

# Interview



**C**MA (Dr.) Tarun Agarwal, Director, National Insurance Academy is a Fellow Member of The Institute of Cost Accountants of India. He has to his credit, Ph.D. in Management and Master of Business Administration too. His Vision is to create Academic Excellence, Build Collaborative Community, Inculcate Leadership with Social Responsibility, Global Perspective, and Experiential Learning. He is a person high on Integrity and strongly believes in the fact that “Passion Works Wonders”.

## CMA (Dr.) Tarun Agarwal

Director

National Insurance Academy, Pune

**Q1.** Insurance policy may be Life insurance, medical insurance or any other form, its now an integral part of our life. Can we say that insurance is now reachable to every nook and corner of all layers of the society?

**Ans.** The insurance sector in India has witnessed significant growth, with the penetration level in life insurance reaching 3% and the overall insurance penetration standing at 4%. As the 10th largest player in the global life insurance market, India's progress in this industry is notable. However, despite these advancements, a large segment of the

population, particularly the weaker sections of society, remains inadequately covered by life, medical, or any other forms of insurance. This disparity underscores the urgent need for substantial initiatives by the government, in collaboration with various stakeholders, to extend insurance coverage to all.

**Q2. During Covid period acute crisis in health sector as well as necessity of health insurance was felt. How can the mediclaim policies be easily accessible to everybody at reasonable cost?**

**Ans.** To bridge the health insurance gap, the industry must design affordable products with flexible premiums that cater to various population segments. Effective implementation of government schemes like Ayushman Bharat, which has issued 33+ crore cards, by stakeholders such as hospitals and health centers, will enhance Mediclaim accessibility. Additionally, improving distribution through technology and partnerships with local organizations, especially in rural areas, and developing micro-insurance products tailored to specific needs, are crucial steps toward achieving low cost and accessibility.

**Q3. Our government has taken certain initiative for policy support through PMFBY, AB PMJAY scheme, is it possible to include private sectors insurance companies to make a part of the initiative? Please share some opinion of yours.**

**Ans.** The government has launched initiatives like PMJJBY, PMSBY, and Ayushman Bharat to provide affordable insurance and health coverage to low-income individuals and families, aiming to enhance financial protection and reduce healthcare costs. Despite these efforts, a substantial protection gap persists. Private insurance companies play a crucial role in bridging this gap by adopting villages and extending coverage to vulnerable sections of society, thus complementing government schemes and ensuring broader

insurance accessibility.

**Q4. LIC of India, a big name in insurance sector, not only for the reason it has started journey sixty seven years back, LIC has reached to all insurable persons from rural to urban. We would like to hear how the IPO journey of LIC sailed through?**

**Ans.** LIC, holding a 62% market share in India's life insurance and ranking as the 10th largest global player by premium volume, recently emerged as the strongest global insurance brand with a steady value of USD 9.8 billion. With the current dedicated leadership team led by Shri Siddhartha Mohanty, happy to share that its stock has already touched a new lifetime high of ₹1,175 despite the market volatility. I am sure, with this upward momentum, LIC is poised to achieve double-digit growth in new business premiums for the upcoming financial year, reflecting its robust market presence and brand strength.

**Q5. A paradigm shift in insurance sector to insuretech, regtech has opened new corridor to include multiple sectors. Please share with us a few words on this?**

**Ans.** Insuretech and regtech are revolutionizing the Indian insurance industry by enhancing efficiency, transparency, and customer experience. Insurtech innovations like AI, big data, and blockchain streamline claims processing and personalized policy offerings these technologies reshaping the way insurance companies operate. Automated underwriting processes, powered by AI algorithms, enable quicker and more accurate risk assessments, reducing the time it takes to approve policies, Regtech simplifies compliance, reduces fraud, and ensures regulatory adherence through automated solutions. Together, these technologies are boosting operational efficiency, reducing costs, and improving accessibility, driving growth and broadening insurance penetration in India.

**Q6. What are the mile stones still to be achieved, that are left unturned, so that insurance sectors can elevate to appear as profitable sector?**

**Ans.** The government's next move is achieving insurance for all by 2047. Essential coverage like life, health, and property insurance must be accessible to every Indian, especially in rural areas. Farmers need adequate agriculture and cattle insurance. Developing tailored products and a robust distribution channel is crucial. With a 3% penetration rate, there's significant business potential through stakeholder collaboration, ensuring broader, effective coverage. This will drive profitable, sustainable growth in India's insurance sector.

**Q7. In this era of AI and Achieving insurance for all by 2047, how do public sector insurance companies equipped themselves to face the challenges of cyber threat?**

**Ans.** Public sector Indian insurance firms need to strengthen against cyber threats in the digital age through robust cybersecurity investments. This entails deploying advanced encryption, multi-factor authentication, and intrusion detection systems to protect sensitive data. Regular cybersecurity audits, comprehensive employee training, and staying updated with technological advancements are vital. Collaborating with cybersecurity experts and adopting cutting-edge technologies bolster their defenses, ensuring the safety of digital assets and customer information. Adequate budget allocation for technology investments is essential for public sector Indian insurance companies, especially in light of the Digital Payments Data Protection (DPDP) Act. This legislation underscores the importance of robust cybersecurity measures and data protection practices, mandating compliance to safeguard customer information and financial transactions.

**Q8. Other than exclusive insurance companies banks are also getting engaged in insurance business. We would like to share with our readers some information on this matter. Please share some highlighted areas on this topic?**

**Ans.** With the well-developed banking sector in India, Bancassurance is a key distribution channel in India's insurance industry, leveraging banks' customer base to offer a variety of products. Banks can cross-sell insurance without increasing operational costs. While the agency channel remains the largest in individual business, bancassurance has swiftly grown to hold a 33% share. This channel has significantly increased the distribution of insurance products and shows promising potential for the future, indicating a bright outlook for bancassurance in India.

**Q9. Since insurance business is becoming competitive day by day, recruitment of professionals like CMAs are expected to be broadened. Please share your opinion on this?**

**Ans.** CMAs are essential in all economic activities, acting as value creators, enablers, preservers, and reporters, which are crucial for the insurance industry. They assist insurers in pricing and risk management decisions, offering insights that help maintain competitive premiums and profitability. Additionally, CMAs handle critical areas such as financial reporting, analysis, risk management, regulatory compliance, and fraud prevention, ensuring the industry's stability and efficiency. Their expertise and contribution is vital for the insurance company's success in this competitive era. **MA**