

EDITORIAL

The insurance industry in India has been growing dynamically, with total insurance premiums increasing rapidly, as compared to global counterparts. The ongoing COVID-19 pandemic drastically shifted consumer needs, habits and expectations, while compelling virtualization of operations. The deadly novel coronavirus triggered a galore of structural changes across all sectors and the insurance industry was no exception. Fortunately, during these tough times, the Indian insurance industry buckled down efficiently. The industry made the best use of technology to provide the greatest possible support to customers in buying the right protection products.

The life insurance industry is expected to increase at a CAGR of 5.3% between 2019 and 2023. India's insurance penetration was pegged at 4.2% in FY21, with life insurance penetration at 3.2% and non-life insurance penetration at 1%. In terms of insurance density, India's overall density stood at US\$ 78 in FY21. The insurance industry has been spurred by product innovation and vibrant distribution channels, coupled with targeted publicity and promotional campaigns by insurers. In July 2021, non-life insurance premium stood at Rs. 20,171 crore, an increase of 19.5% YoY, as compared with Rs. 16,885 crore in July 2020. The growth was driven by strong performance from health and motor segments. In July 2021, standalone private health issuers

registered a premium growth of Rs. 1,753 crore, an increase of 27.5% YoY.

Union Budget 2021 increased FDI limit in insurance from 49% to 74%. India's Insurance Regulatory and Development Authority (IRDAI) has announced the issuance, through Digilocker, of digital insurance policies by insurance firms. According to data from the Insurance Regulatory and Development Authority of India (IRDAI), 25 general insurance companies recorded a 10.8% increase in their collective premium in January 2021 to Rs. 16,247.24 crore compared with Rs. 14,663.40 crore in January 2020. In August 2021, PhonePe announced that it has received preliminary approval from IRDAI to act as a broker for life and general insurance products. As a result, the company can now offer insurance advice to its more than 300 million users.

In the year 2021, the LIC introduced its Saral Pension Scheme, which is a non-linked, non-participating, single premium, individual immediate annuity plan. Going forward, increasing life expectancy, favourable savings and greater employment in the private sector is expected to fuel demand for pension plans. Likewise, strong growth in the automotive industry over the next decade would be a key driver for the motor insurance market. The public and private sectors have been actively working towards crop insurance.

With increasing penetration of



the internet, cyber attacks have been increasing at an alarming rate. 2021 has been a year of change in the cyber insurance market. With the rise in ransomware attacks, insurers are also looking at the organisation's preparedness to respond to an incident and their cyber security maturity levels. A cyber insurance policy is a must-have instrument as almost every individual is becoming victim to some or the other form of cyber crime, cyber insurance now covers all cyber-related risks such as identity theft, ransomware, cyber bullying, financial frauds, mitigation losses, extortion, and many others.

CMAs, based on their techno-professional skills, can play a significant role if appointed as a consultant to assist the management in decision-making purpose and risk-mapping purposes. In various types of general insurance policies such as fire, marine, Loss due to natural calamity, loss of profits, fidelity guarantee, mean damage, etc., the CMAs can act as the surveyor and assess the quantum of loss strictly as per conditions laid down in the policy. The CMAs can assess and certify Transit Loss arising due to leakage, pilferage or improper packing, Marine loss occurring due to leakage or pilferage, Loss of Stock due to fire and Damage of equipment by militant, trade unions or political parties.

This issue presents a good number of articles on the cover story "Changing Contours of Indian Insurance Sector" written by distinguished experts. We look forward to constructive feedback from our readers on the articles and overall development of the Journal. Please send your emails at editor@icmai.in. We thank all the contributors to this important issue and hope our readers will enjoy the articles.