Insurance News Snippets

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In This Issue:

I. WHAT'S HAPPENING AT NIA

1. Convocation Ceremony of the PGDM Batch 2023-25

The Convocation Ceremony of the PGDM Batch 2023–25 was held on Saturday, 4th October 2025, at the Convention Centre of the National Insurance Academy (NIA), Pune. The event began with the Academic Procession, setting a formal and celebratory tone. This was followed by the Invocation and Lighting of the lamp, symbolizing wisdom and auspicious beginnings. The Welcome Address was delivered by Mr. V Balagopal Chair Professor(Life Insurance) highlighting the achievements of the outgoing batch. His motivational words added a poignant and memorable touch to the event, leaving a lasting impression on the graduates as they embarked on their new journeys. The Chief Guest, Prof. Anil Sahasrabudhe, Chairman of NETF and NBA, was felicitated along with the Guest of Honour, Mr. Deepak Sood, Member (Non-Life), IRDAI. Dr. Sanjay Mali, Principal PGDM, reflected on the academic journey, inspiring the students to apply their knowledge in the professional realm.

Mr. Deepak Sood addressed the gathering, highlighting the vital role of young professionals in driving the insurance sector's future growth and resilience. He stressed the need for continuous learning, ethical conduct, and adaptability in an evolving market environment. Following his remarks, Chief Guest Prof. Sahasrabudhe delivered an inspiring address that resonated strongly with the audience. He spoke on the importance of education, innovation, and forward-looking leadership in shaping industry-ready talent. He further encouraged students to embrace creativity, technological excellence, and a sense of purpose in their professional journey. The ceremony proceeded with the Awards of Diplomas, Medals, and Certificates, recognizing academic excellence and merit. Ms. Hemlata Kolekar, Controller of Examination, delivered the Vote of Thanks, acknowledging all contributors to the event. .Overall, the convocation celebrated the accomplishments of the graduating batch and inspired them for future leadership roles.


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2. NIA Students Win Top Honors at the 29th FAIR Conference

GIC Re organized the 29th Conference of the Federation of Afro-Asian Insurers and Reinsurers (FAIR) from October 5–8, 2025, in Mumbai.The conference centered on the theme "Emerging Markets – Towards Resilient Growth."

During the event, three second-year students from the National Insurance Academy (NIA), Pune, achieved remarkable success. Arghadeep secured the first prize, followed by Narendran in second place and Uddhav Adhikari in third. The students were recognized for their insightful essay titled "Enablers of Growth of Insurance and Reinsurance Markets on the Backdrop of Climate Change and a Volatile Geopolitical Scenario."

Their achievement reflects NIA's strong academic standards and focus on contemporary industry challenges. The recognition at an international platform like FAIR highlights the students' analytical capabilities. NIA Pune commends their accomplishment and contribution to industry-oriented research.

II. REGULATORY DEVELOPMENTS

1. **Circular**
    a. Cessation of the practice of allowing additional line of business_department to SLA based on categorization
    https://irdai.gov.in/document-detail?documentId=7957321
    b. National Cyber Security Awareness Month (NCSAM) 2025
    https://irdai.gov.in/document-detail?documentId=7935471

2. **Order:**
    a. Surrender of corporate surveyor - Sterlite Insurance Surveyor & Loss Assessor Pvt Ltd
    https://irdai.gov.in/document-detail?documentId=7977835
    b. Order in the matter of Ms Reliance Nippon Life Insurance
    https://irdai.gov.in/web/guest/document-detail?documentId=7977854

3. **Guidelines**:
    IRDAI (Insurance Fraud Monitoring Framework) Guidelines, 2025
    https://irdai.gov.in/document-detail?documentId=7948519

III. INSURANCE INDUSTRY FLASH FIGURES FOR SEPTEMBER 2025

For monthly insurance industry data, click on:

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

IV. TOPICAL ARTICLE

Integrating Environmental, Social, and Governance (ESG) Criteria in the Indian Insurance Sector: Regulatory Mandates and Strategic Implications

The financial stability of the insurance sector is increasingly contingent upon the effective management of non-financial, systemic risks, particularly those encompassed by ESG criteria. Insurance entities, characterized by their long-term liabilities and vast Assets Under Management (AUM), occupy a unique position as both mitigators and aggregators of global risks.

