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Projections of Insurance leaders indicate a continued growth trend, with further advancements in technology, regulatory frameworks, customer-centric approaches, and innovative product offerings driving the sector's overall expansion. Here are some of the key trends likely to unfold in the new year:

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

Projections of Insurance leaders indicate a continued growth trend, with further advancements in technology, regulatory frameworks, customer-centric approaches, and innovative product offerings driving the sector's overall expansion over the next decade.

The Insurance Regulatory and Development Authority of India ( IRDAI ), in 2023, brought multiple reforms, focussing on 3 prominent themes – strengthening the ecosystem, improving accessibility & reach, and safeguarding policyholders' interest. As we now look forward to 2024, regulatory reforms are expected to continue to steer the industry.

Here are some of the key trends likely to unfold in the new year:

The general insurance industry in the year 2024, is expected to see insurers venturing into new territories to extend coverage to a broader section of the Indian population. Collaborations will be on the rise, with insurers partnering with insurtech startups, healthcare providers, and government bodies.

"These partnerships will drive innovation, moving beyond traditional insurance offerings to create products that meet the evolving needs of customers. The integration of advanced technologies such as artificial intelligence, blockchain, and big data will play a crucial role in improving efficiency and enhancing customer experiences. Technology will enable insurers to design highly tailored insurance products, addressing individual customer needs precisely," Tapan Singhel, MD & CEO of Bajaj Allianz General Insurance said.

Looking ahead, generative AI promises a future where hyper-personalized services will be available on the go, enhancing customer satisfaction and improving risk assessment, fraud detection, and claims processing. Additionally, regulatory

reforms, including the 'Risk Based Supervision' framework by IRDAI, aim to ensure a thorough understanding of risk-related activities, contributing to financial stability, he added.

#### New entrances, composite license and Insurance bill 2023

While the regulator has already licensed 3 new players this year, it is expected to allow entry of more companies going forward. IRDAI has said that it is looking to issue licenses to 20 new insurers in the immediate future. Additionally, the regulator is also likely to relook the capital requirements, making entry of new players easy.

With an increased competitiveness in the market, the sector will see more innovation, improved distribution models, automation and more, Sumit Rai, MD & CEO, Edelweiss. Tokio Life Insurance highlighted.

One of the awaited developments of 2024 is that the government will table the Insurance Laws (Amendment) Bill 2022 as it has the potential to bring another round of positive reforms and bolster growth prospects of the industry, he added.

Proposals for composite licenses also promise diverse insurance offerings, ensuring enhanced affordability and accessibility.

#### Life Insurance -Budget Wishlist

The journey towards 'Insurance for All by 2047' is marked by strategic steps and certain recommendations for the upcoming Budget which could pave the way for growth and accessibility in the Life Insurance Sector, said Satishwar B, MD & CEO, Aegon Life Insurance.

1. No Taxation for Annuity Plans to Benefit Both Retirees and the Industry.

2. Improving Tax Benefits to Increase Insurance Coverage

a) Separating Savings for Life and Health: Changing tax sections 80C and 80D to provide separate tax breaks for the life-threatening risk part of life and health insurance payments, as well as for fixed-term insurance plans, he highlighted.

b) Complete Deduction for Life Insurance Premiums: According to the expert, permitting individuals to deduct the entire amount paid for life insurance premiums from their taxable income, as stated in Section 56, without any decrease due to claims made under other sections such as 80C, will encourage more people to buy insurance.

3.) GST Reforms for Wider Reach: GST on term life insurance and applying a 'Zero rating' –which means setting the tax rate to 0%— for certain essential policies like the Pradhanmantri Jeevan Jyoti Bima Yojana (PJJBY), smaller insurance policies covering up to ₹2 lakh, and annuity products for National Pension Scheme (NPS) subscribers, he added.

#### Empowering Communities through Bima Vahaks

The IRDAI's Bima Vahaks initiative is set to make insurance knowledge more accessible. This women-driven distribution force promises to bridge the gap between insurance and the masses through personal interactions and localized understanding. Bima Vahaks, together with Bima Sugam (the one-stop-shop insurance platform) and Bima Vistaar (an affordable composite insurance product) promise to lead the path towards insurance for all.

#### Use of AI in Health Insurance to reshape industry

Traversing the landscape of healthcare finance with the vision of 'health for all' has left a mark in 2023. The surge in telemedicine, addressing the need for safe and convenient healthcare, is gearing up for further expansion in 2024. The use of AI for precise diagnostics, a standout trend, is projected for substantial growth this year. AI's pivotal role in streamlining insurance processes, detecting fraud, and enhancing healthcare system efficiency remains crucial, said Aniruddha Sen, Co-founder, Kenko Health.

The proliferation of wellness apps, fitness wearables, and incentivized programs from insurance providers is guiding individuals towards healthier lifestyles. Rooted firmly in 2023, this trend is set to solidify in 2024, fostering a holistic approach to well-being.

Crucially, there is a heightened focus on preventive health financing. Anticipated innovations from insurance providers are expected to introduce policies incentivizing proactive health measures, Sen added. Insurtechs likely to witness more investments, M&A

We will also see new-age players addressing various unique challenges of the industry and one can expect investment in insurtechs rising in the coming year. With IRDAI also allowing an additional expense towards insurtech expenses up to 5% of the allowable expenses of management to widen customer reach, one can expect insurance companies to increase investment in developing better tech solutions for customers, Vivek Chaturvedi, CMO and Head of Direct Sales at Digit General Insurance said.

With IRDAI reviewing over a dozen applications for licenses, new players are anticipated to enter the market, which could stimulate M&A activities in the insurance sector and insurance intermediation field. Mergers and acquisitions within the insurtech space have the potential to drive significant consolidation, reshape market dynamics, and contribute to the growth and advancement of individual companies, he added.