The Actuary India

Magazine of the Institute of Actuaries of India

October 2025

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Editorial



This October was full of festivities and long weekends. And we sincerely hope that you had a good time. Although, on the flip side, what this also meant was that there were lesser working days. And adding to the pressure, was QIS2 submission on top of all the quarter-end work.

Nevertheless, it was an eventful month with a few big news which you can read by heading to our Newsflash section.

And its not just Insurance industry that was eventful. In the fast-paced AI industry, Anthropic released Claude Sonnet 4.5, designed with regulatory compliance and autonomous coding in mind, particularly in high-stakes industries such as ours. The model supports secure, explainable AI outputs. This could pave the way for meaningful integration of AI in insurance industry, and perhaps we even see an AI developed by actuaries for actuaries. Until such day comes, Vansh has a lighter take on this topic.

But despite the naysayers, we have to agree that AI has enabled quick prototyping of your startup ideas. This, when coupled with the ease of business improving in India, perhaps explains the 10-12% growth in the number of startups in India. We now boast of the third-largest startup ecosystem in the world. And startups, as we all know, are popular employer of choice, especially for the ESOPs that they offer. This has not gone unnoticed within IAI which had recently released GN30 for ESOP valuations. In this edition, Vichitra highlights key features from the recently released GN30.

And talking of startups, we have 2 actuaries who have shared their journey as entrepreneurs. We hope you find it inspiring and look forward to capturing your journey in a future edition.

On that note, happy to present to you this month's edition and wishing you the very best in achieving your dreams.

Cheers!

Anirudh Bansal
Editor, The Actuary India
Magazine of the Institute of Actuaries of India

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October 2025

Features

The Actuary India
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ESOP Valuation

GN30: A new guidance note for ESOP valuations



The Institute of Actuaries of India (IAI) has expanded the formal scope of actuarial work with the issuance of Guidance Note 30 (GN30) on Share-Based Payments, spearheaded by the Advisory Group on Pension, Other Employee Benefit and Social Security (AGPEBSS). **Vichitra Malhotra** discusses how this new framework empowers actuaries to bring their expertise to ESOP valuations, aligning employee interests with long-term enterprise value in India's dynamic corporate landscape.

Introduction

With ESOPs on the rise, GN30 issued by IAI marks a new chapter in applying actuarial skills beyond traditional domains. This Guidance Note has been developed under the leadership of the Advisory Group on Pension, Other Employee Benefit and Social Security (AGPEBSS) of the Institute of Actuaries of India.

India today stands at the heart of what many describe as a once-in-a-generation growth opportunity. With strong GDP performance and expanding corporate footprint, the country is increasingly seen as a global growth engine.

At the same time, a vibrant start-up ecosystem has taken root, reshaping industries and intensifying the competition for skilled talent.

Against this backdrop, employee stock option plans (ESOPs) and other share-based payment instruments have moved to the centre of compensation design, from early-stage ventures to established listed companies.

Equity-linked rewards are now recognised as a powerful way to attract, retain and motivate employees while directly aligning their interests with long-term enterprise value.

As the prevalence of these schemes has grown, so too has their complexity. Vesting conditions are no longer limited to years of service, they are now tied to financial performance, operational milestones and in some cases even market triggers.

This has made the valuation and accounting of ESOPs more challenging, with direct implications for reported earnings, investor communication and compliance with applicable accounting standards.

ESOP valuation has been a space where multiple professionals, including CAs and actuaries, contribute. In recent years, actuaries have steadily increased their presence, bringing option pricing expertise to this field.

With the issuance of Guidance Note 30 (GN30): Share-Based Payments, effective 12 July 2025, the Institute of Actuaries of India (IAI) has provided formal recognition and a clear framework for its members. GN30 is consistent with accounting standards and helps in strengthening actuarial work - clarifying roles, setting expectations on model selection, assumption setting and reporting

Step Beyond Traditional Domains

GN30 is significant not just for what it contains, but also for what it represents. It is one of the few Guidance Notes issued by IAI in an area where practice is shared with other professionals.

That makes it a statement of intent: our profession is ready to apply its technical skill set beyond the traditional actuarial domains where actuaries have been the sole practitioners, into areas like share-based payments where multiple professionals contribute.

As actuaries, we are trained in stochastic modelling, option pricing and risk assessment. ESOP valuation is therefore a natural extension of this expertise.

By setting professional standards in this space, IAI has acknowledged both the growing relevance of ESOPs in India's corporate landscape and the ability of actuaries to add real value therein.

Building Capacity

It is also important to recognize that GN30 is not an overnight initiative. The IAI has, over several years, invested in capacity building for its members through workshops, working groups, capacity building seminars and professional discussions.

GN30 is thus the culmination of a deliberate journey - ensuring that when the Guidance Note was issued, the profession was ready to take it forward with right expertise and credibility.

What GN30 Emphasises ?

GN30 is principles-based guidance. It lays out the framework within which actuaries are expected to exercise professional judgement among its key emphases are :

- **Judgement and Responsibility:**
  The actuary must clearly state their role, capacity, scope of work, intended users, and limits of reliance.

