



Greetings from Insurance Institute of India



Active in insurance education, training and other related activities since 1955

66 years in insurance capacity building





Thought Leadership Initiative of Insurance Institute of India

“ Survey for knowing the risk perception in near future for Indian insurance industry ”

The insurance industry is prepared for major loss events including pandemics. But Covid 19 pandemic was different and unprecedented.

To understand the potential long-term impact on Indian Insurance companies, perceived risks and response plans, responses were sought through a survey questionnaire with key questions to executives and decision makers in the Indian insurance industry.





For more than two years, the world has responded to COVID-19 in a totally unplanned way and in the crisis mode. COVID-19 pandemic had a major global impact on economic and financial activities. The insurance sector got affected both by the exponential growth in claims in the life, health and property segments and by the negative impact on financial activities. But, insurance companies are supposed to bounce back as risk analysis, crisis management and planning is at the core of their business.

The crisis has indicated the need for accelerating innovation in products and distribution, accepting technological interventions, reviewing the cost structure, upskilling and reskilling human resources, look into the aspects of IT preparedness for security and bandwidth needs and ensuring remote working capabilities by creating necessary work protocols. In essence, it has become essential to rapidly create and put in place a resilience plan, in case, the pandemic persists or recurs.

As the world starts to reopen, actions by the captains of insurance business will be based on own estimates and a considered common view of all concerned. Insurance Institute of India thought of compiling the feelings, expectations and concerns from decision makers in the Indian insurance industry through conduct of a short survey.

Deepak Godbole
Secretary General, Insurance Institute of India

12.04.2022





Collaboration between industry and academia is key to catalyze innovation and growth. As all industries including insurance were experimenting with emerging technologies and the new business models in the digital economy, unexpected disruption was brought in by the Covid 19 pandemic.

As the insurance industry prepares to bring the operations back to normal, the decision makers in the industry heading the organization itself or responsible for core functions such as technology, finance, risk management would be through challenging times in the post pandemic world.

Surveys provide people's opinions, views and reflect on behaviours that could help in taking important decisions and plan strategies. It is collective wisdom through knowledge sharing. This initiative of Insurance Institute of India to undertake a survey by participation of decision makers in insurance industry and sharing results back to the industry by way of a report is greatly appreciated.

I wish Insurance Institute of India all success in its future initiatives.

Sharad Mathur
Managing Director & CEO
Universal Sompo General Insurance Co. Ltd.

12.04.2022





भारतीय बीमा संस्थान
INSURANCE INSTITUTE OF INDIA

कॉलेज ऑफ इन्श्योरेंस
COLLEGE OF INSURANCE

R

research

Fri 2/25/2022 12:30 PM

To: research

Dear Sir/Madam,

Greetings from the Insurance Institute of India!

The Insurance Institute of India, established in 1955, is pioneer in creating insurance awareness and insurance capacity development. The institute is engaged in content development, conduct of professional and regulator mandated examinations, surveys, research and publications.

Because of COVID 19 pandemic, insurance industry is learning a lot more about customers, products, preferences and business practices. Financial stress generally correlates with dissatisfaction, but, insurers could improve customer satisfaction and, thereby, look towards a better future by introducing new products, alternative pricing, innovative plans and through digital initiatives.

Learning from the pandemic should be helpful for the decision makers to plan and ensure continuity and growth. Is the Indian insurance industry really resilient and ready for action in the post Covid era is a question in the minds of many, be it customers, insurers or regulators. With a thinking that a short survey could help all the stakeholders in the insurance ecosystem to know about the perception of all those who matter, Institute has designed a survey on resilience and sustainability of insurance industry.

The survey is oriented at CEOs, COOs, CFOs, CROs, CTOs, CMOs, CXOs and senior officials of the insurance industry who have to devise strategies and actions for the new normal. We request you to spare a few minutes to complete the survey, and, we would be sending back the results when compiled. Hope you could send your response by 28th February 2022. Please [click here](#) for survey form.

Thank you in anticipation of an early response. We would also be happy to know if there are any suggestions/ plans of your organisation in which Insurance Institute of India could be of help or any survey or research that institute could conduct for your organisation.

Thanks and Regards,

Research Department

Insurance Institute of India,

C-46, G-Block, Near American Consulate,

Bandra-Kurla Complex, Mumbai - 400 051.

www.insuranceinstituteofindia.com



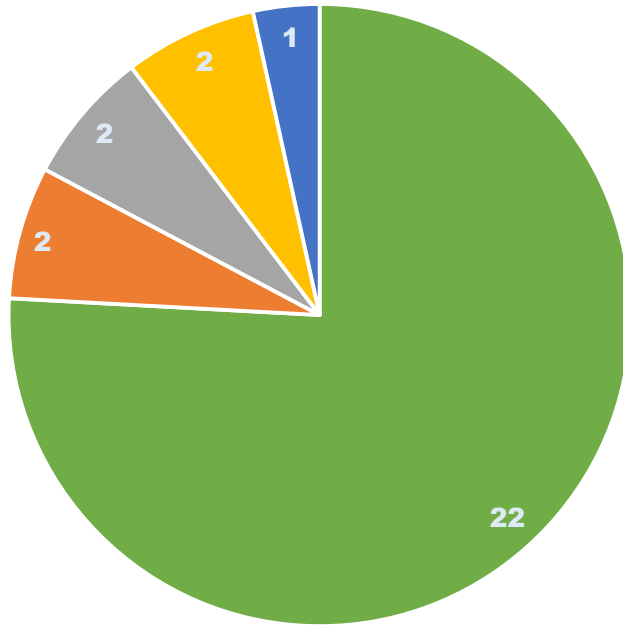
Survey for knowing the risk perception in near future (2-3 yrs) for the Insurance Industry

