



## **State of Insurance Sector in India: Need for Inclusive Insurance**

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### **Abstract**

The share of India's insurance business in the global context is just 2%. Today India is one of the fastest growing economies in the world. With its population of more than 1.3 billion, it offers a huge market for all kind of products, including insurance products. But then at the same time there exists a gap between where the insurance sector is at the moment and what its potential is. To fill up this gap, to increase insurance penetration and density in India, there is a need of Inclusive Insurance. This calls for having appropriate and affordable insurance products for the unserved or underserved section of the population. This would require the expansion of operations and reach of the insurance industry to cover the most vulnerable section of the society. It is in this direction, that IRDAI, the market regulator for Insurance sector, has taken number of progressive steps in the direction of promoting inclusive insurance model in India. This research article tries to explore into those steps taken to overcome the bottlenecks faced in the insurance sector. This study is primarily based on the annual reports of IRDAI and also on the various research articles available on internet.

**Keywords:** insurance, inclusion, awareness, digitization

### **Introduction**

India as a market is one of the world's fastest growing economy. This growth is in all spheres including the Insurance segment as well. But at the same time economists feel that there exist an insurance protection gap as well which is not letting this sector realize its full potential and also leaves large section of the population vulnerable to the disasters and tragedies. As a solution to this problem and also to realize the business potential as far as insurance segment is concerned, a need for inclusive insurance is felt so as to expand operations and reach of the insurance industry to cover the vulnerable segments.

The term Inclusive Insurance would mean "access to and use of appropriate and affordable insurance products for the unserved and underserved, with a particular emphasis on vulnerable and low-income populations. As per Clarence Wong, Chief economist for Asia-Pacific at Swiss Re, there are five aspects of insurance to be inclusive, viz;

- It should reach out to the unserved customers, i.e. the insurance industry should go beyond the traditional customers to reach out to the unserved population.
- It should follow simplicity principle, i.e. the insurance products should be simple to foster trust and transparency in insurance.
- Easy accessibility should be there, i.e. there should be innovative distribution channels are required to take the insurance cover to each and every one.
- It must be affordable, i.e. it should offer products with lower sums insured, provide premium subsidies and help reduce distribution costs.
- Extensive use of technology, i.e. insurance companies must leverage technology across the value chain to help various other aspects of the insurance business.

Inclusive insurance brings benefits to the society as it allows individuals to take more risks in their personal lives with peace of mind. Insurance is an efficient coping strategy against disasters and enable quicker recovery. It also serves

as a channel for savings and investments. All these factors present a strong case for inclusive insurance. But there are various barriers to inclusive insurance, which exist on both the demand and supply side. On the demand side, for the consumers, there constraints such as affordability, liquidity issues, informal risk-sharing mechanisms, cultural factors, lack of awareness and trust in insurance, and behavioural biases.

On the supply side, transaction cost, information asymmetries, data scarcity, lack of innovation, and uncondusive institutional setting serve to hamper insurers from delivering inclusive insurance to those who need it.

### **Objectives of the study**

1. To study different segments of the Insurance industry in India as regards their business growth.
2. To study the role of IRDAI in providing protection to Insurance policy holders
3. To study the efforts of IRDAI in promoting Insurance literacy and consumer awareness
4. To study IRDAI's steps in promoting digitization in insurance

### **Methodology**

The present study has been conducted based primarily on the annual reports published by the IRDAI as well as research papers available in public domain and also reports of other authorities and interviews available on internet.

### **Appraisal of Indian Insurance Market Indian Insurance in the global scenario**

India's share in global insurance market was 2.0 percent during 2017-18. However, during 2017, the total insurance premium in India increased by 10.1 percent (inflation adjusted) whereas global total insurance premium increased by 1.5 percent (inflation adjusted).

Globally, the share of life insurance business in total

premium was 54.32 percent. However, the share of life insurance business for India was very high at 74.73 percent while the share of non-life insurance business was at 25.27 percent.