- **Data and Methodology:**
  Sufficient scheme and grant-level data must be obtained. The actuary is expected to choose an appropriate model.

  whether Black-Scholes, Binomial, Monte Carlo, or otherwise - consistent with the scheme's design and complexity. Approximations, such as averaging values across grant dates, must be disclosed.

- **Assumptions and Reporting:**
  Assumptions such as risk-free rate, volatility, expected term, dividend policy and attrition must be both appropriate and justifiable. Reports are expected to present not only the results but also supporting information that helps users better interpret them.

  This includes showing data statistics, model choice, methodology, assumptions, key approximations used and limitations. The Members are also encouraged to show sensitivities, enabling users to understand the range of potential outcomes rather than a single number in isolation.

Looking Ahead

India's growth story and the rise of ESOPs are only one example of how new compensation and financial structures are reshaping business. With GN30, actuaries now have a recognised framework to contribute with clarity and rigour in this space.

For our profession, this is both a responsibility and an opportunity - to step beyond traditional practice areas and bring actuarial skills to bear wherever complex financial promises and risks need to be measured. ESOP valuations may be the immediate frontier, but they are by no means the last.

As India's economy continues to expand and innovate, actuaries will find themselves called upon in many such emerging domains, reinforcing our role as trusted professionals in India's evolving financial landscape.

The Guidance Note is the outcome of the efforts of the Advisory Group on Pension, Other Employee Benefit and Social Security (AGPEBSS), who have been instrumental in its preparation and release. This article simply aims to present its importance for actuaries and users of their work.

About the author(s)



Vichitra Malhotra

Founder and Consulting Actuary
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Vichitra, a qualified actuary and founder of Veritas Actuaries and Consultants, specializes in designing, implementing, and valuing employee stock option plans (ESOPs, RSUs, Phantom Stocks, etc.). With extensive experience in both industry and consulting, she brings strong financial and actuarial expertise to deliver tailored share-based reward solutions. Her firm also supports companies globally in ESOP valuation and strategic plan design aligned with business growth objectives.

The Actuary India
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Artificial Intelligence

Actuaries in the AI Era: Prompt Thinking, Ethical Responsibility and LLMs

Discover how actuaries are transforming their practice in the AI era with Prompt Thinking and ethical responsibility. **Sangita Rout** delves into the integration of Large Language Models (LLMs) in actuarial work, offering insights into innovative approaches and real-world applications that enhance efficiency and uphold professional integrity.



Introduction: The Turning Point for Actuaries

The Large Language Model (LLMs) platforms are no longer a futuristic theory, it is already transforming the way actuaries approach valuation, modeling, Investment decisions and making judgments.

Consider the case of reserve data creation and reconciliation, these once required more than weeks of manual effort but now are possible to complete in days. This shift has become feasible through the structured thought and clarity of intent, to process through automation engines guided by LLMs.

The core bottleneck is not the system or the code, rather the ability to articulate problems in a way an AI system can grasp without ambiguity.

I call it Prompt Thinking.

Prompt thinking integrates actuarial judgment into an actionable plan, transforming everything about how we practice. In short, if lack of clarity, AI generates noise but with clarity it becomes strategy, thereby boosting actuarial competence, governance and reinforcing creditability in the output.

Alongside Prompt thinking, ethical responsibility is crucial at this turning point. Actuaries are obliged by professional codes to act with integrity, fairness, and accountability. The same ethics must apply to AI, e.g., ensuring that models are explainable, data is fair, and human oversight remains integral.

Responsible AI use is not voluntary, but it is part of our core obligation to protect public interest.
The foundation of LLM is deeply rooted in statistical DNA and echoes the predictive methods woven into actuarial learning. These frameworks extend upon these techniques but magnified by its scale — billions of parameters. Knowing this foundation gives credibility to trust the output generated by AI platform.

Therefore, the real edge is now shifted to exploring its applicability, training and guiding the system with actuarial judgement.
Credibility helps us to assess these tools. This brings us to the ability actuaries need most in the AI era: Prompt Thinking.

Prompt Thinking: The New-Gen Skill

What It Is

Prompt thinking bridges between actuarial skill and AI at the frontier. Instead of memorizing syntax, this should be about structured thought and clarity of intent. It begins by looking at the business scenario in all its actuarial complexities, including the goals, limits, and measures of success. In practice, classify the problem into solvable parts, group them into clear, actionable instructions, and verifies each finding by professional judgment. The outcome is featuring raw data into a story that the decision maker can understand, trust, and act on.

Strong cognitive ability allows actuaries to become no-code solvers who can use automation scripts, build workflows, and machine learning models to drive impactful innovation without writing any line of code.

Why It Matters

A lot of actuaries, mainly those who don't know how to code, think that designing automated processes, machine learning models, or data pipelines is outside of their league. Prompt thinking rewrites the new playbook.

The question that lingers is — Isn't it possible that AI could take control over the whole process? To be candid, AI will keep evolving and it might learn to imitate even more of our behaviors. However, actuarial work is more than just moving data from one point to another. At its core, it means interpreting the business reasons behind the formulas, the risk events that affect each assumption, and the data impact. These are not fixed rules rather it changes based on strategy, regulation, and public interest.