Respondents: CEOs, CFOs, CTOs, CXOs, COOs, CMOs, CDOs, CROs, CIOs, etc. of Insurance Companies



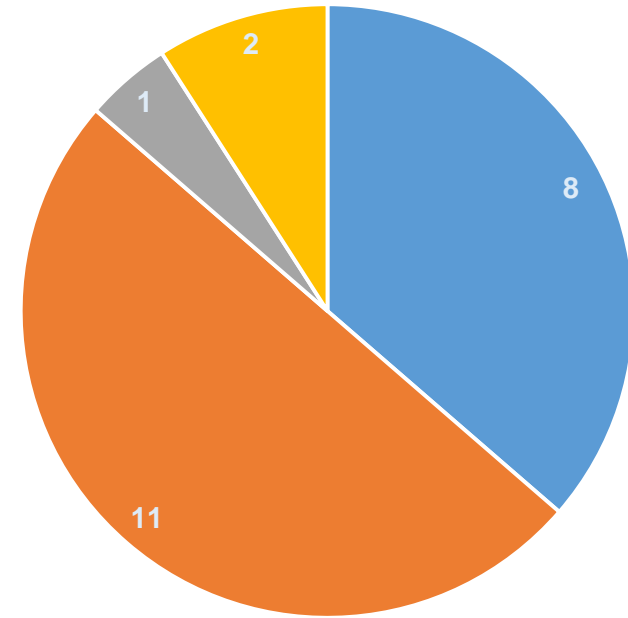
53 responses from 29 organisations

Respondent Organisations (29)



22 2 2 2 1
 ■ Insurers ■ Reinsurers ■ TPAs ■ Academics ■ Ombudsman

Respondent Insurance Companies (22)



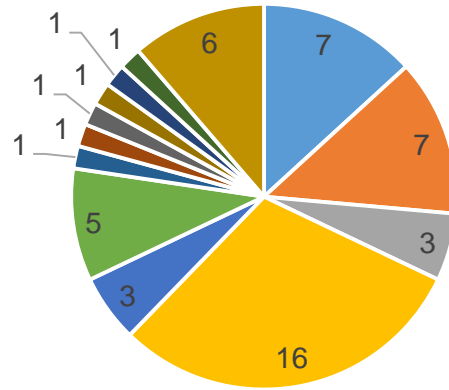
8 11 1 2
 ■ Life ■ General ■ Health ■ Specialised





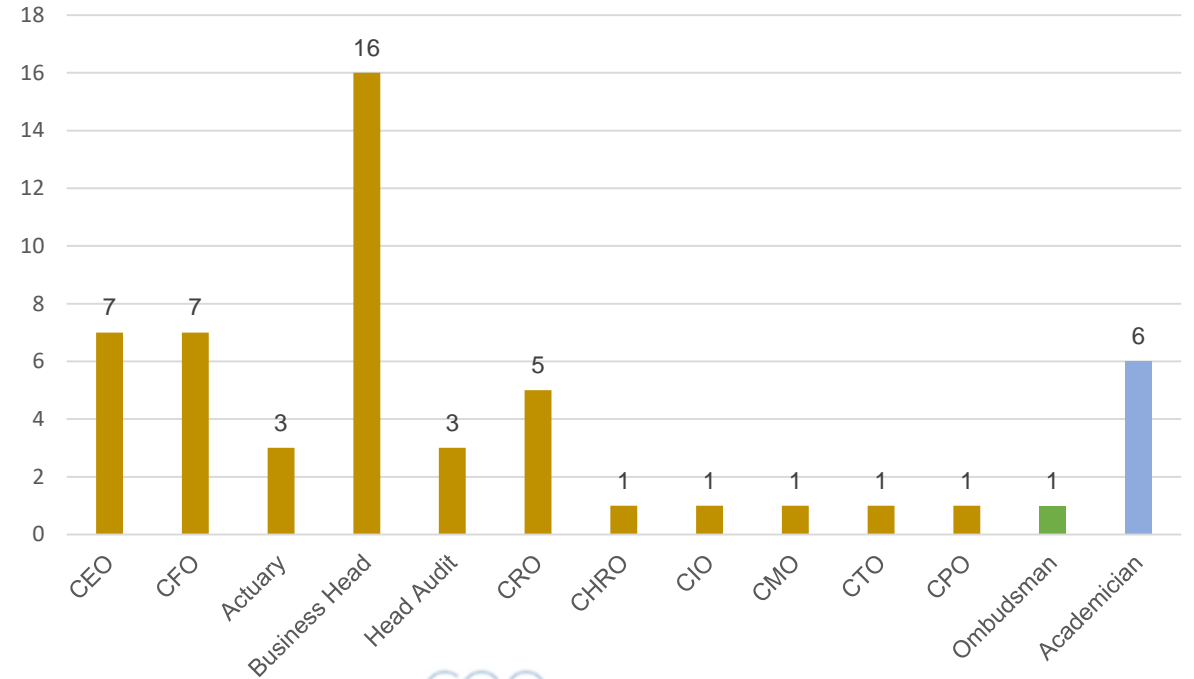
53 responses from 29 organisations

Respondents Positions/ Functions (53)