In life insurance business, India is ranked 10th among the 88 countries, for which data is published by Swiss Re. India's share in global life insurance market was 2.76 percent during 2017. The Indian non-life insurance sector witnessed a growth of 16.7 percent (inflation adjusted) during 2017. During the same period, the growth in global non-life premium was 2.8 percent.

### **Insurance Penetration and Density in India**

The measure of insurance penetration and density reflects the level of development of insurance sector in a country. While insurance penetration is measured as the percentage of insurance premium to GDP, insurance density is calculated as the ratio of premium to population (per capita premium). During the first decade of insurance sector liberalization, the sector has reported consistent increase in insurance penetration from 2.71 percent in 2001 to 5.20 percent in 2009. Since then the level of penetration was declining and dropped to a level of 3.30 in 2014. However, it started increasing since 2015 and showing an increasing trend onwards viz. in 2015 (3.44 percent), in 2016 (3.49 percent) and in 2017 (3.69). The level of insurance density reached the maximum of USD 64.4 in the year 2010 from the level of USD 11.5 in 2001. However, from the year 2011 to 2016 it was hovering between 50 to 60 but in the year 2017, it has grown up to USD 73 (USD 59.7 in 2016).

The insurance density of life insurance sector had gone up from USD 9.1 in 2001 to reach the peak at USD 55.7 in 2010. Since then it has exhibited a declining trend up to the year 2013. During the year 2017, the level of life insurance density was USD 55.00 (USD 46.50 in 2016). The life insurance penetration had gone up from 2.15 percent in 2001 to 4.60 percent in 2009. Since then, it has exhibited a declining trend up to the year 2014. There was a slight increase in 2015 reaching 2.72 percent, remained same in 2016 and increased to 2.76 in the year 2017.

The penetration of non-life insurance sector in the country has gone up from 0.56 in 2001 to 0.93 in 2017(0.77 in 2016). Its density has gone up from USD 2.4 in 2001 to USD 18.0 in 2017(13.20 in 2016). (Source: Swiss Re, Sigma various issues and IRDAI annual report)

### **Registered insurers in India**

At the end of March 2018, there are 68 insurers operating in India; of which 24 are life insurers, 27 are general insurers, 6 are Standalone health insurers exclusively doing health insurance business and 11 are re-insurers including foreign reinsurers branches and Lloyd's India.

Of the 68 insurers presently in operation, eight are in the public sector and the remaining sixty are in the private sector. Two specialized insurers, namely ECGC and AIC, one life insurer namely LIC of India (LIC), four in general insurance and one in reinsurance namely GIC Re. are in public sector. 23 life insurers, 21 general insurers, 6 standalone health insurers and 10 reinsurers including foreign reinsurers' branches and Lloyd's India are in private sector.

### **Market Share**

On the basis of total premium income, the market shares of

LIC decreased from 71.81 percent in 2016-17 to 69.36 percent in 2017-18. The market share of private insurers has increased from 28.19 percent in 2016-17 to 30.64 percent in 2017-18.

The market share of private insurers in new business premium was 30.64 percent in 2017-18 (28.89 percent in previous year). The same for LIC was 69.36 percent (71.11 percent in previous year). Similarly, in renewal premium, LIC continued to have a higher share at 69.35 percent (72.31 percent in previous year) when compared to 30.65 percent (27.69 percent in previous year) share of private insurers.

