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TABLE OF CONTENTS

1. Introduction

Indian economy is the 12th largest in the world, with a GDP of $1.25 trillion and 3rd largest in terms of purchasing power parity. With factors like a stable 8-9 per cent annual growth, rising foreign exchange reserves, a booming capital market and a rapidly expanding FDI inflows, it is on the fulcrum of an ever increasing growth curve.

Insurance is one major sector which has been on ascent since the revival of Indian economy. Taking into account the huge population and growing per capita income besides several other driving factors, a huge opportunity is in store for the insurance companies in India. Nearly 80% of Indian population is without life insurance covering while health insurance and non-life insurance continues to be below international standards. And this part of the population is also subjected to weak social security and pension systems with hardly any old age income security. Insurance in India is primarily used as a means to improve personal finances and for income tax planning. There is a tendency to invest in properties and gold followed by bank deposits with a slight investment in Stocks and shares.

This in itself is an indicator that growth potential for the insurance sector is immense. It's a business growing at the rate of 15-20% per annum and presently is of the order of $47.9 billion.

The various fields covered by insurance companies in India include:

- Life Insurance: for students, children, family, individual etc.
- Health insurance: For self, for family, accidental insurance premium, medical claim policies etc.

- Non-life insurance: Home or House Insurance and other property insurance, Auto Insurance (for cars, motorcycle and other two-wheelers, commercial vehicles), Infrastructure Projects Insurance, Travel Insurance, real estate insurance, mobile insurance etc.

2. Statues and Regulatory bodies

Insurance in India started as life insurance back in 1818, when it was introduced for English Widows. Even till the end of the nineteenth century, Insurance Companies in India were mainly the overseas companies investing in the insurance works in India. An interesting fact here was that higher premiums were charged for Indian lives, as they were considered riskier for insurance cover.

The Indian Government took various steps for the regulation of insurance in India by passing various insurance laws and acts. These include:

- Life Insurance Companies Act, 1912
- Provident Fund Act 1912
- Insurance Act of 1938
- Life Insurance Corporation Act, 1956
- General Insurance Business (nationalization) Act, 1972

Insurance Regulatory and Development Authority (IRDA) Act, 1999

In 1972, the General Insurance Company was nationalized with four main subsidiaries National Insurance Company, New India Insurance Company, Oriental Insurance Company and United India Insurance Company.

Today Insurance Companies in India have grown manifold. The insurance sector in India has shown immense growth potential. Even today a giant share of Indian population nearly 80% is not under life insurance coverage, let alone health and non-life insurance policies. This clearly indicates the potential for insurance companies to grow their market in India.

In 1999, various reforms were suggested in the insurance industry in India. This has changed a lot of things for the insurance companies in India. These reforms were:

- Bringing down of the governments stake holding to 50%
- Only the private companies with a minimum capital of Rs.100 crores should be allowed to enter the insurance sector.
- No insurance company can deal in both life and non-life insurance under the same business entity.
- Foreign Insurance Companies can enter India only in collaboration with domestic insurance companies
- Interest should be paid on delays of payments by the insurance companies in case of non settlement of insurance claims.
- And many more to bring greater freedom and a well-planned regulation to the insurance companies in India.

3. Market Overview

In 2000, Indian insurance market size was $21.71 billion. Between 2000 and 2007, it had an increase of 120% and reached $47.89 billion. Between 2000 and 2007, total premiums maintained an average growth rate of 11.96% and the CAGR growth during this time frame has been 11.96%. It was one of the most consistent growth patterns we have noticed in any other emerging economies in Asian as well as Global markets.

Major Driving Factors

- Growing demand from semi-urban population
- Entry of private players following the deregulation
- Rising demand for retirement provision in the ageing population
- The opening of the pension sector and the establishment of the new pension regulator
- Rising per capita incomes among the strong middle class, and spreading affluence
- Growing consumer class and increase in spending & saving capacity
- Public private partnerships infrastructure development
- Dearth of innovative & buyer-friendly insurance products
- Success of Auto insurance sector

The upward growth trend started from 2000 was mainly due to economic policies adopted by the then Indian government.