The theoretical foundation for integrating ESG into insurance primarily rests on the Stakeholder Theory, positing that long-term firm value is maximized by addressing the interests of all stakeholders (policyholders, investors, community, and the environment), and Risk Management Theory, where ESG factors are viewed as crucial non-traditional risks that impact underwriting profitability and investment returns (Source: PwC, UNEP FI).

In the Indian context, the shift from a shareholder-primacy model to a stakeholder-centric model is being actively enforced through regulatory frameworks, transitioning ESG from a Corporate Social Responsibility (CSR) overhead to a core element of fiduciary duty.

II. Regulatory Architecture and Governance Mandates

The momentum for ESG adoption in India’s insurance sector is primarily driven by recent, stringent regulatory pronouncements.

A. IRDAI's Corporate Governance Framework (2024)

The IRDAI (Corporate Governance for Insurers) Regulations, 2024, and the subsequent Master Circular, represent a paradigm shift by making ESG integration a mandatory component of the governance structure for all Indian insurers, Foreign Reinsurers’ Branches (FRBs), and Lloyd’s India.

•Mandatory ESG Framework: The regulations explicitly require the Board of Directors to formulate and approve a comprehensive ESG framework, ensuring the monitoring and integration of ESG activities across the entire operational spectrum (Source: IRDAI Master Circular, 2024).

•Board Oversight: By anchoring the ESG mandate at the Board level, the regulator enforces top-down accountability and strategic alignment, moving the focus from mere compliance to systemic risk management (Source: Legal Developments, The Legal 500).

B. SEBI’s Influence on Asset Management

As major institutional investors, Indian insurers' investment strategies are indirectly governed by SEBI’s disclosure norms for listed entities. SEBI's mandate for the Business Responsibility and Sustainability Reporting (BRSR) Core Disclosures for the top 1000 listed companies (by market capitalization) directly impacts the universe of investable assets for insurers.

•Investment Alignment: Insurers are incentivized to favor companies with higher BRSR compliance and strong ESG credentials, thereby integrating non-financial performance metrics into their AUM allocation decisions (Source: SEBI Circular). This mechanism leverages the insurance industry’s immense capital pools to promote sustainability across the broader Indian corporate ecosystem.

III. Strategic Integration of ESG Across Value Chains

The integration of ESG must be systematically applied to the two main functions of an insurer: Underwriting and Investment.

A. Environmental (E) Pillar: Climate Risk and Underwriting Transformation

The 'E' pillar mandates a rigorous approach to assessing and pricing climate-related physical and transition risks.

•Climate Risk Assessment: Insurers are required to conduct self-assessment of exposure to climate risks and formulate a climate risk management plan. This necessitates the adoption of advanced stochastic catastrophe models to price risks related to rising frequency and severity of extreme weather events (Source: Grant Thornton).

•Sustainable Underwriting: This involves de-risking portfolios by potentially withdrawing coverage from high-carbon intensive projects (e.g., thermal power) and simultaneously developing green insurance products. The goal is to stimulate the Transition Finance market by offering favorable terms for sustainable infrastructure (e.g., renewable energy projects) (Source: Capgemini, UNEP FI).

B. Social (S) Pillar: Financial Inclusion and Human Capital

The 'S' pillar focuses on the industry’s societal impact, which is critically important given India's large, diverse, and under-insured population.

•Closing the Protection Gap: The uninsured climate-linked loss in India is estimated to be significant (Source: Capgemini), emphasizing the social mandate to develop affordable, accessible products (e.g., parametric insurance, micro-insurance) to reduce financial vulnerability, particularly in rural and marginalized communities.

•Stakeholder Welfare: This encompasses ethical sales practices, robust grievance redressal mechanisms (Policyholder Protection), and promoting Diversity, Equity, and Inclusion (DEI) within the corporate structure, aligning with the principles of the UN Guiding Principles on Business and Human Rights (Source: PwC).

C. Governance (G) Pillar: Ethical Foundation and Fiduciary Duty

Governance provides the necessary institutional structure for sustainable decision-making.

•Ethical Oversight: The 2024 regulations enforce stringent norms for Related Party Transactions and mandate the separation of roles to mitigate Key Management Personnel (KMP) conflicts of interest (Source: IRDAI Regulations, 2024).