AI can learn from trends and make predictions, but the decisions remain with us. It cannot defend the trade-offs to regulators, explain unforeseeable risks, or decide which insight matters the most. The defining point is to frame problems, set boundaries and know what is "reasonable". This enables us to govern AI from simply treating as a tool and instead guiding as a reliable partner while maintaining human judgment.

What It Looks Like in Practice

The prompt thinking in action uses a chain of decisions and a sequence of thought, which is like the actuarial control cycle.

- Define outcomes: reconciling policyholder behaviors, validate reserve, or predicting demand of a product.
- Set limits on data access, regulatory requirements, and valuation limits.
- Ensure the data logic is clear, with the flow of data, validation checks, tolerance limits, and criteria for exceptions.
- Selecting the right model that fits the business problem rather than programming preferences.
- Governance execution: the output must be auditable, trusted, and explained.

In practice, the AI framework speeds up general execution, but professional experts set the rules, checking the data with responsible AI at its core.

Applied AI Case Studies

- **Automating Policyholder Behavior Reporting**

  - **The Challenge**
    Validating policyholder behaviors is one of the essential tasks required in each valuation cycle. The challenge is to track and reconcile these behaviors (e.g., deaths, surrenders, or lapses) against a trail of prior files, sometimes spreading up to 72 months. Mostly, automating such a process often demanded days to code, debug, and fixes that could span up to a week. This process becomes intensive and diverted time from value-added analysis and professional reasoning.

  - **Approach**
    The AI-driven workflow was reformatted into a sequential step and trained through logical chain of thinking:
    - Detect and validate policyholder behavior recorded
    - Use data handling rules to spot duplicates and flag anomalies to review and report
    - Results built in mapping flags and error log to maintain audit trail
    - AI generated solutions were then validated for accuracy, efficiency, and integration with existing system structure. The preferred method was refined into a tested, platform-specific script suitable to employ for end-to-end process.

  - **Results**
    The effect of development time was reduced by more than 80%, letting to solve the problems in days versus weeks. Built-in validation and auditable logs boosted efficiency, while actuaries time was redirected from debugging to value-based tasks such as assessing anomalies, investigating trends, and measuring reserve impacts. This illustrates how the shift of prompt thinking can transform a complex, script-driven project into quick measurable value-based solutions to actuarial operations.

- **Reserve data preparation (Cloud Migration)**

  - **The Challenge**
    Reserve data preparation in the cloud-based framework needs to convert SQL scripts into cloud compatible queries. It involves dependency on technical specialist or spending time on manual conversion. This process requires waiting and consumes time, ultimately leading to slowed delivery timelines.

  - **Approach**
    Using AI helps to interpret source script line by line and construct a cloud compatible query, with each was then expressed as a structured prompt. Ultimately, the process delivered end-to-end solution in a day, removing the need for long development cycles or specialist mediation.

  - **Results**
    What once seemed like process-heavy effort and now capable of executing it faster and more efficiently. Importantly, the true gain is moving the weight from writing or converting coding to articulating logic and cultivating the skills essential for a strategic decision-making.

Lessons from Practice

AI-powered systems have reshaped my perception on its role within actuarial practice. The first lesson was simple, yet vital – **Clarity is Power.** When requirements are outlined into precise pieces, e.g., data, rules, validation and outputs to evaluate, these systems catalyze delivery, while human-in-the-loop for decision making. In short, without clarity automation is noise. With clarity, it becomes strategy.

The second lesson, **Time reinvestment**. Freed from days of manual processes, I was able to invest time where human-led and value-based activities that matter most, such as analyzing unexpected trend, assessing impact, maintaining audit-trail to comply regulatory obligation. In essence, intelligent tools enhanced the process, but the actuaries remained responsible for monitoring, explainability, and professional responsibility.

Finally, **Trust is built on governance, not acceleration**. The AI-based solution was reliable only after it was evaluated and verified against professional standards of reproducibility, transparency, and fairness. This mirrors Ethical AI framework I studied through Chartered Institute for Securities & Investment's (CISI) Certificate in Ethical Artificial Intelligence. This reinforced my view that accountability should remain human-led, explainability must be preserved and cannot be outsourced.

Key Takeaways — The PACTA Framework

Collectively, these lessons can be distilled into what I call the PACTA framework. While the idea was inspired by my exposure to AI-for-business contexts, PACTA is customized specifically for actuarial practice. It exhibits a methodical way to initiate a chain of thoughts into action and using AI responsibly. The name is chosen mindfully to build a collaboration between actuaries, intelligent platforms and ethical practice to protect public trust.

- **Problem Framing (Assess)**
  Problem framing starts with identifying critical pain points in actuarial work.
  Time-sensitive actuarial activities such as reserve data reconciliation, product forecasting, policyholder behavior validation along with other high-volume processes. In addition, manual code conversion remains labor-intensive and sluggish. This has spurred the need for a generative AI system that can provide on-demand solutions to automate the processes.
- **Analysis**
  In real time, draw on actuarial principles, professional judgement and established controls. This is complemented by AI's potential in lengthy code generation, unstructured data handling and heavy computing model. True power lies in striking the right balance between when to keep humans in-the-loop and when to oversee as on-the-loop supervisors.
- **Clarity**
  Use Prompt Thinking to break down complex problem into logical workflow, data rules, and validation steps anchored in governance and tolerance limits. Fundamentally, the ability lies on framing problems so AI system can grasp without ambiguity is critical.
- **Trustable Action**
  Trust is earned via accountability not speed. Actuaries must be vigilant to confirm outputs generated by intelligent systems are reliable, transparent, and effective. Consequently, this should give stakeholders the confidence to rely on these actionable effects.

