



भारतीय बीमा विनियामक और विकास प्राधिकरण  
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA

**Title:**Message from Dr. Subhash C. Khuntia, Chairman

**Reference No.:**--

**Date:**08/05/2021

Letter from Chairman, IRDAI

6th May, 2021

To

All MD & CEOs of Life insurers

**Sub: Letter from Chairman, IRDAI**

Dear colleagues,

At the outset, let me congratulate you for your stellar role in developing necessary resilience and ensuring business continuity of your company in the wake of the covid-19 pandemic that has affected the economy and social life. Despite reduced economic growth, the insurance sector has been able to grow at a healthy 9.7% in 2020-21 with the growth of life insurance at 11.2%. Please convey my appreciation to all your employees, agents and intermediaries for having made it possible and for having contributed to the enhanced protection level for the people in this time of need.

2. Indian insurance sector is presently in the cusp of a transformation. There are three main factors in the play: (1) Demography of the country with predominant young population, that is likely to persist for several years, (2) potential of high economic growth that would improve affordability, and (3) relatively low level of insurance penetration that provides huge opportunity for growth. Indian capability in IT and IT-enabled services sector will further accentuate the potential growth of Indian insurance sector.

3. All of us are fortunate to be part of this process at this point of inflection. All the stakeholders need to work together to create awareness about need for protection and for higher level of customer engagement throughout the insurance life cycle for enhanced customer satisfaction. Emerging risks arising out of global climate change and cyber-risks will have to be addressed. Use of new distribution channels and omni-channels will be pervasive. Insurers need to be agile to respond to the fast-changing needs of the customers. Regulatory sandbox provides an opportunity to pilot such innovative products and services.

4. I would strongly advise insurers to concentrate on prevention of risk, and continuous engagement with policyholders, so that the latter derive benefit not only through claim settlement, but also from prevention of loss. This will generate greater trust between the insurer and the policyholder and both would stand to benefit in the long run.

5. Insurance inclusiveness is another area that all of us need to concentrate on so as to cater to rural population, farmers, women, MSME, the poor and the marginalised. We need to develop cost effective micro insurance models for the same.

6. This journey will be a win-win for all stakeholders, will generate additional employment, provide funds for investment in the economy, particularly in infrastructure sector and provide necessary protection to the policyholders. More importantly, at a

personal level, you will feel a sense of fulfilment in contributing to reduction of protection gap and to improvement of resilience for the society.

7. I wish you, your company and the employees all the best for the future.

With warm regards,

**Dr. Subhash C. Khuntia**  
**Chairman**  
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