NATIONAL INSURANCE ACADEMY

In This Issue:

I. WHAT'S HAPPENING AT NIA

1. Orientation Programme for the incoming 2025–27 Batch

The National Insurance Academy (NIA), Pune is set to organize an Orientation Programme for the incoming 2025–27 batch, scheduled from June 23 to July 4, 2025. This two-week programme aims to provide a comprehensive introduction to life at NIA and help new students transition smoothly into their academic journey. The orientation will begin with an address by the senior officials of NIA, followed by ice-breaking sessions to foster peer interaction and create a sense of belonging among the students. Participants will have the opportunity to engage with various departments of the academy, gaining a clear understanding of institutional functions and resources. A key highlight of the programme includes student presentations, designed to encourage confidence and communication skills. The schedule also features interactive workshops, sessions by industry experts, in-house faculty, and NIA alumni, offering valuable perspectives on both academic and career development.

Through these carefully curated activities, the orientation programme is designed not just to welcome students, but to highlight the importance of professional focus and career readiness. It aims to inspire them to make the most of their time at NIA and start their journey with clarity and purpose.

II. REGULATORY DEVELOPMENTS

1. Circulars

    a. Circular on Corporate Agency Matters Concerning RRBs Amalgamated from 1st May 2025 and Beyond

       https://irdai.gov.in/document-detail?documentId=7269046

2. Press release

    a. Joining of Member Life Shri Swaminanthan S Iyer

       https://irdai.gov.in/document-detail?documentId=7238346

3. Orders

    a. Order in the matter of M_s Acko General Insurance Ltd

       https://irdai.gov.in/web/guest/document-detail?documentId=7328438

III. INSURANCE INDUSTRY FLASH FIGURES FOR APRIL 2025

For monthly insurance industry data, click on:

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

IV. TOPICAL ARTICLE

The Evolving Role of AI in Health Insurance

AI is quietly rewiring the DNA of health insurance. No longer confined to actuarial tables and fixed premiums, insurers are now tapping into real-time data from wearables, smartphones, and IoT-enabled health devices. This continuous stream of information—heart rates, sleep cycles, glucose levels—feeds into algorithms that don't just calculate risk but anticipate it. A McKinsey report notes that AI could automate up to 30% of claims processing tasks, while PwC estimates cost savings of 20–25% in administrative operations via AI and RPA. Insurers using machine learning can now dynamically price policies, detect anomalies in claims, and even personalize wellness recommendations, all at scale. NLP tools scan thousands of documents in seconds to flag fraud or extract clinical insights. The result? Faster turnaround, more tailored coverage, and significantly lower overhead. The larger digital stack— cloud platforms, blockchain for secure records, RPA for repetitive workflows—is not just a technical upgrade but a structural reimagination of how insurance interacts with human life. Those who build with this tech, rather than bolt it on, are poised to redefine the industry.

The Evolution of AI in Insurance: From Rules to Reasoning

The journey has been swift and telling. In the early 1980s, insurers relied on structured data—body mass index, blood pressure, family history—to make underwriting decisions using basic statistical models. By the 2010s, rule-based engines and early machine learning began to enter the scene, semi- automating claims and underwriting workflows with tools like OCR. But the shift since 2020 has been exponential. Between 2020 and 2022, pilots involving chatbots and telematics hinted at what was coming. By 2024, insurers are employing computer vision and large language models (LLMs) to read and interpret unstructured medical records, while health apps double as digital clinics—offering symptom checkers and telemedicine that sync directly with insurers' systems. The rise of generative AI in 2023–24 has sparked a wave of innovation: AI-driven

wellness coaches that talk like a human trainer, yes—but also the darker twin of AI-enabled fraud. Insurance is no longer reacting to health events; it's beginning to engage in continuous, AI-mediated dialogue with the insured.

