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### [Year Ender 2023: Relaxed IRDAI measures, rapid digitization to propel Volte-face of Insurance](#)



Immediate advancements in market penetration and expansion have been propelled by relaxed regulatory measures, rapid digitization initiatives undertaken by industry stakeholders, and heightened awareness among customers. According to Industry leaders, the year 2023 can be seen as a preparatory phase for dynamic years ahead, as the industry witnessed various transformative changes.

During the fiscal year 2023, the general insurance and life insurance sectors displayed positive strides toward recuperation post the COVID-19 pandemic, achieving growth rates of 16% and 18%, respectively, compared to the preceding year. The trajectory indicates a projected higher growth rate for the insurance industry in India over the next decade.

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In the passing year, the general insurance industry in India experienced transformative regulatory changes, setting the stage for a dynamic 2024.

Praising the three big guns of IRDAI, Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance highlighted that while the Bima Sugam platform brings in mass digital access, Bima Vistaar offers a comprehensive insurance product for everyone & everywhere, and Bima Vahak is an initiative that empowers women in rural areas, fostering grassroots insurance awareness and of course spread.

The industry is also working on a cashless health insurance claims settlement system, promoting transparency, easing financial burdens, and combating fraud. The introduction of the 'Customer Information Sheet' adds another layer of transparency, offering policyholders a comprehensive overview of the terms and processes of insurance policies.

“Such progressive initiatives will bring about a positive and lasting influence on the industry, augmenting the experiences of our customers and contributing positively to the communities we are dedicated to serving,” he added.

On a similar line, Kishore Kumar Poludasu, MD & CEO of SBI General Insurance believes that innovative and practical reforms of the regulator have been implemented swiftly, reflecting their dedication to supporting innovations in the sector.

“To facilitate business operations and streamline the process of establishing an insurance company, IRDAI has also approved a proposal to allow Private Equity (PE) funds to invest directly in insurance companies,” he pointed out.

Notably the State Insurance Awareness Plan, fostering collaboration among IRDAI, state officials, government authorities, and insurers has also been implemented. Further, the authority has initiated the journey towards adoption of IFRS 17 and the implementation of risk-based capital and solvency frameworks.

### Reshaping Health Insurance

In 2023, the insurance industry observed several significant trends reshaping the landscape of healthcare coverage. One notable trend was the enduring shift towards consumer-driven healthcare.

This movement empowered individuals to take greater accountability for their healthcare decisions and associated costs, marking a fundamental change in how people perceive care and coverage. Another prominent trend was the accelerated integration of technology to enhance the customer experience.

"Technologies such as telemedicine, remote monitoring, artificial intelligence, and machine learning continued to gain traction, revolutionizing patient outcomes and care delivery methods. Moreover, the expansion of value-based care models remained a focal point, transforming the healthcare paradigm by prioritizing high-quality care at reduced costs. With the aging population and escalating healthcare expenses, these models became increasingly vital for sustainable and effective healthcare provision," SBI Gen's Chief explained.

Looking ahead, the general insurance landscape anticipates significant developments, especially in health insurance. The Government and IRDAI's active role in strengthening the country's health infrastructure is a key driver for growth, Ritesh Kumar, MD & CEO, HDFC ERGO General Insurance also added.

"On the other hand, the National Health Authority (NHA) has launched a slew of platforms like ABHA ID and National Health Exchange to make individual healthcare information accessible along with a seamless claims experience with Industry aiming for 100% cashless claim settlement for the benefit of policyholders Such steps propelled health insurance penetration in the country," he said.

### Top Insurance trends of 2023

The pace of both digitisation and digitalisation has been increasing within the General Insurance space for the last few years. This is partly because of the sheer volume of low-value transactions and partly due to the advancement of technology especially in GenAI, ML etc.

Insurance companies have been leveraging these technologies to offer personalised products and services like Usage Based Insurance in Motor vehicles, Retail Health insurance tailor-made for individual needs and improved claims services, Kumar of HDFC Ergo pointed out.

He further added that in response to the escalating trend of online transactions and digital interactions, the Indian insurance industry has witnessed a larger investment in robust cyber security infrastructure to safeguard sensitive customer data, counter cyber threats, and ensure the security of digital transactions.

"In parallel, 2023 also saw insurers incorporating implementing robust Fraud Detection engines, to minimise fraud and data thefts which will reduce unwanted losses in the industry and will benefit the genuine policyholders to fight the annual inflation of premium," he said.

## Targeting younger population with digitalization

Insurers have a significant technology debt as many processes still run-on legacy systems. Cloud enabled us to collect, store, and analyze extensive customer data. As ecosystems continue to develop, cloud-native insurance providers will be positioned as central hubs among customers, carriers, healthcare providers, vehicle providers, smart home device distributors, and so on, Sharad Mathur, MD & CEO of Universal Sompo General Insurance predicted.

"Insurers are targeting younger populations with relevant products and digital customer experience. Real-time use of alternate data helps with automation and better streamlining of underwriting. Analytics offers quick ROI as well. Microservices improved the customer journey and helped them choose as per their needs. New-age tools give insurers visibility into sales and engagement activities while helping agents analyse data to offer better personalized services," he said.