### **Protection of Interests of Policyholders**

#### **Protection of policyholders' interest's regulations**

The basic framework for protection of policyholders' interests is contained in the IRDA (Protection of policyholder's Interests) Regulations 2002. There have been several changes that have come about after 2002 which include introduction of new categories of insurance intermediaries like brokers, web-aggregators Insurance Marketing Firms (IMF) etc. The channels of grievance redressal have also increased with the introduction of IGMS, IRDAI Grievance Call Centre etc. The increasing complaints of alleged mis-selling of life insurance policies, delay in settlement of claims of general insurance, introduction of technology in the process of sourcing, sale and servicing of products necessitate a commensurate change in the regulatory framework for better policyholder protection. Subsequently certain changes have taken place in regulatory environment such as, enactment of Insurance Laws (Amendment) Act, 2015, and notification of many new regulations and guidelines by the Authority. Then a new IRDAI (Protection of Policyholders' Interests) Regulations, 2017 was developed and notified. It contain frame work for insurers, intermediaries and agents on procedures to be followed at point of sale, proposal stage and policy issuance stage. The Regulations prescribe insurers to have in place a Board approved policy for protection of policyholders' interests which shall include enhancing Insurance awareness, defining service parameters, turnaround times, procedure for expeditious resolution of complaints, steps to prevent mis-selling and un fair business practices and steps taken to ensure proper information flow to prospects. The regulations also prescribe insurers to pay interest on delayed settlement of insurance claims.

#### **Spurious calls**

Spurious calls in the name of officials of IRDAI and other financial institutions is a matter of concern for the Insurance Industry. IRDAI has issued several public notices, press releases, advertisements in leading TV Channels, newspapers, and also issued directions to Insurance Companies to caution public against spurious calls etc., at various touch points and in media as well. In order to ensure that all the complaints under misselling and spurious calls are handled as per the laid down policy of the Insurers in all cases, all the life insurers were advised to draw out a company specific policy on handling complaints on mis-selling and spurious calls. All the life insurers have drawn their own company specific policy and submitted the same to the Authority.

### **Motor Accident Claim Tribunals (MACT) and Insurance Ombudsman Order**

The Authority has issued Circular advising insurers to comply with the orders of MACT (Motor Accident Claim Tribunal) and Insurance Ombudsman as per time lines specified in the orders or within 60 days of receipt of the order/award by insurer in cases where no time limit is specified in the order. If the insurer chooses to prefer an appeal against the order, such appeal against the order shall be preferred within the stipulated time limit as per applicable rules and the customer should be informed accordingly.

### **Initiatives towards policyholder's protection**

IRDA (Advertisement and Disclosure) Regulations, 2000 and other guidelines relating to advertisements are aimed at ensuring that any communication (including that on the internet) which directly or indirectly results in eventual sale or solicitation of policy should not be unfair or misleading but should contain fair information about the product on offer so that the customer can take an informed decision about choosing the insurance product according to his need. Insurance is a subject matter of solicitation and authorized persons or institutions are only to be involved in soliciting insurance. In order to ensure that only authorized persons or institutions engage in prospecting and sale of insurance products, IRDAI has issued regulations for licensing. These regulations include IRDAI (Appointment of Insurance Agents) Regulations, 2016 for individual insurance agents; IRDAI (Registration of Corporate Agents) Regulations, 2015 for corporate agents; IRDAI (Insurance Brokers) Regulations, 2018 for insurance brokers; IRDAI (Web Aggregators) Regulations, 2017 for web aggregators; and IRDAI (Registration of Insurance Marketing Firm) Regulations, 2015 for Insurance Marketing Firms. These regulations mandate compliance of the agents, corporate agents, brokers, web aggregators and IMFs with the code of conduct stipulated therein to ensure that the persons soliciting insurance business should be eligible persons and that they disseminate the requisite information in respect of insurance products offered for sale, understand the policy being sold and should be capable of making suitable advice based on the customer needs so that the policy offered / sold meets the requirements of the prospect. They are also required to provide after sales service like renewal, assistance to beneficiaries in documentation when a claim arises.

With the increasing recourse taken by insurers, corporate agents and brokers solicit policies (including lead generation) through telecalling, SMS, email, internet, DTH, postal mail and other modes which do not involve communication in person as well as requests from clients seeking information and sale of insurance products in distance mode; IRDAI issued Distance Marketing Guidelines. The requirements to be complied with at the time of offer, negotiation and conclusion of sale are aimed at affording protection to prospects and policyholders taking recourse to distance marketing channels.