- CEO
- CFO
- Actuary
- Business Head
- Head Audit
- CRO
- CHRO
- CIO
- CMO
- CTO
- CPO
- Ombudsman
- Academician

Respondent Positions/ Functions (53)



CMO
CHIEF
MARKETING
OFFICER

CFO
CHIEF
FINANCIAL
OFFICER

CTO
CHIEF
TECHNOLOGY
OFFICER

CEO
CHIEF
EXECUTIVE
OFFICER

CDO
CHIEF
DIGITAL
OFFICER

CIO
CHIEF
INFORMATION
OFFICER

COO
CHIEF
OPERATING
OFFICER

CSO
CHIEF
SECURITY
OFFICER

CCO
CHIEF
COMMUNICATIONS
OFFICER

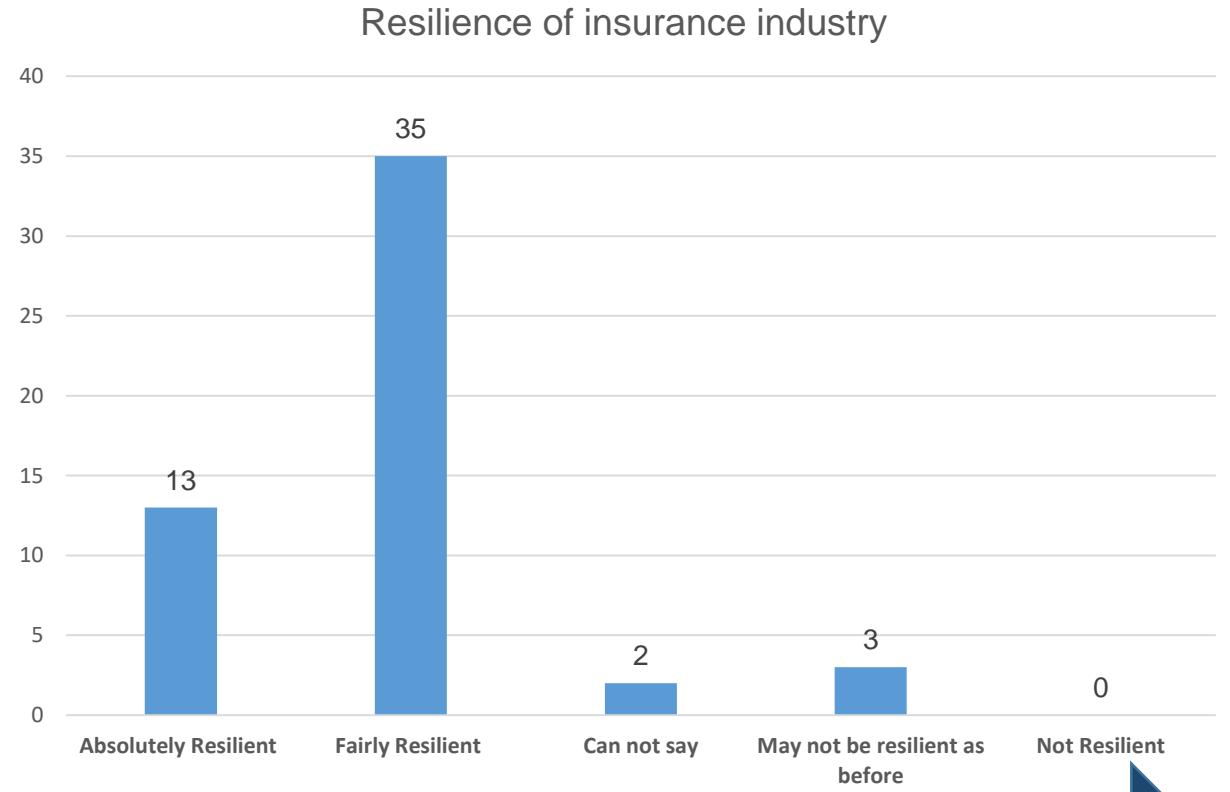




resilience:
 “an ability to recover from or adjust easily to misfortune or change.”