AI Horizons: From Dynamic Policies to Digital Twins

Looking ahead, the near future of health insurance (2025–2030) is marked by tighter fusion between AI and IoT—wearables that no longer just track fitness but actively inform underwriting decisions. Policies will begin to shift in real time, reflecting changes in health metrics as they happen. Further out, we may see premiums that update continuously, like a stock ticker, based on live risk scores. Insurance may evolve from being a financial cushion to a behavioral coach, actively nudging users toward healthier lifestyles through dynamic incentives. On-demand micro-policies and personalized coverage bundles will cater to hyper-specific needs—your marathon prep, your pregnancy, your sleep therapy. And if we push the speculative boundary: imagine biometric implants streaming data to a "digital twin" of your body, a replica managed by an AI insurer. In this vision, premiums are coded into nanotech or blockchain, adapting second-by-second to the wearer's physiology. Far-fetched? Perhaps. But like all good science fiction, it's grounded in the direction today's data and tools are already pointing us.

Core AI Use Cases in Health Insurance

Claims Adjudication & Fraud Detection- Previously tedious manual tasks—extracting data from scanned bills or claim forms—are now handled by OCR combined with NLP and LLMs. These tools can parse complex medical documents, structure the data automatically, and highlight errors or inconsistencies, reducing human effort and error. Swiss Re reports that AI pilots in life and health claims, such as automating death certificate processing, have significantly lowered the number of uncategorized entries and enabled near-instant case triage.

On the fraud front, AI's pattern-recognition strength is indispensable. Advanced models monitor massive volumes of claims to uncover evolving fraud schemes. The numbers are striking: AI-enabled fraud detection systems can reduce false payouts by 20–40%, according to industry studies. As insurance fraud itself becomes more sophisticated—like the 475% spike in deepfake voice scams that contributed to a 19% overall rise in fraud cases in 2024—AI has become both shield and sword.

Underwriting & Predictive Risk Scoring

AI is fundamentally changing how insurers assess and price risk. Where traditional underwriting relied on static data and batch processing, modern ML models ingest vast and varied inputs — electronic medical records, socioeconomic indicators, wearable data, even genomics — to generate risk scores in seconds. One study found that an AI-driven model reached 89.2% accuracy in risk prediction, compared to ~78% from conventional approaches, while cutting average claim costs by 17% and policy overheads by 20%. McKinsey forecasts that by 2030, most underwriting will be automated, fueled by real-time inputs from EHRs, wearables, and public datasets. AI also augments human underwriters, highlighting anomalies or suggesting pricing tweaks. Although ML in underwriting dates back to the 1980s, today's models operate at a scale and complexity once unimaginable. Newer methods like federated learning could unlock even better performance by aggregating insights across insurers without breaching data privacy. Generative AI is also entering the underwriter's toolkit — simulating scenarios, drafting policy frameworks, or projecting outcomes of experimental benefits.

Corporate Wellness & Bulk Coverage Optimization

AI is quietly reshaping the group health landscape, particularly in employer-sponsored plans. Companies now deploy AI wellness platforms that blend wearable data, clinical history, and Behavioral signals to personalize employee care. Unilever's ML system monitors work rhythms, health records, and biometric wearables to flag burnout risks — then suggests targeted responses such as therapy, diet changes, or flexible schedules. The impact? A 37% drop in burnout and 22% improvement in engagement. These systems often include AI chatbots and virtual clinics, streamlining access to care and reducing unnecessary hospital visits. Johnson & Johnson's platform saved $250M/year, Salesforce's initiative cut attrition by 31%, and Microsoft saw a 19% gain in productivity. Smarter group policies follow: segmentation, early interventions, and negotiated premiums.

Customer Support & Health Advisory

Conversational AI is now the front line of customer interaction. Virtual assistants handle routine queries — checking claims, explaining policies, quoting premiums — without human involvement. Some insurers embed AI triage in apps, such as Ping An's Good Doctor, which serves 300M+

users via AI symptom checkers and telehealth. Employers deploy AI health coaches, offering automated nutrition and wellness advice based on real-time data. Though LLMs like ChatGPT are being tested, privacy and accuracy remain top concerns. Still, the promise is clear: accessible, intelligent health guidance that lightens claim loads and boosts preventive care.