Since the benefit of insurance can be reaped only if appropriate products are sold; IRDAI has issued guidelines on File and Use of products both in life and general insurance sectors. In terms of these guidelines every insurer is required to seek approval of products by making an application to IRDAI. Along with the application, the

insurer should furnish specimen policy bond, specimen proposal forms, specimen sales literature and statement of financial projections. Similar procedure has to be followed for change in terms and conditions. Even in case, an insurer wants to withdraw a product, it can do so, only after informing IRDAI and giving reasons for withdrawal. These guidelines ensure that only approved products are sold to public.

IRDAI (Health Insurance) Regulations 2016 lay greater emphasis on features of the product, standard declaration in the proposal form, greater transparency and disclosures in sales literature and disclosures on the web portals to disseminate suitable information for decision making, etc. The guidelines on standardization in health insurance provide standardization of several aspects in health insurance such as definitions for commonly used terms in health policies, nomenclature and procedure for critical illness, pre-authorization and claim form, list of excluded expenses in hospitalization benefit to policies, file and use application, customer information sheet and agreement between Insurer & Third party Administrator and Insurer & Provider (Hospital). These guidelines prevent ambiguity and ensure greater consistency in interpretation, which is in the general interest of policyholders.

The institution of Insurance Ombudsman functioning under the Insurance Ombudsman Rules, 2017 serves as a simple, inexpensive and expeditious conciliatory and adjudicatory mechanism for settlement of complaints up to monetary value of Rs.30 lakhs, on certain grounds relating to personal lines of insurance. The Appointing Authority of Insurance Ombudsman is a selection committee chaired by Chairman of IRDAI.

Thus, Protection of policyholders' interest Regulations, 2017 and the above measures are complementary to other regulatory requirements of entry point norms, registration, maintenance of solvency margins, investment norms, and public disclosures etc. and supervisory mechanisms like on-site inspection and off-site monitoring through regulatory returns, market intelligence, audit etc.

### **Grievance Redressal and Consumer Education**

The IRDAI facilitates resolution of policyholder grievances by monitoring the insurers' policy of Grievance redressal and takes several initiatives towards protecting the interests of the Insurance consumers. Grievance Redressal procedure prescribed in the IRDAI (protection of policyholders' interests) Regulations, 2017; mandate that all the insurers to have in place a grievance redressal policy, designate a Grievance Redressal Officer at Head Office/Corporate Office/Principal Office and at every other office. The insurers shall also constitute a policyholder protection committee in accordance with the corporate governance guidelines for receiving and analyzing reports relating to grievances.

In addition to the various measures aimed at protecting the interests of insurance customers as indicated above, if there is a cause for complaint regarding deficiency of service by an insurer, a system for expeditious resolution is imperative. In order to facilitate customers to reach the insurers for redressal of their grievances, IRDAI has provided various channels for customers to raise their grievances against insurers. These include Integrated Grievance Management System (IGMS) and a toll free grievance call center (155255). The Grievance Call Centre (IGCC) of IRDAI

receives complaints through a toll free telephone number & by email and registers complaints apart from furnishing the status of the resolution. The Integrated Grievance Management System (IGMS) is not only a gateway for registering and tracking grievances online but also act as an industry-wide grievance repository for IRDAI to monitor disposal of grievances by insurers.

The IRDAI receives complaints on insurers from prospects and policyholders; and takes up these grievances with insurers through IGMS for resolution. Prospects and policyholders are advised to first file their complaints with the respective insurance companies. If the insurance companies do not attend to the complaints within the stipulated time of 15 days or the complainant is not satisfied with the resolution, he/she may escalate the complaint to IRDAI. IRDAI facilitates resolution through review/reexamination by taking up the matter with the respective insurance companies.