•Risk Governance: The integration of ESG risks into the Enterprise Risk Management (ERM) framework is now a de facto requirement, ensuring that the solvency and long-term viability of the insurer accounts for non-traditional, systemic threats.

IV. Challenges and Future Research Trajectories

Despite the strong regulatory push, the transition presents significant challenges, primarily in the domain of quantitative measurement and implementation.

A. Quantitative and Data Challenges

•Data Asymmetry and Standardization: The lack of universally standardized and granular ESG data, especially for private market investments, poses a fundamental barrier to quantitative risk modeling and benchmarking. The reliance on varied third-party ESG ratings introduces methodological inconsistencies (Source: InsTech, Stakeholder Empowerment Services).

•Inconsistent Disclosures: While BRSR provides a baseline for listed entities, non-uniform reporting across the insurance sector makes cross-company performance comparison difficult, hindering market-driven accountability (Source: ResearchGate). Initial analyses suggest that performance scores on the 'E' factor are significantly lower than 'G' and 'Policy' disclosures, highlighting an implementation deficit in environmental performance (Source: Stakeholder Empowerment Services).

B. Research Opportunities

Future academic research should focus on:

1.Causal Relationship: Empirically testing the correlation and causality between high ESG scores in Indian insurance portfolios and metrics like solvency margins over a longitudinal period.

2.Modelling the Protection Gap: Developing sophisticated econometric models to quantify the economic cost of the climate-linked insurance protection gap and evaluate the efficacy of newly introduced micro-insurance products.

3.Greenwashing Mitigation: Assessing the effectiveness of IRDAI's and SEBI's disclosure mandates in mitigating the risk of greenwashing and ensuring substantive, rather than merely ceremonial, compliance.

V. Conclusion

The Indian insurance industry stands on the verge of a profound transformation, moving from merely ESG awareness to mandatory, strategically embedded compliance. The regulatory architecture established by IRDAI and SEBI has formalized the integration of ESG into core governance and capital allocation functions. While the challenges of data quality, standardization, and capacity building persist, the convergence of regulatory compulsion and market demand is set to position the Indian insurance sector as a critical enabler of the nation's climate resilience and sustainable economic trajectory.

Sources

1. IRDAI. Master Circular on Corporate Governance for Insurers, 2024. May 22, 2024.
2. SEBI. Circular on Mutual Fund schemes for ESG Investing and related disclosures.
3. Grant Thornton. Environmental, social and governance (ESG) in insurance industry: Series 1: Environment.
4. Capgemini. Sustainable underwriting: How insurers can account for ESG risks and enable dynamic pricing.
5. KPMG. ESG in insurance: A practical guide to sustainability reporting. February 2024.
6. PwC. ESG impact on the insurance industry.
7. The Legal 500. ESG in Insurance Sector in India – Legal Developments. 2024.
8. Stakeholder Empowerment Services (SES). ESG Analysis on 200 Listed Companies – Impact of Regulatory Push. 2023.
9. UNEP FI. Guidance on the integration of ESG risks into insurance underwriting. 2020.

(By Mr. Ankush Kalsia, Student- PGDM, National Insurance Academy)

V. INSURANCE NEWS

Health insurance renewals records high persistency

A report by online insurance aggregator Policybazaar revealed that health insurance renewals in India have remained strong, with persistency ratio climbing steadily over the last five yearsRead more at-

https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/93066/Type/eDaily/India-Health-insurance-renewals-records-high-persistency

Post GST cut, insurance enquiries surge 61%

The waiver of the Good and Services Tax (GST) on individual life and health insurance appears to be generating a greater interest in buying the coverage. The Centre has waived 18 per cent GST on sale of life and health insurance as part of the tax reforms aiming at rationalising the GST which came into effect from September 22, 2025.

Read more at:

https://www.thehindubusinessline.com/economy/post-gst-cut-insurance-enquiries-surge-61-in-last-week-of-september/article70127808.ece

Cyber insureds gain momentum against attackers

During the first half of 2025 ransomware was the biggest loss driver, accounting for 60% of the value of large cyber claims over EUR1mn according to a recent analysis by Allianz Commercial.

Read more at:

https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/93066/Type/eDaily/India-Health-insurance-renewals-records-high-persistency

HDI rolls out advanced Nat CAT assessment tool

With Nat CAT becoming more frequent and severe due to climate change, HDI has rolled out the Accumulation Risk Geospatial Online System (ARGOS) 4.0, an advanced Nat CAT assessment tool which enables companies to maximise overall efficiency of their risk management by delivering capabilities in geospatial risk analysis and resilience planning.