Closing Reflection

My experiences have reassured me that the profession is being reshaped in alliance with the generative AI systems. When I first witnessed these workflows, the impact was not alarming. Rather, I felt empowered. The strength no longer dwells in traditional code development, but in framing problems with clarity, directing AI's role to learn, perform, generate responses. And importantly, profession's responsibility is to ensure outputs adhere to ethical values of transparency, governance and fairness.

The daily practice guided by professional expertise is pathway to mastering these platforms. Consequently, this delivers trustworthy and ethical outcomes. The PACTA framework serves as a working playbook to employ AI responsibly in actuarial practice, ensuring explainable, adequate and regulatory compatible results. In doing so, the future of actuarial practice is not replaced by AI, but reimagined, not as manual execution but leading automated systems rooted in judgment, ethics and trust.

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9. The PACTA framework defined in this article is a personal adaptation for actuarial practice in the AI era. It is not associated with the PACTA (Paris Agreement Capital Transition Assessment) framework used in portfolio and climate-finance contexts.

About the author(s)



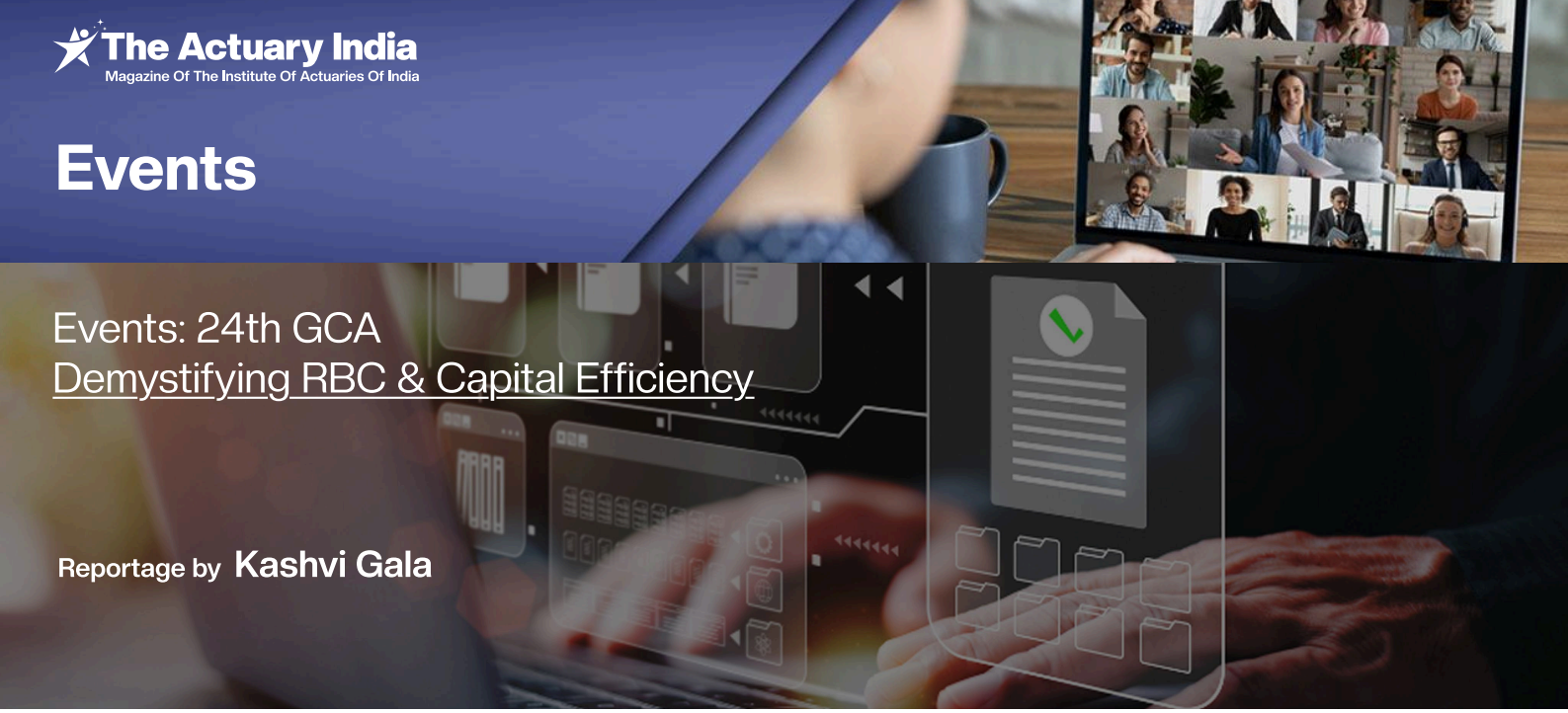
Sangita Rout

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M.Sc. (Stats), nearly qualified actuary with cross-market experience across the UK, US, and Asian geographies. Her work focuses on modeling traditional and annuity products covering stochastic, deterministic techniques and solvency capital modelling, financial risk and reporting, with a focus on automation, and model governance in life actuarial processes. She is working towards Fellowship from IFoA & SOA and holds CISI certification in Ethical Artificial Intelligence. Outside work, she enjoys travel, yoga, creative pursuits and volunteering for wellbeing programs.