The IRDAI also acts as a nodal agency to facilitate resolution to the complaints registered in Government Portals such as CPGRAMS, INGRAM and also implements all the directions of Government in the matters relating to effective grievance redressal.

The IRDAI is also actively engaged in consumer education with a view to spread insurance awareness. Insurance, being a complex financial product, requires special knowledge to understand the nature of insurance products on offer, their utility, the terms and conditions. The consumer education initiatives of IRDAI are aimed at ensuring that the consumer identifies his needs, understands the insurance products and the risks involved therewith, so that he takes an informed decision while purchasing insurance. Insurance awareness campaigns by IRDAI are carried out through all possible channels including print and electronic media viz. newspaper-ads and publication of handbooks/comic books, radio/television, internet, seminars, social websites like You tube, face book, twitter etc. The consumer education website, [www.policyholder.gov.in](http://www.policyholder.gov.in) hosts a lot of insurance related information of interest to the public in simple language. In order to enhance the reach of the material, IRDAI has launched a Hindi site and also prepared the books in major regional languages so that the information can be made available to the people across the country in the language of their choice. IRDAI is focusing now on the distribution of the material developed for which IRDAI is collaborating with the insurance industry, other regulatory bodies, Financial Literacy Centers, Common Service Centers etc., and using all available alternative channels used to reach people across the nation for spreading insurance awareness, thereby creating the demand push for enhancing the levels of insurance inclusion. IRDAI is also an active participant in implementing the National Strategy on Financial Education by working with other financial sector regulators towards imparting financial literacy from early stages of one's life.

### **Insurance literacy and consumer awareness initiatives of IRDAI**

The mandate for IRDAI has been protection of interests of insurance policyholders and orderly growth of the insurance sector in India. In furthering this mandate, IRDAI has been engaged in spreading financial literacy, particularly insurance specific awareness among the citizens of India. IRDAI has been making efforts to equip the existing and the

prospective policyholders with reasonable understanding of his/her insurance needs and adequacy of risk coverage and the necessary awareness to choose an insurance product suited to those needs.

Towards creating this awareness, the IRDAI's Publicity and Consumer Education Strategy for 2017-18 envisages to explore new concepts and themes with special focus on usage of various channels including radio and print campaigns. Accordingly, IRDAI has undertaken the following Consumer Education initiatives and has spent an amount of Rs.34.17 crore towards these initiatives during the FY 2017-18.

**1. Radio Campaign:** IRDAI has developed six jingles on different concepts listed below in four languages (Hindi, Tamil, Telugu and Kannada). The themes revolved around educating public on the need for insurance, caution on mis-selling, timely renewal of insurance policy, etc. The concepts are as under:

- (i) Life Insurance
- (ii) Home Insurance
- (iii) Health Insurance
- (iv) Motor Insurance
- (v) Renewal of Insurance Policy
- (vi) Mis-selling of Insurance.

These jingles were broadcast on All India Radio and on six other private FM Channels. The broadcasts were planned in such a way so as to have maximum reach and create maximum impact on general public.

**2. Role as a Core Committee Member of NCFE:** IRDAI continued to play an active role as a Member of the Core Committee of the National Centre for Financial Education (NCFE), an institution comprising representatives from all the financial sector regulators in India with an aim to implement the National Strategy for Financial Education (NSFE). IRDAI contributed Rs.1.23 crore to NCFE towards its share during the FY 2017-18.

**3. IRDAI Research Grant Scheme:** IRDAI sponsors proposals under the Research Grant Scheme, which provides opportunities for research in the field of Insurance. In the FY 2017-18, two research projects were sponsored under the scheme.

