



# INTRODUCTORY PRESENTATION FOR GLOPAC FELLOWSHIP PROGRAM (SEP. 2021)

**From:**

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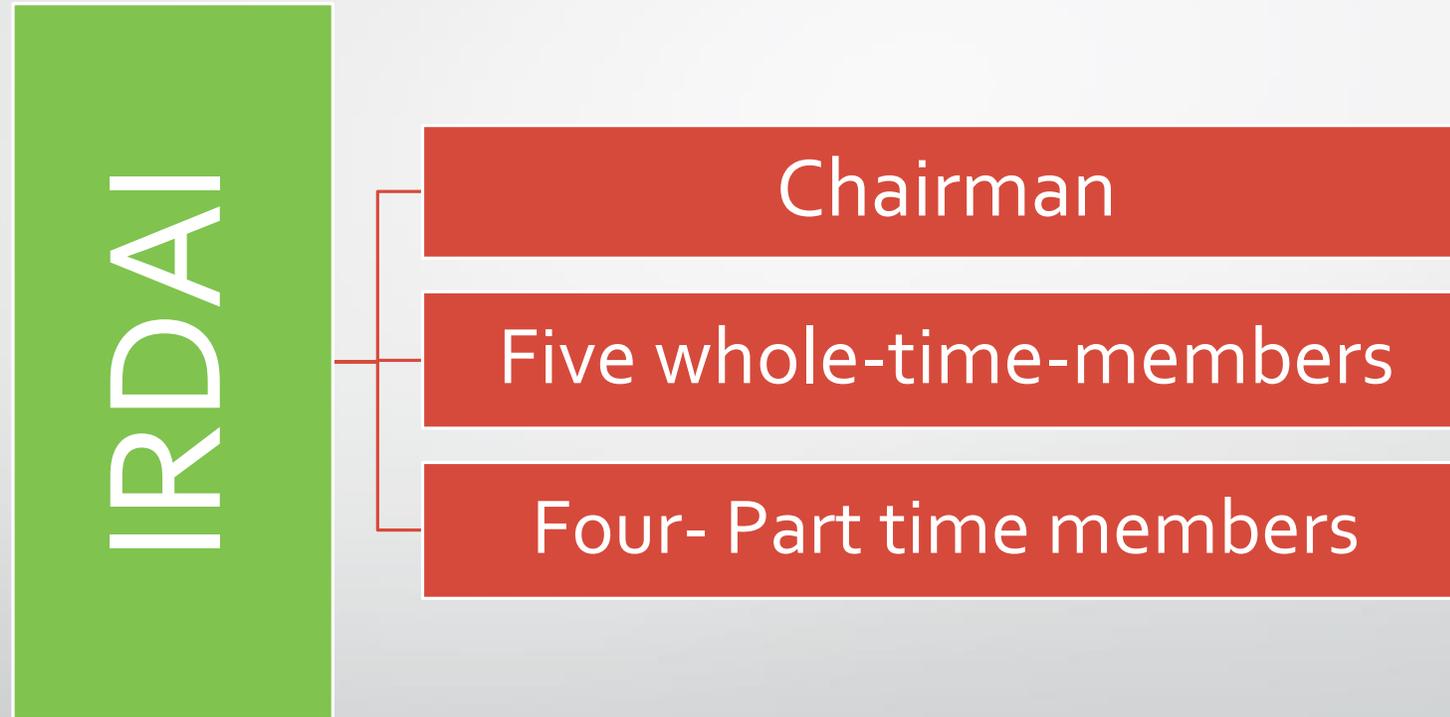
*(Views expressed are purely personal & academic in nature)*

# IRDAI



- Insurance Regulatory and Development Authority (IRDA) was constituted as statutory body in the year 2000 under IRDA Act, 1999 to regulate and develop the insurance industry.
- India was added in the name after Development Authority vide Insurance (Amendment) Act, 2015.
- The Insurance (Amendment) Act, 2021 increases the limit on foreign investment in an Indian insurance company from 49% to 74%.

# COMPOSITION OF THE AUTHORITY





# MISSION OF THE AUTHORITY

- To protect the interest of and secure fair treatment to policyholders;
- To bring about speedy and orderly growth of the insurance industry;
- To set, promote, monitor and enforce high standards of integrity, financial soundness, fair dealing and competence of those it regulates;
- To ensure speedy settlement of genuine claims, to prevent insurance frauds and other malpractices and put in place effective grievance redressal machinery;
- To promote fairness, transparency and orderly conduct in financial markets dealing with insurance;

# DUTIES, POWERS & FUNCTIONS OF AUTHORITY (Sec. 14 of IRDA Act, 1999)



- Calling for information from, undertaking inspection of, conducting enquiries and investigations including audit of the insurers, intermediaries, insurance intermediaries and other organisations connected with the insurance business;
- Regulating maintenance of margin of solvency;
- Regulating investment of funds by insurance companies;

