

[Union Budget 2023: Amid new tax regime, credit guarantee schemes, here's how insurers react on budget](#)



According to India Inc. the Union Budget for 2023 is an all-inclusive progressive budget with a strong impetus on growth and development. From the incentives for agricultural space, boost to MSMEs, healthcare to changes in tax slabs, here's what Insurance Leaders think it does for the underpenetrated sector.

The Finance minister Nirmala Sitharaman announced the Union Budget for 2023-24 on 1st February 2023 which was also referred to as the first budget of 'Amrit Kaal'.

Starting from the Saptarishi, the top 7 priorities of this year's budget, FM Sitharaman made big ticket announcements for various sectors and individuals, which is expected to promote ease of doing business and leave people with more disposable income.

Be it in Agriculture Accelerator Fund, Personal Income Tax, revamping the Credit Guarantee Scheme for MSMEs, increased outlay for infrastructure to KYC Simplification, leaders think this year's budget to be all inclusive and forward looking.

Here's what Insurance Leaders think of Union Budget 2023:

Tapan Singhel , MD & CEO, Bajaj Allianz General Insurance The Union Budget is an all-inclusive progressive budget with a strong impetus on growth and development. The proposed ecosystem for the agricultural space will be a game changer for our farmer friends and will enhance their ability to get more significant insights, tools, and materials. It will also help them gain access to credit and insurance in a big way.

What impresses me more is the move towards increased outlay for infrastructure, which compliments the announcement of surety bond insurance in the last budget and lays the foundation for a strong, connected India.

Bhargav Dasgupta , MD & CEO, ICICI Lombard General Insurance

With fiscal deficit being reduced to 5.9% whilst providing an extremely bullish capex investment of Rs. 10 lac crs (highest ever); will in effect convert revenue expenditure to capital expenditure which has a higher multiplier effect.

It will also mean net borrowing by the Govt being lower than anticipated at Rs. 11.8 lac crs and that augurs well for the bond market and the corporate sector as a whole. Moreover with tax relief at an individual level would mean an additional Rs. 35,000 crs available for consumption. For a category like general insurance, these macro-economic indicators would provide the much-needed thrust for bridging the penetration gap in the country.

Anup Rau , MD & CEO, Future Generali India Insurance

Some key areas insurance companies will be closely looking at going forward are the proposed investments by the Government in technology and AI, data governance policy, simplified KYC process, common business identifier and MSME sector-related initiatives.

Today's proposal by Hon Finance Minister to raise the capital expenditure target by 33% to Rs. 10 lakh crores, which is 3.3% of the country's economic output, will shore up demand and consumption in the economy. This massive capital expenditure planned will give a boost to the reinsurance sector.

Ankur Nijhawan, CEO, AXA France Vie India Reinsurance Branch

The new tax regime does not allow exemptions on savings like the earlier one. This change poses a major need for sectors like insurance to create a product which is consumer focused. Consumer has so far been buying it to avail tax incentives however, this new change demands that the sector revamp its offering to meet consumer expectations and servicing requirements to create demand by offering customised, user friendly offerings and improving the customer experience.

Yashish Dahiya , Chairman & CEO, PB Fintech (Parent Company of Policybazaar.com) This budget gives an additional, well thought out push to the growth through rising ease of business. This is set to increase deregulation in the insurance industry, which is the need of the hour.

The government has focussed its attention on simplifying existing rules, thus opening up space for further growth of the insurance industry in particular and the Indian economy in general.

Krishnan Ramachandran , MD & CEO, Niva Bupa Health Insurance

On the healthcare front, establishment of 157 new nursing colleges is a welcome step towards empowering the healthcare ecosystem in metros and the emerging markets. It would help to increase the accessibility of healthcare services to people across the country. This will also enable higher penetration of medical services in the semi-urban areas through secondary and tertiary care.

Rushabh Gandhi , Deputy CEO, IndiaFirst Life Insurance Company

The insurance regulator's mission of "Insurance for all by 2047" will get a further boost because of the exemption of stamp-duty on PMJJBY. This exemption will reduce the burden on life insurers sourcing PMJJBY policies and prompt them to procure incremental business.

Tarun Chugh, MD & CEO, Bajaj Allianz Life Insurance

The budget announced that for non-ULIP (traditional) insurance policies issued from the new fiscal year, income from only those policies with aggregate premium up to Rs 5 lakh shall be exempt

This is a bit of a dampener for the insurance industry and for increasing penetration of insurance and household financial savings in India. India still has quite low insurance penetration and there is a need to provide measures and incentives to boost that in the coming years.

Sharad Mathur , MD & CEO, Universal Sompo General Insurance

The Union Budget has laid down solid credit line guarantee for boosting the ever-important MSME sector. This will result in high capital expenditure by MSMEs requiring insurance protection. We believe that insurance companies will partner with MSMEs and Financial Institutions to protect the assets and infrastructure.