Impact on Corporate Health Plans

AI is transforming health benefits from a fixed cost to a strategic asset. By weaving AI into wellness platforms, wearable programs, and telehealth apps, companies can track workforce health trends and intervene early. Willis Towers Watson found firms with robust virtual care spent 50% less on mental health claims. HR teams gain metrics: reduced absenteeism, higher productivity, and slower premium growth. AI also optimizes renewals. By analyzing claims and biometric data (privately), insurers can tailor pricing to actual risk. U.S. firms report 25%+ drops in sick days and 40%+ wellness program engagement. Indian corporates can emulate this with wearable incentives and expanded telemedicine, learning from global models.

Impact on Underwriters

AI provides underwriters with better tools and sharper insights. Predictive models using lab results, wearable data, and claim history reduce prediction errors, enabling accurate pricing or extended coverage to underinsured groups. Optimization engines guide decisions—premium tweaks, reinsurance strategy, and risk appetite. Generative AI goes further: simulate adding a new benefit, project costs, and draft proposals. But AI won't replace people. Swiss Re and others stress cross- functional teams: underwriters + data scientists collaborating ensures edge cases are caught, models updated, and judgment retained. AI does the computation; underwriters remain the architects.

India-Specific Adoption & Outlook

India's insurers are early in their AI journey. While 150+ InsurTech startups (worth ~$13.6B) are scaling, only ~34% of healthcare providers are piloting AI; just 16% use GenAI. Fragmented data, legacy IT, and talent gaps remain bottlenecks.

Positive signs: Unified Health Interface (ABHA IDs), wider wearables adoption, and IRDAI-led digitization. However, few run full AI-powered claim engines yet. The 12x revenue growth in InsurTech (2018–2023) is promising, showing market appetite.

The opportunity: leapfrog into AI maturity by partnering with health apps, piloting dynamic products, and following global data privacy models. Infosys recommends: define an AI strategy, modernize infra, and embed ethical frameworks early.