6. Is Insurance Industry resilient enough to perform in post covid world?

- Absolutely Resilient
- Fairly Resilient
- Cannot say
- May not be resilient as before
- Not Resilient



24% respondents feel that the industry is absolutely resilient while 66% feel it is fairly resilient

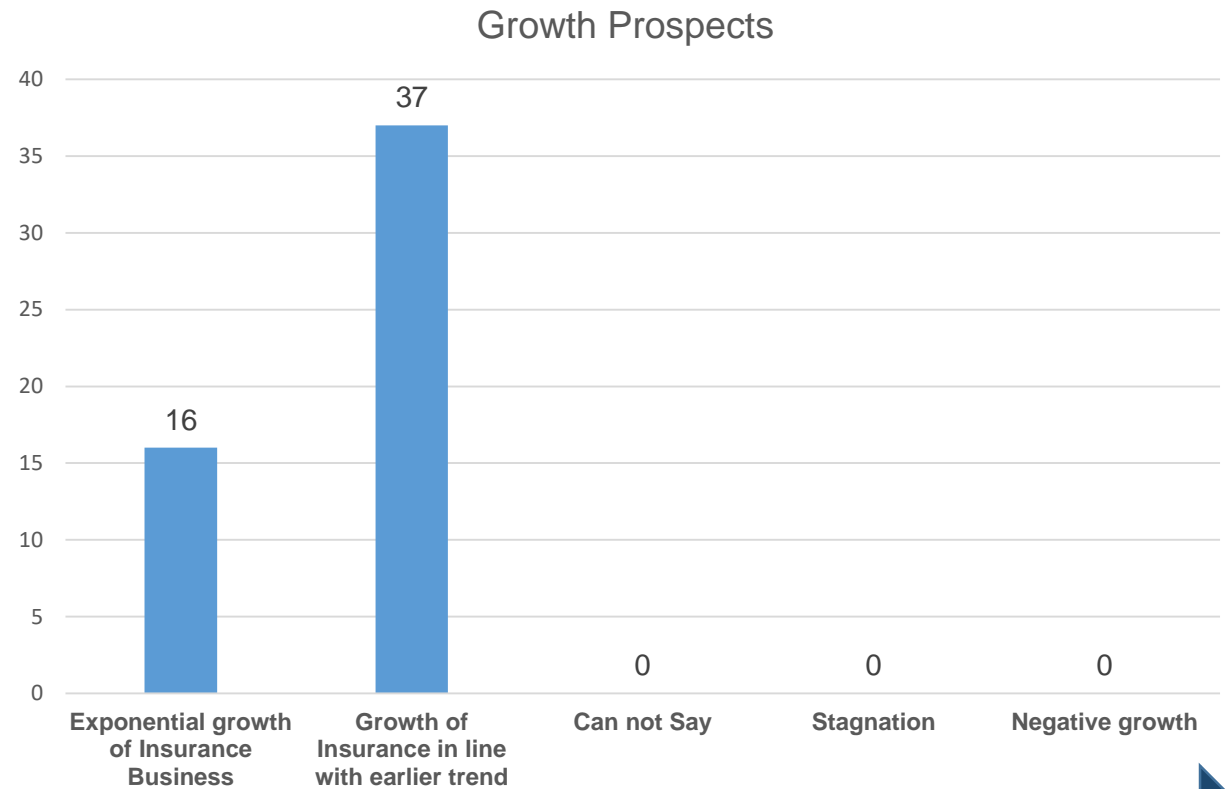
Upbeat Mood !





7. In your view, the post pandemic will see

- Exponential growth of Insurance Business
- Growth of Insurance in line with earlier trend
- Cannot say
- Stagnation
- Negative growth



24% respondents feel that there will be exponential business growth
 while 70% feel that there will be normal growth momentum

Upbeat Mood !

Survival

8. Rank the risks that you envisage in post covid world for Insurance Industry criticality for survival in foreseeable future.

Technology risk
Human Resources/skill upgradation risk
Regulatory risk
Pricing risk
Investment risk

Risk ranking for criticality for survival



Technology risk is the top perceived risk envisaged for survival in near future followed by pricing risk and human resources up-skilling/ re-skilling