Events

Events



Events: 24th GCA
Demystifying RBC & Capital Efficiency

Reportage by **Kashvi Gala**



Session Moderator:

- **Mr. Kailash Mittal**

Panelists:

- **Mr. Abhishek Saraf**
- **Mr. Prasun Sarkar**
- **Dr. Rajesh Dalmia**

Summary :

Exploring the practical, regulatory, and strategic dimensions of implementing Risk-Based Capital (RBC) in India, emphasizing the need for contextual adaptation, governance alignment, and pragmatic calibration to enhance risk management without disrupting industry stability.



Quotable Quotes

"Don't fall into the trap of a false sense of accuracy."

– A caution against over-reliance on models and precision that may not reflect real-world risks. Encouraging pragmatism in modeling and calibration.



Quotable Quotes

"Capital is one of the tools in the toolkit. It's a hammer — but not all problems are nails."

– Emphasizing that capital alone cannot solve all risk management issues; governance and controls are equally vital.



Quotable Quotes

"You may be over-capitalized, but you can still fail if controls are inadequate."

– A reminder that capital adequacy does not guarantee solvency without strong governance.



Top Takeaways



"Choose your shade of gray. "RBC should be tailored to what the business wants to achieve. Don't adopt it blindly—interpret it meaningfully and let business strategy guide its implementation.



The traditional boundaries of actuarial work are expanding —and rightly so. Reflecting the evolving role of actuaries in broader financial and regulatory domains.



RBC is a balancing mechanism — not just a cushion or armor. Positioning RBC as a strategic tool rather than a rigid safeguard.

Session notes

Topic : Demystifying RBC & Capital Efficiency

Date: 18-Mar-2025

Opening Remarks:

- RBC is often misunderstood as just another capital regime.
- The goal is to align RBC with broader business objectives and risk management, not just compliance.
- The discussion aims to clear misconceptions and provide practical insights.

Icebreaker Questions:

- Most Irritating Technically in RBC :
  - Difficulty in explaining RBC outcomes to non-actuarial stakeholders.
  - Confusion due to different numbers for the same item across financial reporting, RBC, and EV.
  - Standard models applying uniform shock factors across all companies, ignoring individual risk profiles.
- Critical Yet Easily Missed Practical Aspect :
  - Losing sight of long-term goals; capital should enable risk management, not be an end in itself.
  - Stakeholders often miss the significance of extreme events (e.g., 1-in-200-year events).
  - False sense of accuracy from over-reliance on models; forgetting the bigger picture.
- One Reason Against Implementing RBC :
  - The current system has worked for over 50 years; why disrupt it?
  - Too many regulatory changes (IFRS, RBC) happening simultaneously.
  - Timing and prioritization are key for the best use of available resources; RBC should incentivize good risk management, not just capital adequacy.

Data Challenges in India:

- Indian insurance data is sparse and unstructured.
- Calibration must eventually reflect local industry experience, not just global benchmarks.
- Even short data sets (e.g., 20 years) can be useful if they include extreme events.

Calibration and Modeling:

- Calibration should be pragmatic, not overly precise. Avoid false precision; focus on meaningful outcomes.
- Frequency of recalibration depends on risk type, unless any extreme events occur:
    - Economic risks: every 7 years.
    - Insurance risks: every 10 years.
    - Operational risks: more frequent.
    - Trigger-based recalibration (e.g., interest rate shifts).
- However, there is no standard rule. The objective is that the calibrations reflect the risk. If the risks have changed materially, yes but icomes at a cost so the question is, is the cost worth it? Be pragmatic about it.

Internal Models vs. Standard Models:

- Internal models offer better risk sensitivity but pose regulatory challenges. The require strong governance and regulatory scrutiny.
- Risk of regulatory arbitrage: companies may adopt internal models only if it reduces capital requirements.
- Use tests and relevance to day-to-day decision-making are crucial for model approval.

Global Comparisons:

- India can learn from ICS (International Capital Standard), Solvency II, Hong Kong, Singapore, and China.
- Hong Kong aligns closely with ICS; Singapore diverges for tax reasons.
- Each regime adapts RBC based on local needs and market maturity.
- Discounting liabilities and treatment of future profits vary across jurisdictions.
- India should tailor RBC to its strategic goals (e.g., growth vs. prudence).

Capital Adequacy – Gut Feel Insights:

- Insurance companies are generally **over-capitalized** compared to banks and NBFCs.
- Over-capitalization may stem from a lack of data and understanding of insurance risks.
- Failures in insurance are fewer due to conservative capital standards.
- Liquidity risk is lower in insurance than in banking.

Transitioning to RBC :

- Transition should be phased to avoid disruption.
- Mechanisms include:
    - Gradual release of capital surplus.
    - Staggered increase in capital requirements for deficits.
- Avoid hybrid models; clarity and consistency are key.
- Separate framework design from transitional arrangements.