Comparing it with other countries, India's life insurance premium, as a percentage of GDP, was 1.8 percent against 5.2 percent in the US, 6.5 percent in Britain and eight percent in South Korea.

3.1 Major Players in the Market

With the liberalization of the insurance sector there have arrived quite a few private players in the market being dominated by state owned companies.

3.1.1 Life Insurance

With the entry of private sector players backed by foreign expertise, Indian life insurance market has become more vibrant. Competition in this market is increasing with companies continues effort to lure the customers with new product offerings. However, the market share of private insurance companies remains in the 10-15% range. Even today, Life Insurance Corporation (LIC) of India dominates Indian insurance sector and in the year 2007-08 it has sold 3.75 Crore Policies collecting Rs. 43813 Crore as Premium. The heavy hand of government still dominates the market, with price controls, limits on ownership, and other restraints.

Total Industry Market Share (%)					
Company	**2004**	**2005**	**2006**	**2007**	**2008**
ICICI Prudential	4.7	8.8	10.7	10.6	13.7
Bajaj Allianz	1.2	2.7	6.2	7.4	10.3
SBI Life	0.8	2.4	2.2	4.2	6.2
HDFC Standard	1.0	1.1	3.7	3.1	4.1
Reliance Life	nil	0.2	0.4	1.7	4.0
Birla Sunlife	3.1	3.6	2.9	1.9	3.4
Max New York	0.9	1.3	2.0	1.8	2.4
Kotak OM	0.7	1.3	1.7	1.3	1.9
Aviva	0.5	1.1	1.8	1.6	1.8
Tata AIG	1.3	1.8	2.0	1.3	1.5
Met Life	0.2	0.3	0.6	0.8	1.4
ING Vysya	0.5	1.6	1.2	1.0	1.2
Shriram Life	nil	nil	0.0	0.2	0.3
Bharti AXA	nil	nil	nil	0.0	0.2

Sahara Life	nil	0.0	0.0	0.1	0.1
IDBI Fortis	nil	nil	nil	0.0	0.0
Future Generali	nil	nil	nil	0.0	0.0
Private players (total)	**14.9**	**26.3**	**35.5**	**37.0**	**51.9**
LIC	**85.1**	**73.7**	**64.5**	**63.0**	**48.1**

3.1.2 Non-Life Insurance

The biggest player in this sector is the General Insurance Company. In 1972, the General Insurance Company was nationalized with four main subsidiaries National Insurance Company, New India Insurance Company, Oriental Insurance Company and United India Insurance Company.

This situation is fast changing and recently the State-owned non-life insurance companies have lost further market share in the first quarter of 2007-08, as the industry slowly adjusts to a free-pricing market. The slower growth among state-owned companies has resulted in ICICI Lombard displacing public sector Oriental Insurance to become the fourth-largest insurer in India.

In the first quarter, non-life insurance has grown 13.4%, taking the total premium to Rs 8,437 crore, up from Rs 7,438 crore in the corresponding quarter last year. The growth has largely come from private companies which have grown 22.4% against public sector companies which have grown much slower at 7.7%. Unlike life insurance where government presence is through the monolithic Life Insurance Corporation (LIC), the government owns four companies in non-life — New India, Oriental Insurance, National Insurance and United India. The state-owned companies now account for 58% of non-life premium compared with 61% a year ago.

The highest growth rates have been recorded by Cholamandalam (35%), followed by Iffco-Tokio (33%), Tata AIG (28.12%) and Bajaj Allianz (27.85%).

Reliance General Insurance, which was the fastest growing company last year, has grown slower than the industry with a 5.2% rise in premium income.

State-owned companies have recorded a lower growth because of hectic competition for property insurance which has seen them retain old business at sharply reduced rates. Private companies have been very aggressive in acquiring motor insurance business through tie-ups with dealership. Motor together with health insurance have been the drivers of growth in the non-life insurance industry. During the course of the year private companies have made large investments in distribution and intermediaries.