### **IRDAI'S Steps in Promoting Digitization in Insurance Promoting efficiency in the conduct of insurance business**

IRDAI, realizing the need and importance of application of technology for innovation in insurance sector, has taken various measures from time to time to promote insurance business and reach. Continuous upgradation of Technology is vital for effective and efficient operations of various departments of IRDAI. Hence, several upgradation activities have been carried out during the year. Some of the major reforms/measures adopted by IRDAI in this direction are as under:

#### **Insurance Repository System (IR)**

In April 2011 Insurance Repository System was launched. This system was formally launched in September 2013. Under this system five entities were given license to function as Insurance Repository. The objective of introducing the insurance repository system was to provide policyholders a facility to maintain their insurance policies in electronic form and to undertake changes, modifications and revisions in the insurance policy with speed and

accuracy in order to bring about efficiency, transparency and cost reduction in the issuance and maintenance of insurance policies, thus promoting inclusive insurance.

### **Benefits of Proposed IR system**

The Insurance Repository system was expected to provide significant benefits to all the stakeholders.

- The policyholder would have ease of access to view all his insurance policies at one place and also receive periodic statements on the status of his policies.
- The cost for storage & maintenance of the policy bonds was expected to reduced significantly.
- The proposed IR system would provide a boost for inclusive growth and to reach remote corners in a cost effective manner. The increased use of the Insurance Repository system would enhance the role of the IRs beyond just storing electronic policies.
- Under the proposed system multiple KYC can be avoided. As KYC originators and KYC consumers the costs of doing KYC would be greatly reduced.

The following insurance repositories are currently operating in the Indian insurance market:

- a. NSDL Database Management Limited
- b. Central Insurance Repository Limited
- c. Karvy Insurance Repository Limited
- d. CAMS Insurance Repository Services Limited

### **Services offered under the Insurance Repository System are as under**

#### **1. Services have been classified under e-Insurance Accounts are:**

- a. **Portfolio services** – Where the policyholders will have the ability to create portfolio of their policies.
- b. **Basic services** – These are standard minimum services that will be offered by the IRs. These include status, printing options, periodic reports, mini statements etc. IRDA would review the list of these services on a regular basis.
- c. **Premier services** – These are services over and above the Portfolio and Basic Services offered by the IRs. Premium and Transaction history, Premium reminders, notifications of various claims, portfolio analysis tools, rendering of certain policy services.

#### **2. Sharing of KYC information**

To enable the re-use of the KYC information, it is proposed to set up a KYC repository database in the Central Index Server (iTrex) that is currently supporting the IR system. The entities who perform KYC validation would be identified as 'KYC originators' and the entities who use this information would be identified as 'KYC consumers'. Sharing of KYC information is expected to ease the sales process and enable faster issuance of insurance policies (both electronic and physical).

### **Business Proposition for Insurers**

#### **The business proposition for insurers shall be**

- a. 'KYC-originator' revenue.
- b. Faster issuance of policies owing to KYC sharing
- c. Reduced cost of storage/maintenance of electronic policies
- d. Increased coverage due through electronic commerce route
- e. Reach to inclusive segments

### **Electronic Transaction Administration and Settlement System (ETASS)**

The Electronic Transaction Administration and Settlement System (ETASS) is a clearing house system that facilitates sharing of documents and accounting statements pertaining to the coinsurance and reinsurance transactions and is designed to aid easy reconciliation of inter-entity balances. ETASS shall provide electronic functionality for automated negotiation, deal placement, binding of risks, documentation, accounting, reconciliation and settlement of balances, messaging, risk management, etc. The ETASS system shall strive to bring complete transparency into reinsurance and coinsurance operations while addressing the security and privacy needs of the members. The Authority in order to facilitate smooth operationalization of the ETASS and for its continued development and patronage had issued 'Guidelines for ETASS Administration' on 11th May, 2015. The GI Council has been designated as the 'Administrator' and is entrusted with the responsibility of extending the ETASS system to support the needs of other lines of coinsurance business and later to reinsurance.

### **Insurance Information Bureau of India**

Section 14(2) (f) empowers the Authority to promote and regulate professional organizations connected with the insurance and re-insurance business. Accordingly, Authority established the Insurance Information Bureau of India (IIB) to fulfil the need for a sector-level data repository and analytics which would empower stakeholders through provision of accurate, timely, reliable insurance data and analysis.

