

Not disruption, but continuous evolution



With a record 700 delegates from 38 countries, hectic networking, engrossing discussions and effective bilateral meetings, the 12th India Rendezvous, Reinsurance: Disrupted, in Mumbai from 22 to 24 January set important milestones.

By Anoop Khanna



“The India Rendezvous can only become more important in times to come as the Asian risk markets lead the way in enlarging their global share just as Asian economies power global growth,” said GIC Re chairman-cum-managing director Alice Vaidyan in her special welcome address at the 12th edition of the annual India Rendezvous 2019.

“The reinsurance industry saw major disruption, if one might use the term, following 9/11 events in 2001 where governmental solutions had to bridge the void created by withdrawal of commercial insurance in regard to terrorism coverage,” said Mrs Vaidyan. “Alternative capital experimented with the reinsurance sector through CAT bonds, sidecars and industry loss warranties - but those experiments apparently have met with partial success.

“One could say there is no disruption – only consistent evolution in the industry but nevertheless, it does not mean that the challenges thrown up are any less formidable,” she said.

General insurance in India at an inflection point

Tracing the progress of the Indian general insurance industry New India Assurance chairman-cum-managing director Atul Sahai in his keynote address said, “General insurance in India has come a long way, yet India remains one of the most under-penetrated insurance markets.”

He said, “With the ‘push’ provided by the government insurance schemes such as prime minister crop insurance scheme and Ayushman Bharat (National Health Protection Mission), there is a tremendous growth possible, especially with an industry-friendly regulator. Only the industry should get its act together.”



Mrs Alice Vaidyan



Mr Atul Sahai

Reinsurance: Disrupter or enabler

‘Reinsurance: Disrupted? Contested? Well-positioned as enabler of solutions?’

the special industry keynote address by SCOR Global P&C Reinsurance CEO Jean-Paul Conoscente focused on the three major global drivers, demography and climate, economy and industry, macro-economy and finance which are generating significant changes with strong implications for the (re)insurance sector.



Mr Jean-Paul Conoscente

Mr Conoscente said, “These three major drivers of change are impacting sustainable development and energy transition; hubs, networks and connectivity and the intangible economy.

“The common theme in all these is resilience and the objectives to be derived from these challenges and opportunities are equally valid for insurers, reinsurers and brokers.”

Role of government in enabling risk transfer

Swiss Re India branch CEO G Satish Raju focused upon the role of government in public/private partnerships in enabling risk transfer.



Mr G Satish Raju

Mr Raju said that the industry needs to step up, “Engagement with governments and public institutions to highlight the utility of risk transfer in mitigating the financial impact of natural catastrophes on government budgets, and to build public-private partnerships to strengthen fiscal resilience.”

He said, “Creditworthiness also improves with risk transfer as ratings agencies have now started evaluating exposures to natural disasters and impact on financing/refinancing costs.”

Crop insurance in India has challenges

The critical role of the Indian government-sponsored crop insurance scheme for the Indian economy was the focus of ACE Insurance Brokers director Anil Arora in his presentation ‘Pradhan Mantri Fasal Beema Yojana: Have insurers struck gold?’



Mr Anil Arora

Putting aside media reports of profiteering by insurance companies from the crop insurance scheme, he said, “Insurers do take on the risk to protect farmers from the vagaries of nature and the impact of crop losses.”

New reinsurance regulations beneficial for industry

The panel discussion on new reinsurance regulations was moderated by Kotak Mahindra General Insurance’s independent director Arun Agarwal.

The panellists, GIC Re general manager and chief risk officer Madhulika Bhaskar, Moody’s Investors Services’ assistant vice president Mohammed Ali Londe and Markel International head of India Deepika Mathur said that the new regulations were progressive with good features but are yet to be grasped by the industry stakeholders.

The fact that Insurance Regulatory and Development Authority of India (IRDAI) has recognised alternate risk transfer mechanisms is commendable. The new regulations will encourage proper risk diversification and also promote the technical capability of the reinsurers apart from their financial strength.

Under the new regulations, Indian reinsurers retain the first right of refusal and cedants must seek terms from all Indian reinsurers which have undertaken reinsurance business continuously during the im-

mediately preceding three years and from at least four foreign reinsurance branches, allowing the non-Indian reinsurers to compete for business on equal terms with Indian reinsurers.