Also several new companies have entered the fray. The new companies that have received license include Future Generali, Universal Sompo, Shriram General Insurance and Bharti Axa General Insurance. HDFC Ergo General Insurance, which fell behind last year as HDFC broke up with erstwhile partner Chubb, is expected to press ahead this year.

GENERAL INSURERS	
Public Sector	
National Insurance Company Limited	www.nationalinsuranceindia.com
New India Assurance Company Limited	www.niacl.com
Oriental Insurance Company Limited	www.orientalinsurance.nic.in
United India Insurance Company Limited	www.uiic.co.in
Private Sector	
Bajaj Allianz General Insurance Co. Limited	www.bajajallianz.co.in
ICICI Lombard General Insurance Co. Ltd.	www.icicilombard.com
IFFCO-Tokio General Insurance Co. Ltd.	www.itgi.co.in
Reliance General Insurance Co. Limited	www.ril.com
Royal Sundaram Alliance Insurance Co. Ltd.	www.royalsun.com
TATA AIG General Insurance Co. Limited	www.tata-aig.com
Cholamandalam General Insurance Co. Ltd.	www.cholainsurance.com
Export Credit Guarantee Corporation	www.ecgcindia.com
HDFC Chubb General Insurance Co. Ltd	www.hdfcergo.com

4. Types of Insurance

The segment of Insurance can be broadly classified into the following types.

4.1 Motor Insurance

The predominant growth of Insurance Industry has come mainly due to exponential growth in motor and health insurance segments. Out of the total gross premium growth of around Rs.11500 crores, Rs.6400 crores has gone to Private Sector and Rs.5100 crores has gone to Public Sector.

The total Motor Insurance premium has grown by around Rs.7000 crores in this period between 2002-07 out of which Rs.3300 crores has gone to PSU insurers and another Rs.3700 crores has gone to private sector. Thus the rate of growth of private sector in motor segment has been phenomenal as compared to PSUs.

The whole of motor insurance is covered by the following:

4.1.1 Two wheeler Insurance

Two wheeler insurance provides a kind of personal accidental cover for owners, while driving the vehicle. The policy generally provides protection from any loss or damage to the vehicle arising out of natural calamity like fire, protection against third party injury, burglary etc. The amount insured will depend on the current showroom price multiplied by the depreciation rate fixed by the Tariff Advisory Committee at the time of commencement of policy period. Fast and easy claim process by most insurance companies will ensure existing customer loyalty and widen the customer base.

4.1.2 Car Insurance

Car insurance is the fastest growing segment in the auto insurance category. This is so, because insuring car is mandatory for everyone buying a new car. Major car manufacturers are tying up with leading insurance companies to provide hassle free and quick insurance. Car insurance includes loss or damage by accident, third party insurance, insurance against burglary etc. The amount of premium will depend on the make and value of the car, state where the car is registered, year of manufacture etc. Insurance companies are trying hard to make the claim process simpler and quicker to widen the existing customer base.

4.1.3 Commercial Vehicle Insurance

Commercial Vehicle Insurance covers all vehicles not used for personal purpose. Trucks and HMVs are covered under this insurance. The insurance protects against damage caused due to accident, third party injury, protection against natural calamity, burglary etc. The premium amount depends on a number of factors like showroom price of the vehicle at the commencement of the insurance period, make of the vehicle, place of registration of the vehicle etc. Fast and easy claim processing by leading insurance companies is the key to ensure satisfied and loyal customers.

4.2 Commercial Insurance

4.2.1 Agricultural Insurance

The farming community in India consists of about 121 million farmers of which only about 20 per cent avail crop loans from financial institutions and only three fourth of those are insured. The remaining 80 per cent (96 millions) are either self-financing or depend upon informal sources for their financial requirements. Most of the farmers are illiterate and do not understand the procedural and other requirements of formal financial institutions and, therefore, shy away from them. Therefore, while the institutional loanees are insured compulsorily under the NAIS, only about 15 per cent of the non-loanee farmers avail insurance cover voluntarily. This is quite indicative of the enormous insurance potential that exists for addressing the needs of the farming community and enhancing the overall efficiencies as also the competitiveness of the agriculture sector. This also signifies the tremendous potential of agriculture insurance in the country as a concept, which can mitigate the adverse impacts that such uncertainties would have on the individual farmers.

