums written, INRbn	6,287.31	6,926.14	7,825.04	8,768.81	9,623.08	10,566.83	11,601.23	12,732.15
Gross life premiums written, INR, % y-o-y	9.7	10.2	13.0	12.1	9.7	9.8	9.8	9.7
Gross life premiums written, USDbn	85.06	88.11	94.85	108.26	118.80	127.27	136.99	147.40
Gross life premiums written, USD, % y-o-y	10.0	3.6	7.6	14.1	9.7	7.1	7.6	7.6
Gross non-life premiums written, INRbn	1,987.15	2,207.00	2,568.94	2,864.02	3,134.61	3,423.56	3,730.62	4,054.72
Gross non-life premiums written, INR, % y-o-y	5.2	11.1	16.4	11.5	9.4	9.2	9.0	8.7
Gross non-life premiums written, USDbn	26.88	28.08	31.14	35.36	38.70	41.24	44.05	46.94
Gross non-life premiums written, USD, % y-o-y	5.4	4.4	10.9	13.6	9.4	6.6	6.8	6.6

f = BMI forecast. Source: IRDA, BMI

- Life insurance premiums in India are expected to remain on a strong upward trajectory, underpinned by positive demographic and income trends. The market boasts a high domestic savings rate, and the insurers' offerings are seen as an important part of the long-term savings and investment portfolios of households that

can afford them. As the industry makes efforts to improve the accessibility and affordability of products and educate consumers about benefits, new users of life insurance will continue to enter the market.

- Life premiums are projected to expand by 12.1% in 2024, reaching INR8.8trn (USD108.3bn). This short-term increase will be far above the level of inflation, indicating ongoing real growth in the market.
- Over the medium term, life premiums are expected to average 10.2% annual growth, reaching INR12.7trn (USD147.4bn) by 2028. The annual increases will be stable from 2025 and faster than those seen in the non-life sub-sector.

Life Premiums (India 2021-2028)

Indicator	2021	2022	2023	2024f	2025f	2026f	2027f	2028f
Gross life premiums written, INRbn	6,287.31	6,926.14	7,825.04	8,768.81	9,623.08	10,566.83	11,601.23	12,732.15
Gross life premiums written, INR, % y-o-y	9.7	10.2	13.0	12.1	9.7	9.8	9.8	9.7
Gross life premiums written, USDbn	85.06	88.11	94.85	108.26	118.80	127.27	136.99	147.40
Gross life premiums written, USD, % y-o-y	10.0	3.6	7.6	14.1	9.7	7.1	7.6	7.6
Gross life premiums written, % of GDP	2.7	2.5	2.6	2.7	2.7	2.7	2.7	2.7
Gross life premiums written, % of gross premiums written	76.0	75.8	75.3	75.4	75.4	75.5	75.7	75.8

f = BMI forecast. Source: IRDA, BMI

- We estimate non-life insurance premiums growth to robustly continue over the medium term, supported by solid rates of expansion in the core motor, property and health insurance lines, with faster increases in smaller segments. The demand for a range of non-life covers is picking up as purchases of insurable goods and services rise, driven by the rapidly developing middle class. The market's large population and currently significant gaps in coverage indicate the long-term organic growth potential of the sub-sector.
- In 2024, we expect health insurance premiums to rise by a robust 9.8% to INR1.1trn (USD13.2bn) and by an annual average of 7.7% to reach INR1.4trn (USD16.4bn) by 2028.
- In 2024, motor insurance premiums are forecast to grow by 9.7% to INR901.9bn (USD11.1bn). Through to 2028, we project premiums in this line to increase by an average of 8.8% a year to INR1.3trn (USD14.5bn).
- The property insurance line, which is the third-largest separately identifiable segment, is set to witness strong premium growth over the short and medium terms. In 2024, property premiums are expected to surge by 15.1% to INR255.5bn (USD3.1bn) and by an average of 10.2% annually to reach INR360.2bn (USD4.1bn) in 2028.

Non-Life Premiums (India 2021-2028)

Indicator	2021	2022	2023	2024f	2025f	2026f	2027f	2028f
Gross non-life premiums written, INRbn	1,987.15	2,207.00	2,568.94	2,864.02	3,134.61	3,423.56	3,730.62	4,054.72
Gross non-life premiums written, INR, % y-o-y	5.2	11.1	16.4	11.5	9.4	9.2	9.0	8.7
Gross non-life premiums written, USDbn	26.88	28.08	31.14	35.36	38.70	41.24	44.05	46.94
Gross non-life premiums written, USD, % y-o-y	5.4	4.4	10.9	13.6	9.4	6.6	6.8	6.6
Gross non-life premiums written, % of GDP	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9
Gross non-life premiums written, % of gross premiums written	24.0	24.2	24.7	24.6	24.6	24.5	24.3	24.2

f = BMI forecast. Source: IRDA, BMI

