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ROUND TABLE: GENERAL INSURANCE CEOs

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(*From left*) Naveen Chandra Jha, MD & CEO of SBI General Insurance; Anup Rau, MD & CEO of Generali Central Insurance; Yashish Dahiya, chairman & group CEO of PB Fintech; and Tapan Singhel, MD & CEO of Bajaj General Insurance, at the Summit.

'Govt, industry actions needed to tackle new age risks'

Insurance companies' work is changing as natural disasters blamed on climate change spread, cybercrimes rise and electric vehicles (EVs) become common, said industry leaders at the *Business Standard* BFSI Insight Summit 2025. In a panel discussion, **Yashish Dahiya**, chairman & group chief executive officer (CEO) of PB Fintech; **Naveen Chandra Jha**, managing director (MD) & CEO of SBI General Insurance; **Anup Rau**, MD & CEO of Generali Central Insurance, and **Tapan Singhel**, MD & CEO of Bajaj General Insurance, spoke about mandatory coverage, risk pooling, insurer-hospital transparency and other issues. Edited excerpts:

How is the general insurance industry managing new-age risks?

Singhel: When you look at climate change, it is not only about natural disasters but new viruses, new kinds of illnesses and what affects the work environment. If heat increases, gig workers can't go to work. It is a wide spectrum of risks that come together. When you are looking for Viksit Bharat (Developed India), this has to be addressed and the insurance industry must come together. If I put numbers — if I look at the last year — losses run to lakhs of crores.

It will require different modes such as catastrophic bonds and tiered solutions where the government provides a layer and the industry does too. The problem is big. I don't think we comprehend the magnitude of the problem and our ability to solve it.

Dahiya: There have been more catastrophic events in the last 10 years than in the last 100 years, and they have a negative impact. The insurance industry and the government must come together and align interests along with the consumer. Alignment comes in the form of encouragement.

If people pay electricity bills, it is not difficult to mandate that anybody living in a house must have a certain amount of insurance cover for a catastrophic event because there is a social impact. A single insurance company may not be able to carry that risk entirely. So, freeing up reinsurance is critical.

In our country, people are just starting to buy health and term insurance, which are critical for families. Getting people to buy catastrophic or cyber insurance for themselves is very difficult. More than financial support, where the government can help is in mandation [regulatory requirement compelling individuals or entities to purchase a specific type of insurance coverage].

Can you explain the changes being implemented in underwriting practices, risk modelling and claim management?

Rau: We need to ensure there is a system of incentives where a customer is encouraged to adopt behaviour that prevents losses. Underwriting must move beyond technicals to ensure risk is shared between stakeholders, thereby promoting behaviour that creates a virtuous cycle where the price of risk reduces each year.

Sector snapshot

- **400–500 mn** people uninsured in India
- **94%** of SMEs and MSMEs not covered by insurance
- **2%** of GDP lost annually due to various forms of cyber fraud
- Mandatory employer-provided health insurance could lower costs to **₹3,000–4,000** per employee per year

Source: From the panel discussion

Jha: Climate change has become a reality. Earlier, we spoke about saving water and the environment for the next generation; now it [the crisis] is real. Protection is our job as an insurance company. We must ensure that awareness reaches the ground and provide protection to the most number of people.

Second, underwriting must become stronger and dynamic. We need to use satellite imaging, artificial intelligence models, data-focused approaches, and other tools to make it more precise and predictive. Products like parametric insurance are a good way to address climate risks. Last year, we worked with the Nagaland Disaster Management Authority — it was very successful, and we are reaching out to other state governments too.

INSURERS FACE RISING CLIMATE AND CYBER RISKS, DEMANDING INNOVATION BEYOND TRADITIONAL UNDERWRITING. INDUSTRY LEADERS EMPHASISE THE NEED FOR DYNAMIC, DATA-FOCUSED MODELS AND PROTECTION FOR NEW INFRASTRUCTURE, LIKE EV CHARGING STATIONS

Do Indian insurers have the capacity to independently underwrite climate-related catastrophes?

Singhel: Insurance is risk pooling. Capacity gets created; it is not an issue. The more risk you write, the more capacity gets created. Insurance adoption is low because products aren't mandatory. In the United States, home insurance is compulsory. In India, even insurers don't have home insurance. When catastrophic loss happens in India, GDP growth goes down because money is not available. In government health schemes, some states use insurance companies, others run trusts. The issue is big; it has to be solved. About 94 per cent of SMEs and MSMEs (micro, small, and medium enterprises) are not covered in India. When a catastrophic loss happens, 25 per cent of them go bankrupt.

Insurance cost is negligible for SMEs, and if it is made mandatory, states can choose whether to use trusts or insurers. Capacity management is not an issue; the issue is spreading the risk. We need to increase risk coverage and build it together.