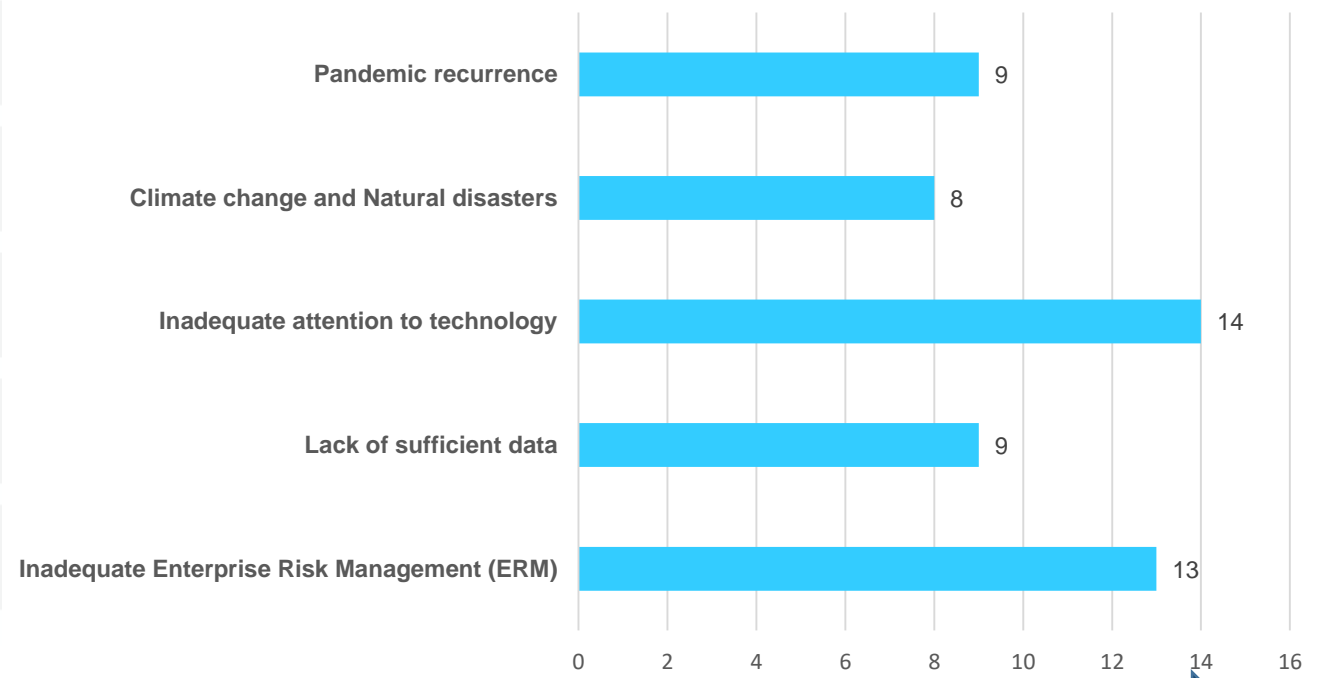


CORPORATE SUSTAINABILITY

9. Rank the reasons that could make a dent in Insurance operations/ profitability/ sustainability in foreseeable future

- Inadequate Enterprise Risk Management (ERM)
- Lack of sufficient data
- Inadequate attention to technology
- Climate change and Natural disasters
- Pandemic recurrence

Reasons likely to affect operations/ profitability/ sustainability



Respondents have varied views on what could be the critical areas if not attended to could have a dent into operations, profitability and sustenance, though, Technology and ERM get mentioned as priority



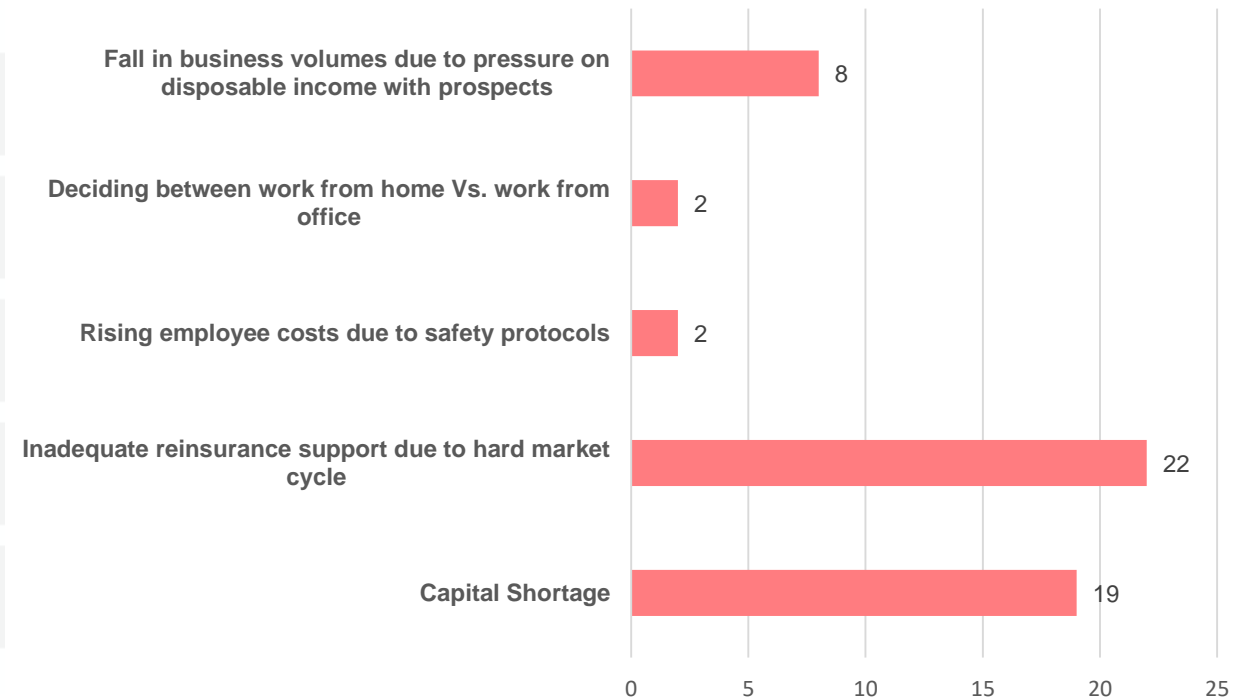
Concerns



10. Rank the concerns that Insurance Executives envisage in foreseeable future

- Capital Shortgae
- Inadequate reinsurance support due to hard market cycle
- Rising employee costs due to safety protocols
- Deciding between work from home Vs. work from office
- Fall in business volumes due to pressure on disposable income with prospects