There are two major categories of agricultural insurance: single and multi-peril coverage. Single peril coverage offers protection from single hazard while multiple – peril provides protection from several hazards. In India, multi-peril crop insurance program is being implemented, considering the overwhelming impact of nature on agricultural output and its disastrous consequences on the society, in general, and farmers, in particular.

Year	Sum assured as % of value of crop output	Claims ratio (Claims / Premium)	Premium / sum assured %	Claims / sum assured %	Ratio of borrower and non-borrower insured farmers
2000-01	2.28	5.45	2.76	15.06	97:3
2001-02	2.22	1.91	3.24	6.20	93:7
2002-03	2.92	5.52	3.23	17.84	86:14
2003-04	2.46	3.29	3.11	10.22	75:25
2004-05	3.77	2.24	3.16	7.06	88:12
2005-06	3.76	2.53	2.97	7.52	85:15

Source: NCAP Report March 2008.

4.2.2 Fire Insurance

Fire Insurance is governed by All India Fire Tariff effective from 31.3.2001 issued by Tariff Advisory Committee, a Statutory Body. It is a commercial policy covering building, offices, machinery, contents and personal belongings of the office. It mitigates the risk of loss to customers arising from fire breakout.

In the period, 2002-07, Fire premium has grown by Rs.1500 crores out of which Rs.1200 crores in Gross Premium goes to private sector and only Rs.200 crores has accrued to PSU companies. However, out of this huge growth in gross Fire premium in private sector, the Net Premium has grown only around Rs.330 crores as against the growth of Rs.189 crores in PSUs.

This denotes the growth of fire premium in private sector on the back of predominantly Reinsurance support.

4.2.3 Marine Insurance

Marine insurance has grown by Rs.633 crores in this period out of which Rs. 472 crores is cornered by private insurance companies while only Rs.161 crores has accrued to PSUs. The net premium income of private sector has gone up by Rs.210 crores whereas PSUs net marine premium has gone down by Rs.56 crores thereby denoting that PSUs growth has come probably in Marine (hull) with heavy reinsurance backing and the private sector growth has come mostly in cargo insurance.

This still remains a challenging opportunity for the Insurance Companies.

4.2.4 Shop Insurance

Shop Insurance is specially designed to meet the needs of small shopkeepers. It is a comprehensive insurance, catering to different insurance needs of shopkeepers. One policy per shop is generally given by insurers. It covers damage/ loss to shop due to fire, burglary, riot, strike, loss of money in transit, fraud committed by client's employees etc. The policy is meant for shops only, hence restaurants and tea /coffee shops cannot be insured under this insurance policy.

5. Re-insurance

Until GIC was notified as a National Reinsurer, it was operating as a holding / parent company of the 4 public sector companies, controlling their reinsurance programmes. GIC would receive 20% obligatory cession of each policy written in India. Since deregulation, GIC has assumed the role of the market's only professional re-insurer. In order to focus on reinsurance, both in India and through its overseas offices and trading partners, GIC has divested itself of any direct business that it wrote prior to November 2000, with the temporary exception of crop insurance. It currently manages Hull Pool on behalf of the market, which receives a cession from writing companies and after a pool protection the business is retro-ceded back to the member companies. GIC also manages the "Terrorism Pool".

Re-insurance Regulation

The placement of reinsurance business from the Indian market is now governed by Reinsurance Regulations formed by the IRDA. The objective of the regulation is to maximize the retention of premiums within the country and to ensure that IRDA has issued the following instructions:

- Placement of 20% of each policy with National Re-insurer subject to a monetary limit for each risk for some classes.
- Inter-company cession between four public sector companies.
- Indian Pool for Hull managed by GIC.