Is a government-backed risk pooling the answer?

Dahiya: Eventually, yes. Insurance is always about risk pooling. Like electricity or gas connections, insurance can become a utility while remaining competitive. The government fears that mandation will benefit private entities but tomorrow we could have 200 insurers — you can buy from anyone. If it is mandated, penetration will happen. That is where risk selection stops and capacity gets created.

How can insurers innovate to offer comprehensive protection: From corporate data breaches to individual digital fraud?

Rau: Cyber risks and attacks are rising daily. Many organisations, including banks and insurers, have been breached. Institutions are somewhat protected because they understand the need for insurance. The real tragedy is at the individual level. When people fall prey to digital scams, there is hardly any recourse except legal. Cyber insurance for individuals exists, but there is no appreciation of the risk. This is a major gap area and an opportunity for insurers. It cannot be mandated like catastrophe or home insurance, but it remains a major need.

Jha: Cyber risk is extremely important. Loss due to cyber fraud is 0.7 per cent of GDP, and two-thirds of cases are not reported. So effectively, 2 per cent of GDP is lost to cyber fraud. With 600 million Unified Payments Interface transactions per day and 490 million UPI users, underwriting cyber risk requires a different approach for individuals and organisations. Insurers are launching new products for individuals and providing roadmaps for organisational fraud. Technology partnerships are crucial because cybercriminals are always two steps ahead. Without collaboration, we cannot manage these risks.

EVs are becoming popular. How is the motor insurance segment evolving?

Singhel: Motor insurance has many components: Hybrid, EVs. In EVs, the battery is critical. We studied markets with a strong EV ecosystem to understand risk pooling. Along with accident-related solutions, insurers must provide protection for infrastructure issues like charging stations, battery swaps, or battery failure on the road. EV insurance is fast evolving. Motor insurance is complex, and EV introduces new layers. When self-driving cars come, liability allocation will be the next big issue.

Dahiya: Searches for EV-related insurance have grown 65 per cent over last year. Battery protection products now have a 67 per cent attachment rate, indicating high concern. Third-party losses on EVs could be lower because the consumer set is more responsible. Liability aspects need deeper study.

What about claims handling in the EV era?

Rau: Claims handling for EVs is very different and still evolving. Liability patterns may change over time but underwriting principles remain the same and depend on data availability.

With the GST waiver on health insurance premiums, will it make policies more affordable and accessible?

Jha: Absolutely yes. Insurance is based on three principles: Affordability, accessibility and awareness. When we completely waived off the GST on health insurance, it increased affordability in a big way. It has also increased awareness because everybody is thinking that health insurance is affordable.

Now, it is our turn as insurance companies to reach to the last mile, to Tier-II and Tier-III cities, to the rural segment, to the underpenetrated areas and make sure that the volume increase should take care of whatever input tax credit hit we are taking in the first place. That is what we all are working towards to make sure that the volume should move up, businesses move up and we should take care of accessibility and awareness.

What impact are you seeing due to the GST cut and Input Tax Credit withdrawal in September?

Dahiya: There is renewed consumer interest. Growth has jumped from 60 per cent pre-GST-change to 102 per cent after. But GST won't remain a major talking point long term. The industry must move from debating commissions to focusing on combined operating ratios and shared risk responsibility.

Will affordability due to GST cuts improve insurance penetration?

Singhel: Yes, but not enough alone. Health is not a luxury — home and auto also deserve GST relief. India still has 400–500 million uninsured people. Lack of health coverage slows economic growth by 1.2 per cent annually. Mandatory employer-provided health insurance, like in developed nations, could solve this. Costs could be as low as Rs 3,000–4,000 per employee per year.

There is a tussle between hospitals and insurers; what is the root cause?

Singhel: The core issue is affordability. Medical inflation is triple general inflation, pushing 100 million Indians below the poverty line annually [NITI Aayog data]. Insurers advocate transparency through the National Health Exchange but hospitals have not fully adopted it. A common empanelment framework was requested; after resistance, progress is being made with more than 4,000 hospitals aligned. The goal is to address affordability, transparency, sustainability and not insurer-hospital conflict.

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Naveen Chandra Jha
MD & CEO, SBI General Insurance

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"WE NEED TO ENSURE THERE IS A SYSTEM OF INCENTIVES WHERE A CUSTOMER IS ENCOURAGED TO ADOPT A BEHAVIOUR THAT PREVENTS LOSSES. UNDERWRITING MUST MOVE BEYOND TECHNICALS TO ENSURE RISK IS SHARED BETWEEN STAKEHOLDERS, THEREBY PROMOTING A BEHAVIOUR THAT CREATES A VIRTUOUS CYCLE

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