Major areas of concern



Reinsurance pricing and Capital appear as top two concerns for medium term sustainability

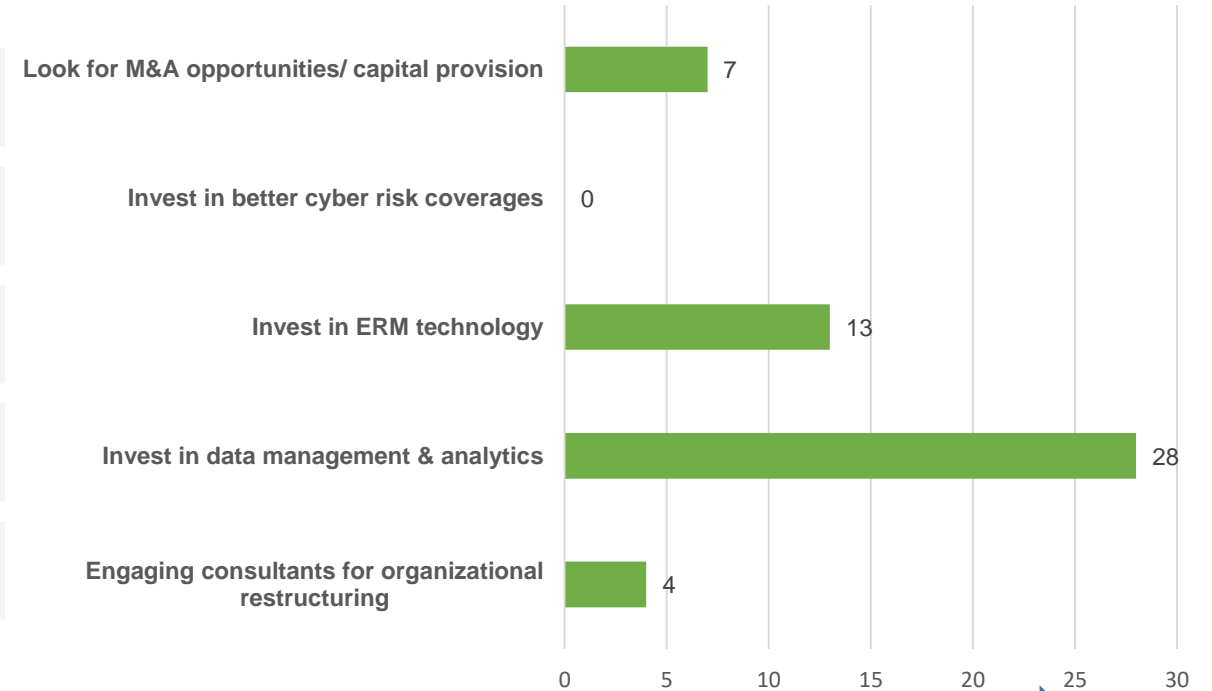




11. Rank the following action you would take for ensuring long term future for the or

- Engaging consultants for organizational restructuring
- Invest in data management & analytics
- Invest in ERM technology
- Invest in better cyber risk coverages
- Look for M&A opportunities/ capital provision

Action Points



Attention to data management and analysis and investing in ERM technology get highlighted as top action points