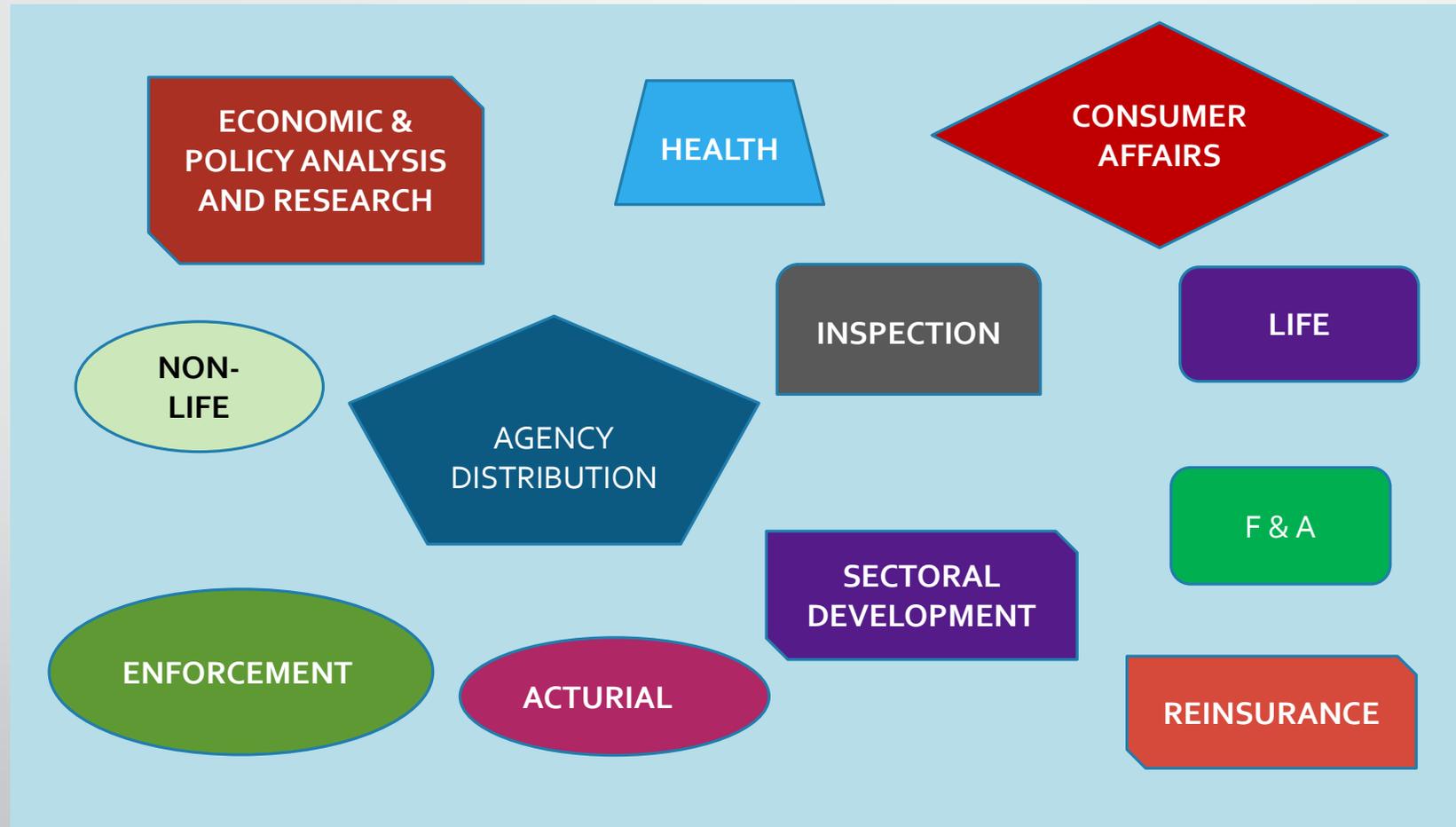
## Contd...

- Adjudication of disputes between insurers and intermediaries or insurance intermediaries;
- Promoting and regulating professional organisations connected with the insurance and re-insurance business;
- Specifying the percentage of life insurance business and general insurance business to be undertaken by the insurer in the rural or social sector

# LEGAL FRAMEWORK

- IRDA Act, 1999
- Insurance Act, 1938
- Insurance Rules
- Regulations
- Guidelines
- Circulars

# DEPARTMENTS



# SNAPSHOT OF THE INDIAN INSURANCE INDUSTRY



LIFE INSURER- 24  
GENERAL INSURERS - 34  
REINSURANCE- 1  
FOREIGN REINSURER BRANCHES  
INCLUDING LLYODS' INDIA - 10

## INTERMEDIARIES

- BROKERS – 509
- CORPORATE AGENTS- 592
- SURVEYORS AND LOSS ASSESSORS (INDIVIDUAL - 9770 & CORPORATE SURVEYORS- 179)
- TPA's- 23
- WEB AGGREGATORS -21
- INSURANCE MARKETING FIRMS - 330