- The treaty and balance risk after automatic capacity are to be first offered to other insurance companies in the market before offering it to international re-insurers.
- Each company is free to arrange its own reinsurance program, which has to be submitted to the IRDA 45 days before commencement.
- Not more than 10% of reinsurance premium to be placed with one re-insurer.
- No re-insurer will have a rating of less than"BBB" from Standard and Poor's or an equivalent rating from AM Best.

6. Rural Area penetration

For the insurance sector Rural India may offer a business opportunity worth US$ 23 billion for the insurance companies if the segment can be wooed with innovative saving schemes at affordable premiums. Presently, only eight to ten per cent of rural Indian households are covered by life insurance. The remaining ninety per cent offer a huge potential for insurance companies. India's untapped rural market holds tremendous growth opportunities for life insurance companies with business worth US$ 231.67 million for insurance firms. According to a report, the rural market will grow to a potential of US$ 1.9 billion by 2015 from the current US$ 487 million.

Life Insurance Corporation of India (LIC) has set a target of selling four million policies in rural areas in the current financial year.

Another opportunity lies in offering low-interest personal loans to the rural population, at the rate of six to seven per cent compared to 10 – 12 per cent in the urban areas, for renovating or modernising their houses and at the time of marriages of family members or relatives.

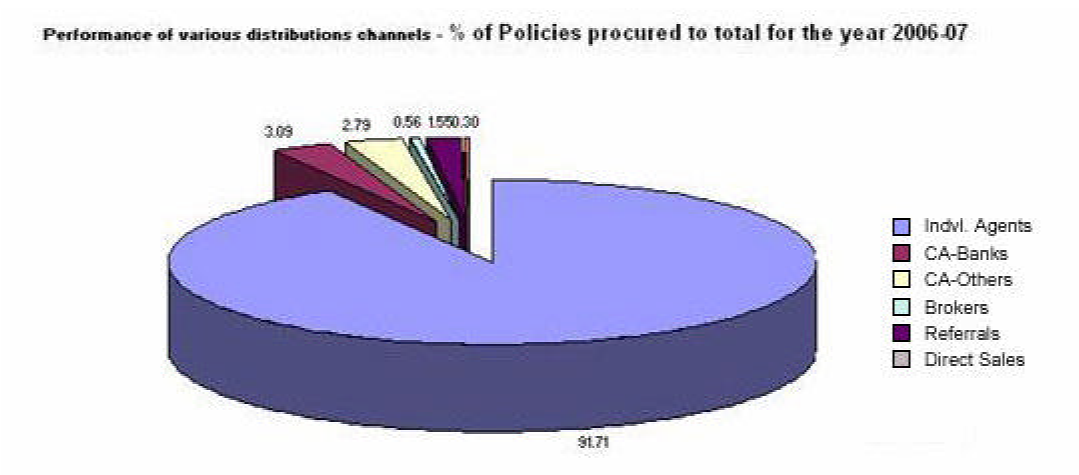
Last year, the industry sold over 1.1 crore policies in rural areas which are areas in terms of the stringent definition set out by the insurance regulator.

The industry has a network of over 2 million active agents on the streets that can reach a new financial product to a large chunk of the population within weeks of its launch and are the backbone of the industry.

7. Distribution Channels

Insurers market various insurance covers either directly or through various distribution channels—individual agents, corporate agents (Including Bancassurance) and Brokers. The marketer in the distribution network is in direct interface with the prospect and the customer. Life insurance products are sold through individual agents and many of them have this as their only career occupation. General insurance products are sold through individual agents, corporate agents and brokers. Distribution channels such as agents are licensed by the IRDA. IRDA regulations on licensing of agents/brokers lay down the code of conduct for individual agents, corporate agents and brokers.