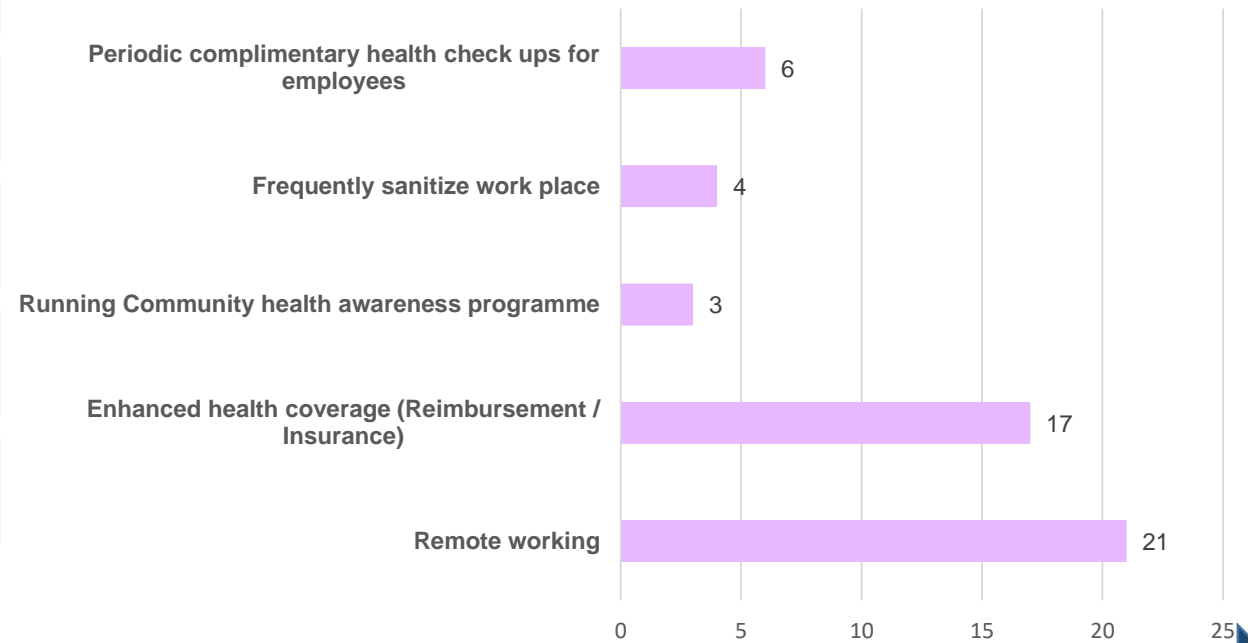


EMPLOYEE WELLBEING

12. Rank the measures that organization would take for employee engagement and well-being

- Remote working
- Enhanced health coverage (Reimbursement / Insurance)
- Running Community health awareness programme
- Frequently sanitize work place
- Periodic complimentary health check ups for employees

Actions for employee engagement and well-being



Remote working seems to be an accepted method of work adopted by insurance industry as well

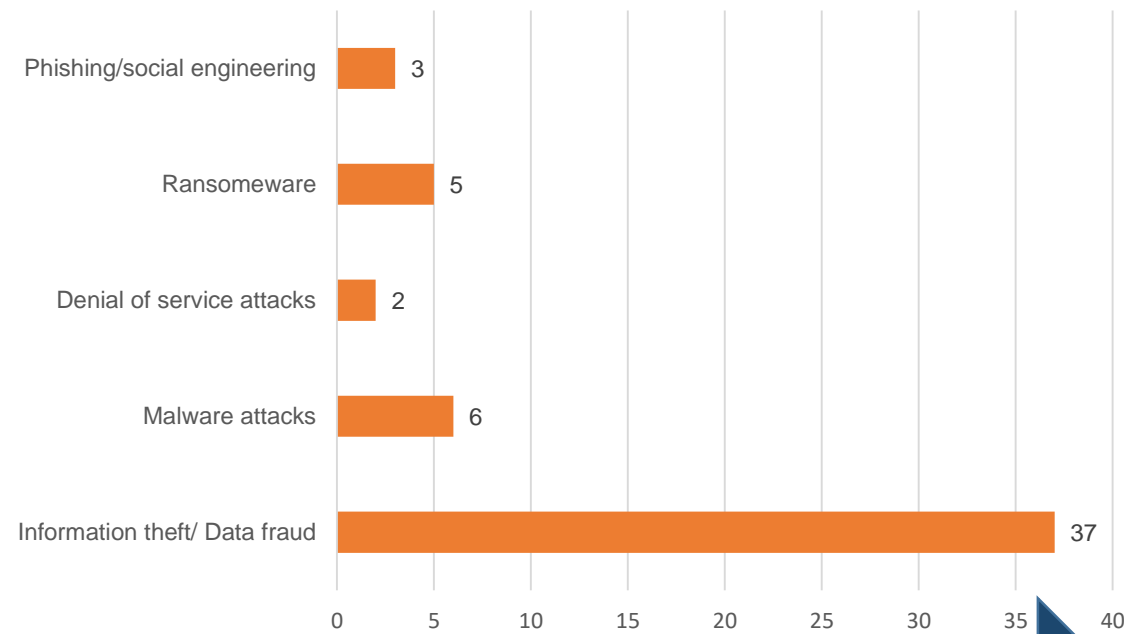


Technology Risk Assessment

13. With operations moving to more IT orientation, digitization & online, rank the IT risks you would envisage in foreseeable future

- Information theft/ Data fraud
- Malware attacks
- Denial of service attacks
- Ransomware
- Phishing/social engineering

Technology related risks



On the technology front, respondents feel insecure for the risk of information theft and data fraud