Read more at:

https://www.asiainsurancereview.com/News/View-NewsLetter-Article/id/93136/Type/eDaily/HDI-rolls-out-advanced-Nat-CAT-assessment-tool

Crop weather index insurance market to hit $3.3b by 2029

The global crop weather index insurance market is expected to grow from $1.81b in 2024 to $2.04b in 2025, reflecting a compound annual growth rate (CAGR) of 13%, according to The Business Research Company. Growth has been supported by greater climate unpredictability, increased farmer awareness, rising climate-related crop losses, and stronger government support programs.

Read more at:

https://insuranceasia.com/insurance/news/crop-weather-index-insurance-market-hit-33b-2029

IRDAI calls for fraud risk management framework

The Insurance Regulatory & Development Authority of India (IRDAI) has asked insurers, reinsurers and distributing channels to form a framework to address and manage risks emanating from fraud. The guidelines will be effective from April 1, 2026.

Read more at:

https://www.business-standard.com/finance/insurance/irdai-fraud-risk-framework-insurers-reinsurers-cybersecurity-2026-125101200278_1.html

India's life insurers post 14.8% rise in new premiums in September

India's life insurance industry recorded a 14.8% year-on-year increase in new business premiums in September 2025, reaching $4.42b (₹40,206.7 crore). This marks a rebound from the 5.2% decline seen in August and slightly exceeds the 14.0% growth recorded in September 2024.

Read more at:

https://insuranceasia.com/insurance/news/indias-life-insurers-post-148-rise-in-new-premiums-in-september

Insurers strengthen cyber governance as oversight shifts to CEOs

Insurers and asset managers worldwide are spending more on cybersecurity and giving it greater board-level attention, according to a new survey by Moody's Ratings. The report, which covered

102 companies globally, found that most insurers and asset managers now assign cybersecurity oversight to senior executives, with nearly all maintaining multi-year cyber risk strategies. About 40% of respondents said CEO compensation is now tied to cybersecurity performance, up from 24% in 2023.

Read more at:
https://insuranceasia.com/insurance/in-focus/insurers-strengthen-cyber-governance-oversight-shifts-ceos

RBI may retain existing cap for deposit insurance premiums

The Reserve Bank of India (RBI) may retain the current 12 paise/Rs 100 cap on deposit insurance premiums, even after it moves towards the new risk-based premium model (RBP) proposed in the October policy, said banking industry sources. However, for well-managed banks, the insurance premium is expected to go down. Currently, all banks the Deposit Insurance and Credit Guarantee Corporation (DICGC) pay an uniform premium of 12p/Rs 100.

Read more at:
https://www.financialexpress.com/business/banking-finance-rbi-may-retain-12-paise-cap-on-deposit-insurance-premiums-4012861/

Young professionals lag in term insurance adoption despite cost advantages

One in four term insurance policyholders in India is aged 26-35, accounting for 25.24 per cent of active customers, according to Aditya Birla Sun Life Insurance data as of March 31, 2025. However, this age group remains significantly underrepresented compared to older demographics.

Read more at:
https://www.thehindubusinessline.com/money-and-banking/young-professionals-lag-in-term-insurance-adoption-despite-cost-advantages-absli/article70193712.ece

Risk-proof streaming: How media insurance is fueling the OTT revolution

he OTT industry in India has shifted dramatically over the past several years. As viewers severed the cords from conventional television to watch digital on-demand content, the likes of Netflix, Amazon Prime Video, Disney+Hotstar, and JioCinema went out and invested big in producing original content. India's OTT market is expected to reach INR 30,000 crore by 2030, driven by local content, mobile-first consumption, and declining cost of data access.

Read more at:

https://etedge-insights.com/industry/media-and-entertainment/risk-proof-streaming-how-media-insurance-is-fueling-the-ott-revolution/

AQI load': Will your health insurance now pay the price for polluted air?

Climate-health pricing may well be in action as insurers say toxic air is pushing up hospital admissions for respiratory conditions and heart ailments.

Read more at:

https://www.indiatoday.in/india-today-insight/story/aqi-load-will-your-health-insurance-now-pay-the-price-for-polluted-air-2809623-2025-10-28

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