# INDIAN INSURANCE MARKET-2020



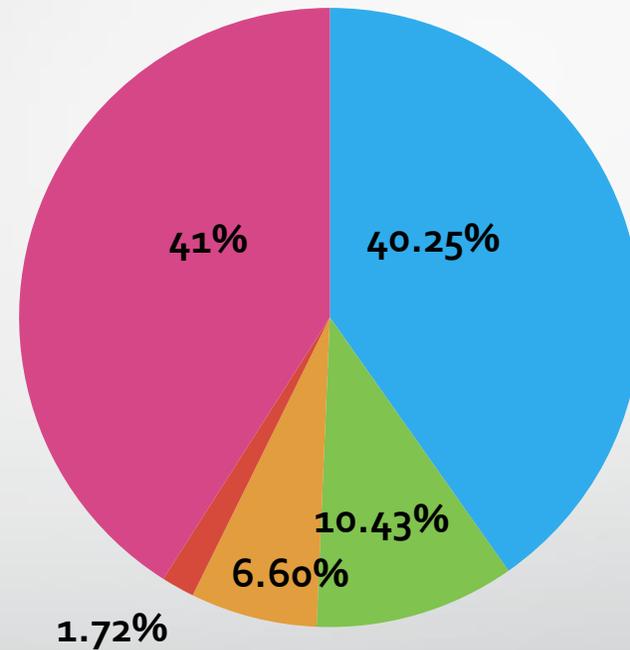
5.2% increase in GDP for Non Life business

## LIFE BUSINESS

- First Year Premium- up by 7.5%
- Number of policies issued decreased by 2.5%
- Number of lives covered under Group schemes decreased by 21%

*Source- Monthly business statement for the period ending 31.3.2021*

# WORLD INSURANCE MARKET (2020)- 6.28 TRILLION



■ United States    ■ PR China    ■ Japan    ■ India    ■ Others

Source- Swiss Re Sigma 3/2021

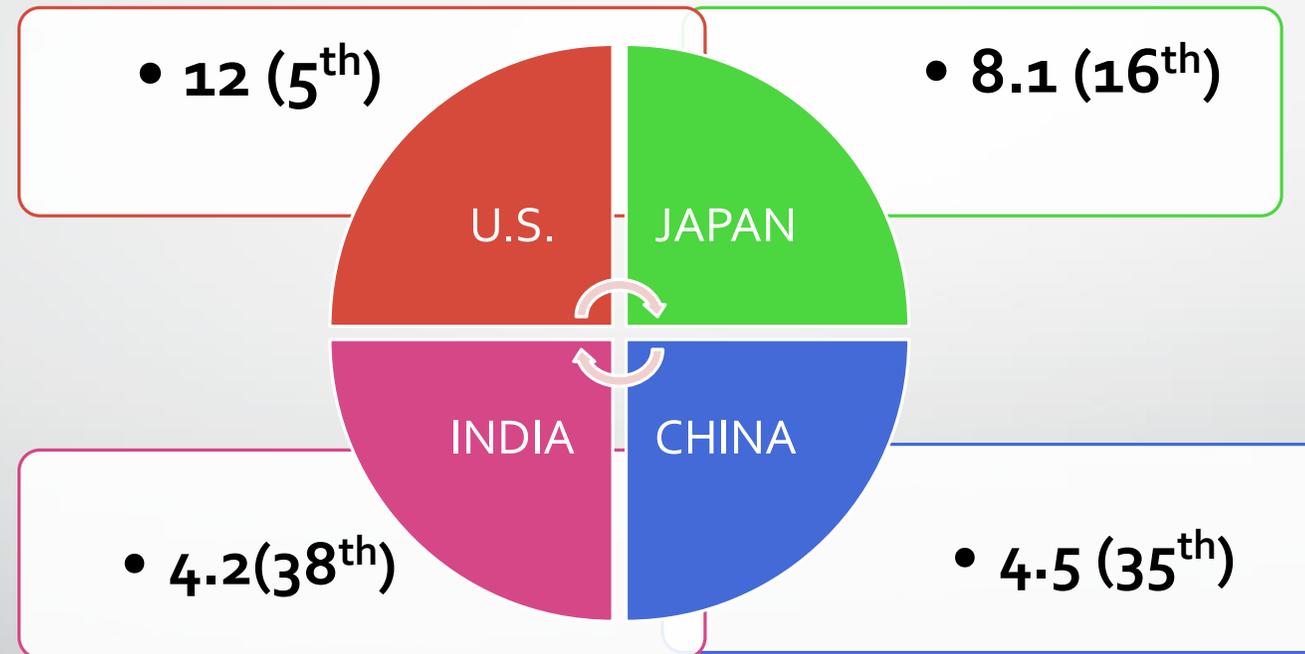
# INDIA IN WORLD INSURANCE MARKET (2020)