(By Yuvraj Singh Panwar, Student, PGDM, National Insurance Academy, Pune)
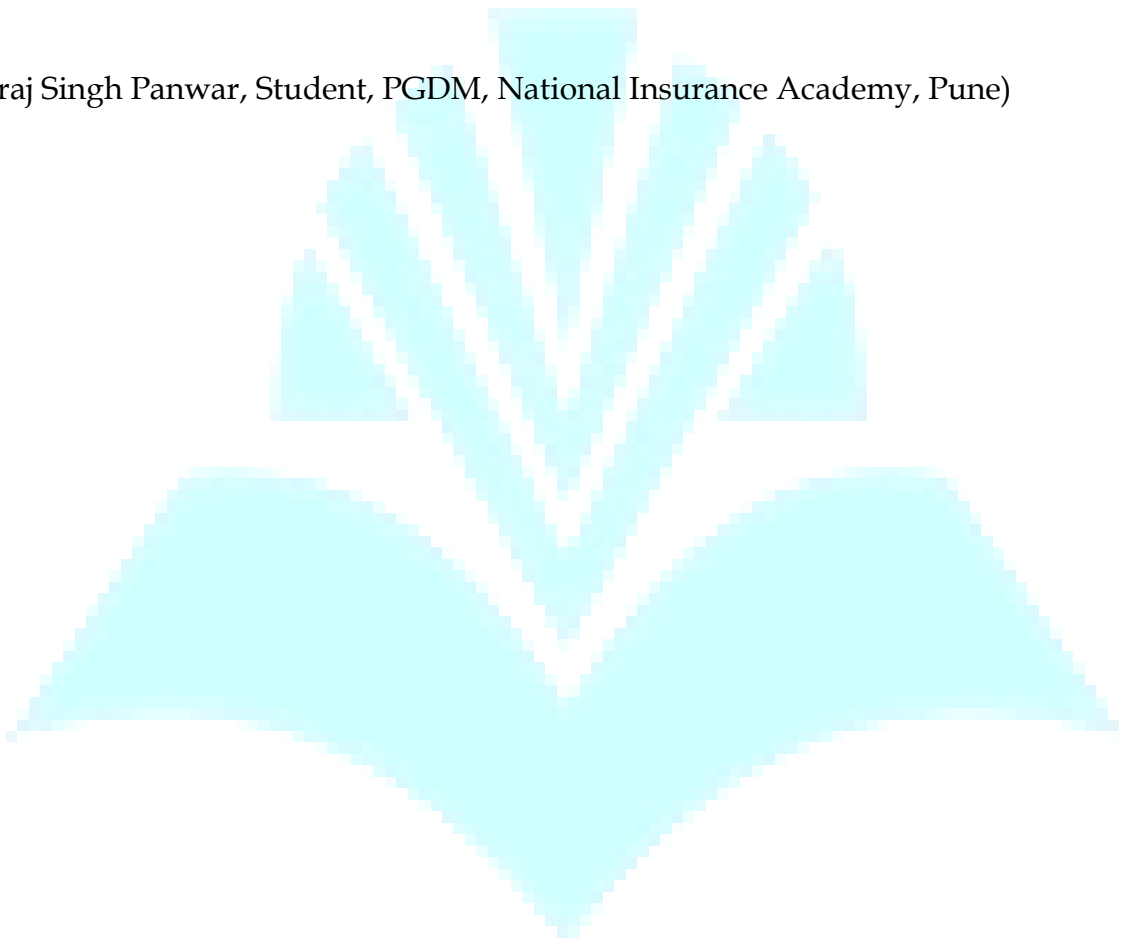
V. INSURANCE NEWS

LIC secures Guinness World Record for selling 5.8 lakh insurance policies in 24 hours

Government-owned insurer Life Insurance Corporation of India (LIC) has earned a Guinness World Records title for selling the most life insurance policies in 24 hours.

Read more at:

https://www.livemint.com/companies/news/lic-secures-guinness-world-record-for-selling-5-8-lakh-insurance-policies-in-24-hours-11748182923921.html

India to overtake Japan as Asia's second-largest life insurance market

India is set to surpass Japan as Asia's second-largest life insurance market by 2035, driven by a 10.5% CAGR, says Allianz. In 2024, total insurance premiums hit \$145B, with strong growth in health and life segments. Despite rapid gains, insurance penetration remains low in India.

Read more at:

https://www.financialexpress.com/money/india-to-overtake-japan-as-asias-second-largest-life-insurance-market-allianz-3859212/

Life Insurance Ownership in Urban India at Record 78%

Life insurance ownership in urban India has touched a record 78 per cent, indicating a growing shift in financial awareness and preparedness, according to the India Protection Quotient 7.0 survey by Axis Max Life Insurance in collaboration with Kantar.

Read more at:

https://www.businessworld.in/article/life-insurance-ownership-in-urban-india-at-record-78-survey-555770

India's mental health insurance claims rise 30% amidst growing awareness

 Mental health-related insurance claims have increased by 30% to 50% over the past two to three years, according to Policybazaar. Searches for mental health coverage rose by 41% year-on-year in 2025 compared to 2024. The rise is attributed to greater awareness, broader OPD (outpatient department) benefits, and reduced stigma, especially in urban areas.

Read more at:

https://insuranceasia.com/insurance/news/indias-mental-health-insurance-claims-rise-30-amidst-growing-awareness

IRDAI reportedly proposes changes in bancassurance model

The Insurance Regulatory and Development Authority of India (IRDAI) has proposed changes in the bancassurance model. According to a report by CNBC-TV18, IRDAI has proposed to the Ministry of Finance to replace the current commission-based model with a transaction fee model.