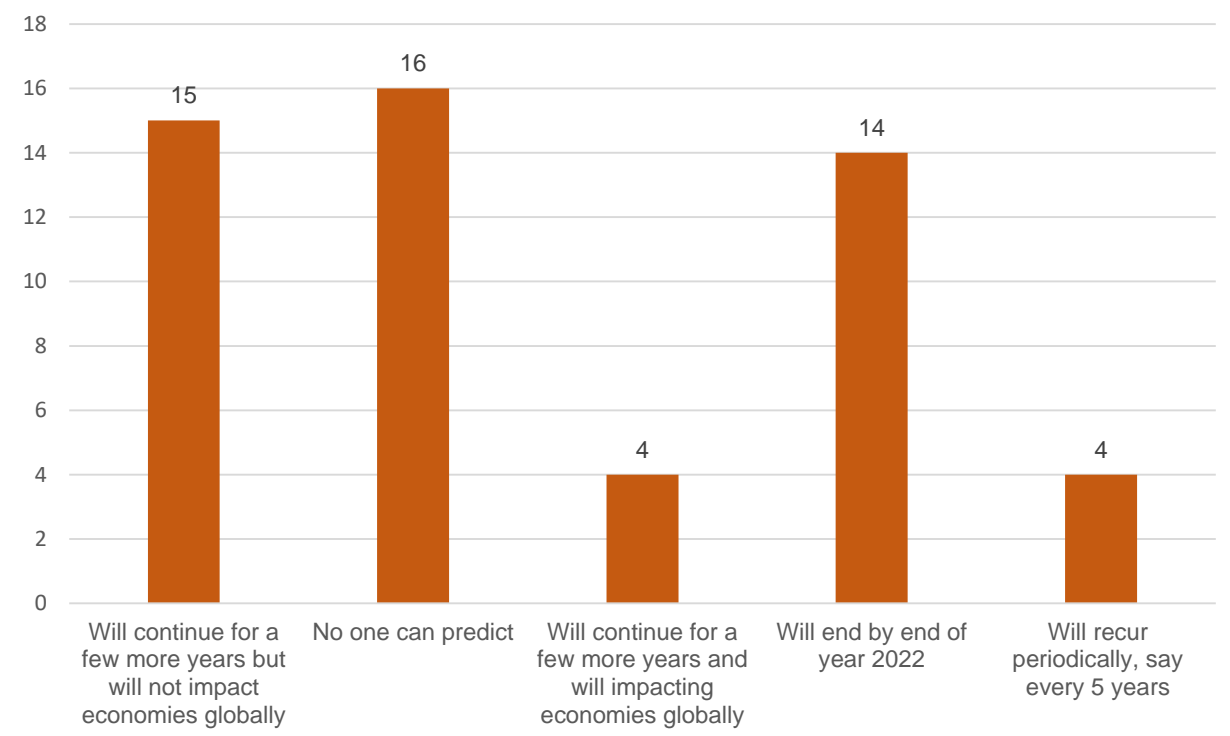
THE END



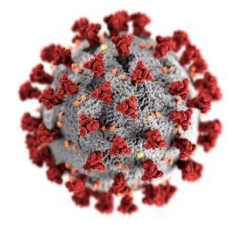
14. In your view the Covid-19 pandemic

- Will end by end of year 2022
- Will continue for a few more years and will impacting economies globally
- Will continue for a few more years but will not impact economies globally
- Will recur periodically, say every 5 years
- No one can predict

End of Pandemic



God only knows when this will end!





15. Space for Comments (if any)

Enter your answer



Summary of Findings

- ❑ 90 % of the respondents feel that Indian insurance industry is resilient enough and will not greatly be impacted by Covid-19
- ❑ 70% of the respondents think that the growth of insurance industry will be in line with the earlier trends
- ❑ 44% of the respondents perceived technology risk as the top risk envisaged for survival in near future
- ❑ 25% of the respondents feel inadequate attention to technology and 24% of the respondents feel inadequate ERM could make a dent in the insurance operations
- ❑ 41% of the respondents feel inadequate reinsurance support and 35% of the respondents think capital shortage are areas of concern in foreseeable future.
- ❑ Data management and analytics seems to be a vital factor by the 54% of the respondents for successful operations in long run
- ❑ 41 % of the respondents think that the even after the pandemic is over remote working could be resorted to
- ❑ 28% of the respondents feel that the end of pandemic is just not predictable whereas 28% think that it may continue for few more years but will not impact on the growth of economies globally




In conclusion, ...

Indian insurance companies have managed the Covid 19 crisis well. While adapting the business strategies to accommodate the new way of working in post covid 19 world, the captains of Indian insurance industry appear to be ready and resilient. Industry is looking to accelerated growth in business volumes in future.

The crisis has accelerated the trend toward automation and digitization. Management of the risks associated with technology and with respect to employee wellbeing and safety have been on priority list of insurance managers. Reskilling of human resources has also been flagged as an important prerequisite for future sustainability.

Pricing, reinsurance support and capital availability are marked by the planners as areas needing special attention.

Data management, analytical tools and ERM Technology would be important for making organisations ready to manage disruptions.



thank you

During the pandemic, when working from office became difficult, like most other businesses, activities of academic institutions got disrupted. Looking at risk as an opportunity, Insurance Institute of India converted trainings on to virtual mode, made examinations remote proctor based and took up some new non-traditional activities. Conducting surveys was one such activity.

We conducted surveys on pandemic risk perception, technology, insurance frauds and even on employee safety and wellbeing.

As year 2022 began with a hope of pandemic falling weak, if not completely disappearing, Insurance Institute of India undertook two surveys, one in the area of 'telemedicine' and another on 'risk perception'.

I thank the insurance industry participants for their support to all the activities of the institute including responding to the survey questionnaire. I also thank the faculty and other members of research department who are behind this survey activity that is truly in the area of industry-academics partnership.

M C Chaturvedi
Director, Academics
Insurance Institute of India

12.04.2022



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Thought Leadership Initiative of Insurance Institute of India

The information contained herein and conclusions drawn are based on survey responses from experts in the field of risk management and insurance.

This document and any analysis, observation or findings are not intended to be taken as advice/ prescription/ recommendation for any individual situation or commercial decision.

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