Corporate Governance & Regulatory Readiness:

- India's governance frameworks are strong but need alignment with RBC.
- Boards must be educated on RBC implications.
- Regulatory scrutiny must match the complexity of internal models.
- Governance is not just structure—it's about enforcement and incentives.

Investor & Analyst Perspective:

- RBC can improve transparency and fairness in disclosures. RBC applies a total balance sheet approach.
- Harmonization with IFRS 17 is essential to avoid confusion from multiple metrics.
- If done well, RBC can simplify analysis and improve investor confidence.

Conclusions and Final Remarks:

- RBC should be tailored to business strategy, not just regulatory compliance.
- Avoid false precision; focus on meaningful risk management.
- **Should RBC be a cushion or full-blown armor?** RBC is a balancing mechanism to support flexible regulations and innovation while maintaining governance — not overly conservative, but sufficient to manage risks.
- **Is India ready from a corporate governance standpoint?** Yes, but education and alignment are needed. Governance structures exist; the challenge is in consistent enforcement and incentives.

About the author(s)



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A seasoned professional with deep expertise in life insurance and financial services, specializing in the implementation and review of IFRS 17 standards. Skilled in financial reporting and actuarial modeling. Recognized for precision and strategic insight.

Puzzle



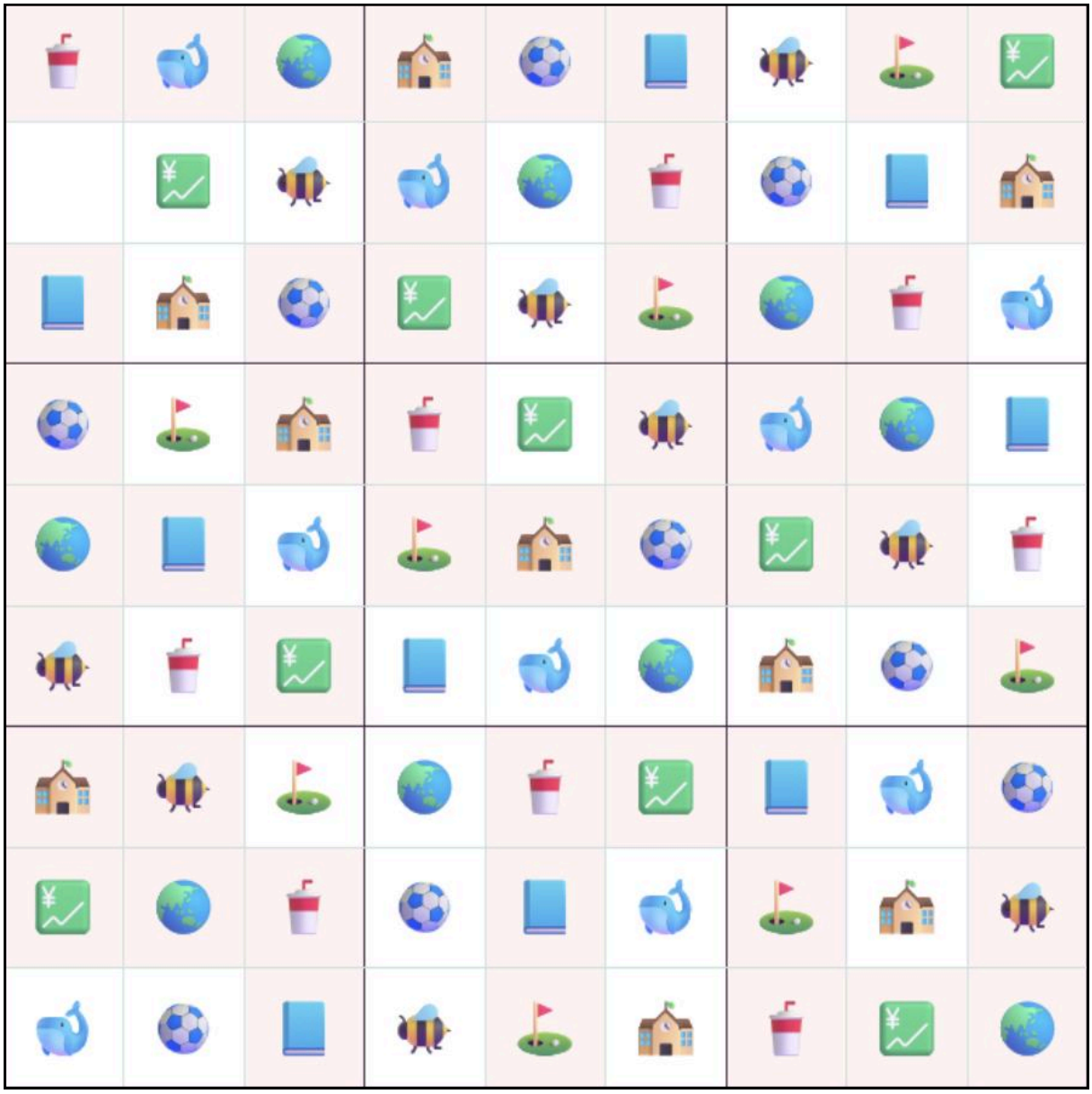
Emoji Sudoku

Emoji Sudoku

Solve this puzzle by filling the correct emoji in each block. Each emoji may be used only once in any row or column and each block of 3 x 3 squares should contain all 9 emojis. Take your time and as many attempts as you want (most importantly, don't give up). These are no more trickier than developing replicating portfolios! Enjoy this brain teaser by the Puzzle master: **Kathan Jain.**

Time: 01:48

New Puzzle



About the author(s)



Kanthan Jain
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Kathan is a Fellow member of the IAI and the IFoA with a specialization in Pensions & Other Benefits and holds a B.Sc. in Actuarial Science from YCMOU. He's obsessed with food and enjoys binge-watching & solving puzzles in his free time.