- 11<sup>th</sup> position (1.7% share in World Insurance Market)
- 10<sup>th</sup> Position ( 2.9% share in World Life Insurance market)
- 14<sup>th</sup> Position (0.77% share in World Non life Insurance market)
- 2<sup>nd</sup> Position ( 1381.7 million population)
- Life Vs. Non-Life business premium ratio - 75.2:24.8
- (World ratio- 44.5:55.5)

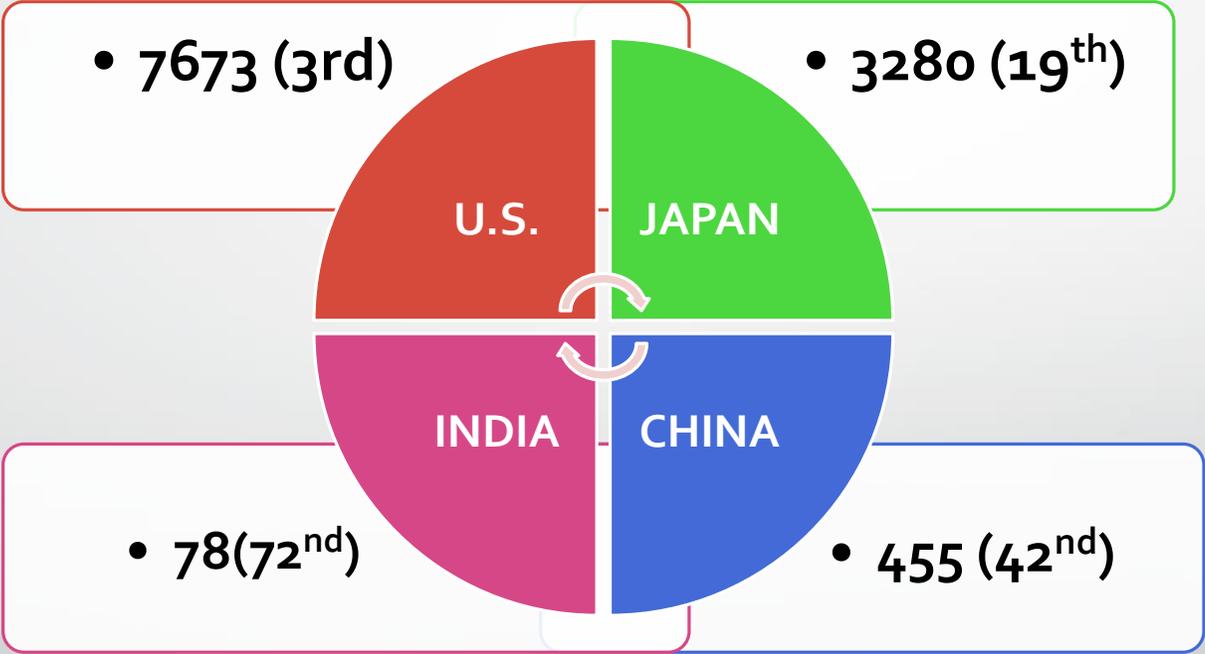
(Source: Swiss Re Sigma 3/2021)

# INSURANCE PENETRATION (2020)



Source- Swiss Re Sigma 3/2021

# INSURANCE DENSITY-PREMIUM PER CAPITA(2020)



Source- Swiss Re Sigma 3/2021

# INTEGRATED GRIEVANCE MANAGEMENT SYSTEM (IGMS)



Policyholder can use any of the following method to submit complaint to IRDAI:

- Registration at IGMS at <https://igms.irda.gov.in>
- Can send the complaint through Email to [complaints@irdai.gov.in](mailto:complaints@irdai.gov.in).
- Can call Toll Free No. 155255 or 1800 4254 732.
- Apart from the above options; complaint in physical form may be sent to IRDAI's Consumer Affair Department.

# RISK BASED SUPERVISION



- Primarily Authority follows Rule based supervision and is focusing on compliance based approach.
- Now IRDAI is in the process of adopting Risk Based Supervisory Framework for holistic supervision.
- Each regulated entity will be assessed based on its risk profile and the overall risk it carries.

# KEY INITIATIVES



- IRDAI (Minimum information required for Investigation and Inspection) Regulations, 2020
- Committee on formation of Indian Pandemic Risk Pool formed
- Introduction of standard products for Life, General and Health Insurance
- Guidelines on Wellness and Preventive features
- Guidelines on Cross Border Reinsurers
- Covid 19 Corner