### **Institute of Insurance and Risk Management**

The Institute of Insurance and Risk Management (IIRM) is a professional body jointly promoted by IRDAI and erstwhile Government of Andhra Pradesh as an international education and research organization for promotion of Insurance education. The institute was registered as a Section 25 company under Companies Act, 1956. The overall working of IIRM is overseen by Board of Directors headed by the Chairman of IRDAI.

### **Guidelines on Insurance e-commerce**

As part of the IRDA's developmental mandate, the Authority is facilitating the promotion of e-commerce in insurance space which will lower the cost of transacting insurance business and bring higher efficiencies and greater reach. E-commerce is seen as an effective medium to increase insurance penetration and bring financial inclusion in a cost-efficient manner. As a result, the Authority has issued guidelines on insurance e-commerce.

The guidelines define the Insurance Self-Network Platform which is a technology platform. It allows only entities granted certificate of registration by IRDAI such as insurers, insurance intermediaries. The Insurance Self-Network Platform will undertake Insurance e-commerce activities in India such as selling and servicing of insurance products.

### **Guidelines on Information and cyber security for insurers**

The Authority has issued Guidelines on Information and cyber security for insurers in April, 2017 which will be effective from 1st April, 2018. These guidelines are applicable to all insurers. In case of intermediaries and other

regulated entries with whom the policyholder information is being shared, it would be the responsibility of insurers to ensure that adequate mechanisms are put in place to ensure that the issues related to information and cyber security are addressed.

Insurers who have not completed three years from the date of commencement of business are exempted from the requirement of a full-time person appointed as Chief Information Security Officer (CISO). However, the CISO responsibility may be taken care by any of the functionaries reporting to Board. All other requirements stipulated in the guidelines document shall be applicable to these insurers.

### **Web Aggregator**

The Authority took the initiative to develop a system, known as Web Aggregator, for comparing and distribution of Insurance Policies online. This initiative was taken for the benefit of prospective buyers of the Insurance Policy keeping in mind developing trends in e-commerce. The Authority initially issued guidelines in November, 2011 to enable enthusiastic entrepreneurs to leverage technological advancements to apply for registration for comparison of insurance products of various insurance companies. Based on the guidelines, the Authority had issued Certificates of Registration to 6 Web Aggregators.

Subsequently the Authority came out with “IRDA (Web Aggregators) Regulations, 2013 and IRDAI (Insurance Web Aggregators) Regulations, 2017. At present there are 26 Web Aggregators.

### **Conclusion**

To conclude, IRDAI is aggressively going in for Insurtech i.e., extensive use of technology in promotion of insurance. Insurtech refers to the use of technology innovations in the field of insurance bringing about efficiencies in operations and servicing. Financial Services, including insurance, are embracing technology faster by the day. InsurTech is emerging speedily giving scope to the introduction of new business models, applications, processes and products. Innovations in InsurTech come in from different sources—there are both demand side and supply side perspectives. There are several types of innovations that fall within the scope of InsurTech—Digital platforms, Internet of Things (IoT), Big Data Comparators, Robo Adviser, Machine Learning, Artificial Intelligence, Blockchain, P2P, Usage based and so on. Insurers are keen on investing in technology as they perceive the risk of disruption if they don't. Many insurers have dedicated teams to monitor new technologies to be able to understand their true potential for disruption. As far as risk assessment and risk improvement is concerned, technology facilitating this must be encouraged but impact on costs for the policyholder needs to be borne in mind—so any innovation must be preceded by a cost-benefit analysis.

Thus, IRDAI alongwith steps in the direction of providing enhanced protection to policy holders, promoting financial literacy through its various publicity and awareness campaigns and further assisting research and innovation in insurance through research project funding and running professional institutes, is making a strong case for increasing the insurance penetration and density in India.

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