The following figure represents the quantum of business bought by the various agencies for the insurance companies:-



8. Recent reforms in the Industry

Several policy initiatives were taken in the insurance sector during 2007 which include the following:

1. De-tariffing of the general insurance industry- In the detariffed scenario, insurance companies will arrive at premiums based on their assessment of risk on a case to case basis. Customers with a good risk profile would enjoy lower premiums. At the corporate level, intra-portfolio cross

subsidization will be replaced by product-level pricing, as a result of which fire insurance premiums may see some reduction. Conversely, group health and marine insurance premiums are likely to move up with companies reviewing their coverage in order to optimize pricing. Motor insurance is expected to gravitate towards risk based pricing.

2. Obligations towards the rural & social sectors
3. Micro-insurance- Micro-insurance is a risk transfer device characterized by low premiums and low coverage limits, and designed for low-income people not served by typical social or commercial insurance schemes.
4. Currently in India, the few health insurance plans aimed at the poor could not be tailored to the needs of different communities with different priorities. Often times, the design and pricing did not reflect local conditions, creating a mismatch between what the poor wanted and actually received. What's more, the packages did not cover expensive events and were limited to only a few rare events with low caps, or limits of coverage.
5. Community-based micro health insurance represents a new way for the poor to obtain affordable yet high-impact health insurance products that meet their needs.
6. Bancassurance- Bancassurance is a long-standing dream of offering a seamless service of banking, life & non-life products. India, being the one of the most populous country in the world with a huge potential for insurance companies, has an envious chain of bank branches as the lifeline of its financial system. Banks with over 65,000 branches & 65% of household investments are the backbone of the Indian financial market. In India, there are 75 branches per million inhabitants. Clearly, that's something insurance companies – both private and state-owned -would find nearly impossible to achieve on their own. Considering it as a channel for insurance it gives insurance an unlimited exposure to Indian consumers.

The IRDA (Obligations of Insurers towards the rural and social sectors) Regulations, 2002, had laid down the obligations of the insurers for the first five years of operations. Amendments to the regulations incorporating the obligations of the insurers up to the tenth year and thereafter have been notified during 2007.

IRDA has advised all insurance companies to furnish details of the initiatives taken to promote micro-insurance as a viable business opportunity, with particular reference to understanding the constraints faced by them. With a view to synergizing the efforts of all State Governments which are promoting the poverty alleviation programmes, the IRDA has requested the State Governments to publicize the concept of micro insurance through their various agencies.

9. Foreign Direct Investment Policy

Foreign equity up to 26% is allowed in the insurance sector. The entry of foreign partners has resulted in the sector attracting FDI of US 543 million as on 31st March, 2007. The private companies have created a niche for themselves. They have been able to increase their share in the insurance market in competition with their counterparts in the public sector. As a part of the reform process, premium rates for non-life insurance products have been de-tariffed w.e.f. 1.1.2007.

Union Cabinet will soon take a decision on the insurance sector reforms which could possibly see hike in the foreign investment limit in private sector insurance companies from 26 per cent to 49 per cent.

10. Provisions in Budget 2008

The Budget of 2008 has given a huge thrust to health insurance. But at the same time, it has brought the industry within the ambit of service tax. Moreover, quoting a PAN is also now mandatory.

Rs 644 crore was allocated for National Agriculture Insurance Scheme, which will be continued apart from evolving an alternative crop insurance scheme.

More than 75 lakh people are to be covered by health insurance scheme.

A crop insurance scheme for tea, rubber, tobacco, chili, ginger, turmeric, pepper and cardamom will be introduced next year.

10.1 New Schemes and Methods of Insurance

a. Rashtriya Swasthaya Bima Yojana, a new initiative of Government, launched on 1st October, 2007 will provide health insurance to unorganised sector workers. The Scheme aims to provide cashless hospitalisation cover of Rs. 30,000 to BPL families of the unorganised sector workers. 1.2 Crore BPL families from 120 districts of all states/UTs are likely to get benefit under the scheme during 2008-09.

b. Insurance regulator IRDA is vetting a proposal to make health cover affordable to all senior citizens. A final view will be taken on providing guaranteed access to health insurance for this segment by the end of this year, said a top official of the regulatory body. The proposal is based on the recommendations of an expert panel on health insurance last year. The panel recommended allowing senior citizens to enter the health insurance system up to 65 years of age — or higher — at the discretion of the insurer.