Newsflash

The Actuary India
Magazine Of The Institute Of Actuaries Of India

Newsflash

Industry Updates - A roundup of September 2025 news on Indian insurance sector

What's been happening in the insurance sector? **Prarthna Raheja** and **Muskan Garg** are here to bring you the full update of September 2025.



News Report

02 September 2025 | Life Insurance | General Insurance

Ajay Seth appointed IRDAI chairman after 5-month gap

Ajay Seth has been appointed as the Chairman of IRDAI (Insurance Regulatory and Development Authority of India) after a five-month gap. Seth, a senior bureaucrat with vast experience, replaces the outgoing chairman, and his appointment is expected to bring fresh leadership to the regulatory body overseeing the insurance sector.
Read more



03 September 2025 | Life Insurance | General Insurance

Bima Vistaar: New insurance product set to launch in rural India by December 2025

Bima Vistaar, a comprehensive insurance product covering life, health, and property for rural populations, is expected to launch by December 2025. All insurance companies will offer the product at a uniform price, providing a Rs 5 lakh cover per individual, aiming to increase insurance penetration in rural India.
Read more



09 September 2025 | Life Insurance | General Insurance

Jio Financial Services, Allianz of Germany forge alliance to set up reinsurance business

Jio Financial Services and Allianz have established 'Allianz Jio Reinsurance Ltd' to operate a reinsurance business in India, with each holding a 50% stake. The joint venture, formed after receiving regulatory approval, aims to capitalize on India's growing insurance market by combining JFSL's local knowledge with Allianz's global reinsurance expertise. This follows Allianz's separation from Bajaj Finserv.
Read more



12 Septmeber 2025 | General Insurance

General insurers push for GST relief on health commissions

General and life insurers are seeking GST relief from the finance ministry on commissions for health and life insurance products. They argue that commissions are procurement costs embedded in premiums and should be exempt, similar to reinsurance commissions.
Read more



15 Septmeber 2025 | Life Insurance

Canara HSBC Life Insurance Gets SEBI Nod for Its Proposed IPO

Canara HSBC Life Insurance received SEBI approval for its IPO, comprising an offer for sale of 23.75 crore shares. Promoted by Canara Bank, HSBC, and PNB, the insurer showed strong growth, with profit rising over 232% CAGR. The IPO aims to expand market presence and raise capital efficiently.
Read more



15 Septmeber 2025 General Insurance

Postal department will now provide vehicle insurance

India Post has started offering vehicle insurance services through its postal staff in Badaun, Uttar Pradesh. This initiative allows customers to purchase vehicle insurance conveniently through local post offices, expanding the reach of insurance services to rural and remote areas. The move aims to enhance accessibility and provide customers with a trusted platform for buying vehicle insurance, utilizing the extensive network of India Post to serve a broader population.
Read more

16 Septmeber 2025 General Insurance

Madison India Capital exits Star Health; sells 1.15% stake for nearly Rs 299 crore

Madison India Capital exited Star Health and Allied Insurance by selling its 1.15% stake for approximately Rs 299 crore. Premji Invest's affiliate, PI Opportunities AIF V LLP, acquired a 0.77% stake for Rs 200 crore. In a separate transaction, Hydra Trading Pvt Ltd divested a 3.
Read more

16 Septmeber 2025 General Insurance

Punjab Floods: Centre renews push for crop insurance, asks state to join PMFBY

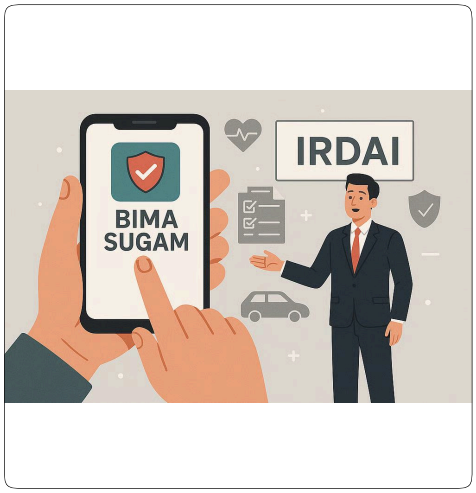


The article discusses the recent floods in Punjab and the central government's renewed push for crop insurance. In response to the devastation caused by the floods, the government is urging Punjab to join the Pradhan Mantri Fasal Bima Yojana (PMFBY), a national crop insurance scheme. The aim is to provide financial protection to farmers against natural calamities like floods, droughts, and pests. The central government emphasizes the need for wider coverage to help farmers recover from such disasters and improve agricultural resilience.
Read more