The panel was unanimous that the Indian market offers tremendous opportunities for all players and the new regulations would not deter their plans for the market.

Disruption is the new normal

The panel discussion ‘CEO’s perspective on insurance disrupted: What reinsurers can do to help?’

The discussion was moderated by Insurance Institute of India professor Dr George Thomas, who traced the roots of insurance to disruption. He said, “The current phase of disruption too is inevitable and nothing to be worried about.”

“Disruption reinvents the way the industry does its business. Disruption was seen as a negative word but of late we see disruption has become necessary,” said AXA XL CEO Joseph Augustine.

Green Delta managing director and CEO Farzana Chowdhury noted that the insurance industry, “Has been slow in adapting technology and this needs to change to increase insurance penetration, especially in countries like Bangladesh.”

GIC Re general manager Devesh Srivastava said, “The insurance industry is ripe for disruption, however, there is a fine line that demarcates innovations from disruptions. Presently from a reinsurance industry perspective it is pretty laid back.”

Disruption can bridge the penetration gap

The presentation on using disruption to bridge the penetration gap by Swiss Re head of P&C client markets, India Amitabha Ray focused on how digital advancements have led



L-R: Mr Arun Agarwal, Ms Deepika Mathur, Mr Mohammed Ali Londe, Mr Dipesh Shah and Ms Madhulika Bhaskar.

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to changes in the way people live, interact and communicate and how this, in turn, has also impacted the way customers view and build their relationship even with insurers, disrupting the insurance value chain.

Mr Ray said, “It is important to expand the reach of insurance and customers, simplicity, technology, affordability and accessibility are the important components that can help expand the reach of insurance.”

Natural catastrophes can be managed better

“Climate change is leading to increases in natural catastrophes induced losses, with little information on where losses occur. The solution for this lies in better climate models integrated with meso-level insights to provide transparency on risk exposure,” Earth Analytics India co-founder Michael Anthony said.

Cyber resilience scores over cyber security

“Companies should adopt a cyber-resilient approach which ensures greater readiness and less repetition, making it more efficient and effective”, said SBI Life Insurance executive vice president and chief of info and cyber N Roop Kumar.

He said, “Cyber resilience scores over cyber security for two main reasons, to avoid the catastrophic failure threatened by an all-or-nothing approach to cyber risks and ensuring that the conversation goes beyond information technology or information security.”

Digital technology and dealing with changing market dynamics

Explaining the rise of digital technology and how to deal with changing market dynamics DXC Technology industry general manager Prakash



L-R: Dr George E Thomas, Mr Joseph Augustine, Ms Farzana Chowdhury and Mr Devesh Srivastava.



L-R: Dr Shreeraj Deshpande, Mr Aftab Hasan and Mr Nirjhar Majumdar.

Thomas said that there were four major changes that needed to be dealt with: Data revolution, growth of new entrants, the digital mandate and social and economic dynamics.

“While pursuing innovation one has to deal with legacy systems as well. Also, the digitally immersed consumers have to be made aware of augmented and virtual reality and on how reality is experienced and perceived,” he said.

Indian government health insurance, an opportunity lost for insurers

Speaking on Ayushman Bharat, the National Health Protection Mission introduced by the government in September 2018, Future Generali India Insurance principal officer and officiating CEO Dr Shreeraj Deshpande said that to date 32 states of India have signed MoUs with the government of India to participate in the scheme but not all stakeholders have understood its utility and hence delayed its implementation.


“It can’t be described as an opportunity lost, but yes, it has been unused, delayed, untapped or at best it is situational,” he said.

The future of insurance: Cover or service

The closing address of the 12th India Rendezvous was delivered by Life Insurance Corporation of India manager (legal) Nirjhar Majumdar, who is also the winner of India insurance industry essay competition 2019.

Mr Majumdar said, “The industry needs to realise that protection cover is just not enough, and they need to develop an alternative business model. Various studies have discovered the fact that insurers who provide multiple services alongside ‘cover’ are able to create better customer loyalty and advocacy.”

India Rendezvous 2020

The India Rendezvous 2020 will be held in Mumbai from 20 to 22 January 2020. 



L-R: Mr Amitabha Ray, Mr Michael Anthony, Mr NKV RoopKumar Nagumantry and Mr Prakash Mathew Thomas.