c. A Delhi-based life insurance company has introduced the concept of pre-paid insurance card, which will be sold to distributors for onward retailing.

d. The company proposes to invest up to Rs 400 crore in this special project and has roped in IBM to provide the technology backbone. For the first time, the company will be issuing individual insurance contracts issued on the spot, through hand-held thermal printers which will connect to the back-end through cell phone networks.

e. The similarity with the mobile business does not end with the pre-paid card. Max's distribution strategy is also similar to the one followed by the mobile industry. The company plans to stock retail stores in small cities and semi-urban areas with a start-up package which comes in three denominations and offers five times the sum insured. The cost of the package ranges from Rs 1,000 to Rs 2,500. The money can also be topped up or withdrawn. However, there is a lock-in period of three years for withdrawal. The subsequent top-ups can be for values as low as Rs 10.

f. Pending a decision on an alternative crop insurance scheme that is acceptable to the farmers as well as viable to the insurer, the National Agriculture Insurance Scheme (NAIS) will be continued in its present form for Kharif and Rabi 2008-09. Rs.644 crore have been proposed for the scheme.

g. A Weather Based Crop Insurance Scheme has been implemented as a pilot scheme in selected areas of five States which will be continued. Rs.50 crore has been proposed for this purpose in 2008-09.

h. The Janashree Bima Yojana of LIC covering 44 categories shall provide special attention to Self Help Groups. The policy offers life and permanent disability cover to people but only 35,000 SHGs have been covered so far. Considering the fact that there are over 30 lakh SHGs credit-linked to banks, it has been proposed to single out this category for special attention. LIC is required to rapidly scale up the scheme and cover all women SHGs that are credit-linked to banks. Since one-half of the premiums are subsidized through the Social Security Fund, it has been further proposed to contribute Rs.500 crore to the corpus of the fund with the assurance that annual contributions will be made as the scheme is scaled up. This scheme, together with the Rashtriya Swasthaya Bima Yojana, will mark the beginning of a new deal for women by providing them life and health cover.

i. By March 2008, over 17 lakh families of weavers are to be covered under the health insurance scheme. The proposed increase in the allocation shall be to Rs.340 crore in 2008-09.

j. The Aam Admi Bima Yojana that will provide insurance cover to poor households and in the first year of the Yojana, LIC will cover one crore landless households by September 30, 2008. Rs.1, 500 crore have been placed with LIC. In order to cover another one crore poor households in the second year, an additional sum of Rs.1, 000 crore has been placed with LIC in 2008-09.

11. Post De-Tariffing Scenario

a. Whereas the industry's growth has happened in motor and health insurance, there is a fall of Rs.600 crores in the Fire insurance and Rs.300 crores in miscellaneous insurance, which includes engineering insurance.
b. The total growth of the industry has come down to 12.5% as against 25% in the previous year.
c. Detariffing has passed smoothly and reinsurance treaties have also been renewed in April 2008 without any problem.

d. It is expected that the prices in the detariffed segments like fire and engineering insurance shall stablise early.

12. Conclusion

There are certain other steps that can be taken to facilitate further growth and to make the Insurance segment more competitive and also more lucrative for all market participants.

1. Tax breaks like removal of service tax on health insurance / pa policies
2. More encouragement to the growth of individual agents including removal of sealing on commission.
3. Freedom of policy designing
4. Facilitate insurance skill development
5. More liberalisation for creation of intermediaries.
6. Introduce regulations in health service providers to enable orderly growth.
7. Expedite amendments to Insurance Act, Motor Vehicles Act which are on final stage

Expectations:-

CAGR of Insurance Industry likely to be around 16% in the next 5 years in tune with expected GDP growth of 8%. Personal lines of business like motor, health, travel are expected to grow exponentially. Rural and semi urban sectors shall grow faster. More insurance companies and more intermediaries with international standard may be expected to enter the market.

Looking ahead towards great times in insurance industry.