Read more at:

https://www.financialexpress.com/business/banking-finance-irdai-reportedly-proposes-changes-in-bancassurance-model-key-proposals-include-3834547/

Merger state-run general insurers back on the table

The government may revive the merger plan for state-run general insurers — NIA, OIC, NIC, and UIIC — to form a stronger entity amid rising private sector competition and ahead of a possible FDI hike to 100% in the insurance sector, boosting the "insurance for all by 2047" mission.

Read more at:

https://www.financialexpress.com/money/merger-state-run-general-insurers-back-on-the-table-3837649/

India's motor insurance market to hit $21.5b by 2030

India's motor insurance market is projected to grow from $13.19b in 2025 to $21.48b by 2030, at a compound annual growth rate (CAGR) of 10.25%, according to Mordor Intelligence. The market expansion is being fuelled by rising automobile sales, increased disposable incomes, and the broader digital transformation across the insurance sector.

Read more at:

https://insuranceasia.com/insurance/news/indias-motor-insurance-market-hit-215b-2030

Digital mindset drives health insurance customer

Indian health insurance customers' expectations, driven by rapidly evolving digital mindset are rapidly changing according to a new survey by consumer insights firm Hansa Research.

Read more at:

https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/91630/Type/eDaily/India-Digital-mindset-drives-health-insurance-customer

Bajaj Group get CCI's nod to acquire Allianz's 26% stake in insurance JVs

Fair trade regulator CCI cleared Bajaj Group's proposed acquisition of a 26 per cent stake each in its insurance joint ventures, Bajaj Allianz General Insurance and Bajaj Allianz Life Insurance, from its partner Allianz SE for a total of Rs 24,180 crore. The proposed combination involves acquisition of 26 per cent paid-up equity share capital of Bajaj Allianz Life Insurance Company Ltd (BALIC) and Bajaj Allianz General Insurance Company Ltd (BAGIC) by Bajaj Finserv Ltd (BFS), Bajaj Holdings & Investment Ltd (BHIL) and Jamnalal Sons Pvt Ltd (JSPL) from Allianz SE.

Read more at:

https://www.business-standard.com/companies/news/bajaj-group-get-cci-s-nod-to-acquire-allianz-s-26-stake-in-insurance-jvs-125052001429_1.html

New India Assurance to launch parametric insurance for climate risks

New India Assurance will launch a parametric insurance product, which will provide a financial safety net to its retail and business customers against climate risks. Parametric insurance refers to losses arising out of calamities including heavy rainfall, high speed wind and flood/drought. Unlike traditional insurance policies, the payout in case of parametric insurance products depends upon triggering of pre-defined parameters, thus allowing for quicker claim settlement.

Read more at:

https://www.business-standard.com/companies/news/new-india-assurance-to-launch-parametric-insurance-for-climate-risks-cmd-125052000765_1.html

Drive green with a battery rider

Protect your EV investment with smart insurance add-ons like battery replacement, zero depreciation, and charging equipment cover. Given the high cost of EV batteries and components, these riders can prevent major expenses and ensure peace of mind for electric vehicle owners.

Read more at:

https://www.financialexpress.com/money/drive-green-with-a-battery-rider-3832214/

IRDAI seeks wider insurance coverage to prevent distress

The Insurance Regulatory and Development Authority of India (Irdai) urged insurance companies to prioritise expanding the number of people covered under insurance, not just improving insurance penetration metrics. The regulator's call came at a time when the non-life insurance industry committed over Rs 300 crore over three years to an awareness campaign with the tagline 'Achha kiya insurance liya' (Did well by buying insurance).

Read more at:

https://timesofindia.indiatimes.com/business/india-business/irdai-seeks-wider-insurance-coverage-to-prevent-distress/articleshowprint/121477010.cms

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