17 September 2025 | Life Insurance | General Insurance

IRDAI launches Bima Sugam: One-stop insurance marketplace, here's how it works

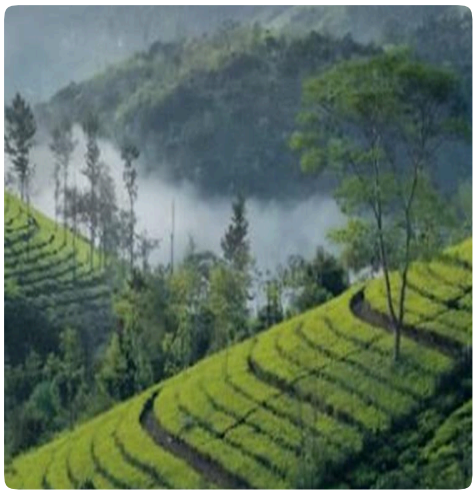
IRDAI launched the Bima Sugam portal, a one-stop digital platform for buying, comparing, and managing insurance policies. It aims to improve transparency, ease access, and streamline claims and renewals.
Read more



19 September 2025 | Life Insurance | General Insurance

India inches closer to 100% FDI in insurance sector

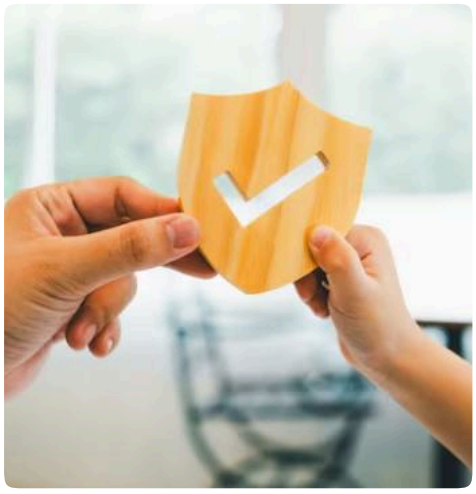
The Ministry of Finance released draft rules to raise FDI in insurance from 74% to 100%. This aims to attract global capital and improve insurance penetration.
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22 September 2025 | Life Insurance

GST exemption on life and health insurance takes effect: Key impact on premium costs

Starting September 22, 2025, the Indian government removed 18% GST on individual life and health insurance policies, making premiums more affordable. This move is expected to boost insurance adoption, especially among middle-income and senior citizens, though insurers now face challenges due to loss of input tax credit.
Read more



29 September 2025 | Life Insurance

LIC sees Rs 1,100 crore inflows on Day 1 of GST-free life cover

Life Insurance Corporation of India (LIC) witnessed a massive surge in premium collections on September 22, 2025, the first day after the government removed Goods and Services Tax (GST) on individual life and health insurance policies. According to reports, LIC collected over ₹1,100 crore in a single day, reflecting strong pent-up demand and positive consumer sentiment following the tax relief.
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30 September 2025 | General Insurance

New India Assurance ordered to pay ₹2,379 crores by tax authority

New India Assurance (NIA), the country's largest state-run general insurer, has been directed to pay ₹2,379 crores by the local tax authority over alleged past dues, the company said in a regulatory filing on Tuesday.
Read more



Industry trends

11 September 2025 | Life Insurance

Life Insurance NBPs Falter as Group Premiums Decline

In August 2025, India's life insurance industry saw a 5.2% year on year decline in new business premiums to ₹30,958.8 crore, mainly due to weaker group single premiums and a high base effect. LIC's premiums dropped 17%, while private insurers grew 12%. Upcoming GST reforms and digital initiatives may aid recovery.
Read more


Life Insurance NBPs Falter as Group Premiums Decline

September 11, 2025 | BFSI Research

CareEdge RATINGS

Overview

Annual Premium Equivalent (APE) increased by 6.6% in August 2025, slower than the 10.5% growth seen in the same period last year. In terms of APE, the industry achieved an 8.6% compounded annual growth rate (CAGR) between August 2023 and August 2025. Over this period, private insurers grew at a rate of 10.0%, compared to LIC's growth rate of 6.1%.

According to the August 2025 figures, the Indian life insurance industry saw a 5.2% year-on-year decline in new business premiums, reaching a total of Rs 30,958.8 crore. This followed a 22.4% rise in July 2025 and a 21.9% increase in August 2024. The drop is mainly due to the base effect and weaker single premiums, with the additional festival-related holidays also likely playing a role.

Figure 1: Movement in Monthly First-year Premium (Rs crore)

Month	Premium in FY23	Premium in FY24	Premium in FY25	Premium in FY26	FY23 vs FY22 (%)	FY24 vs FY23 (%)	FY25 vs FY24 (%)	FY26 vs FY25 (%)
April	17,939.6	12,565.3	20,258.9	21,965.7	84.2	-30.0	61.2	8.4
May	24,480.4	23,477.8	27,034.2	30,463.2	88.6	-4.1	15.1	12.7
June	31,254.6	36,961.8	42,433.7	41,117.1	4.1	18.3	14.8	-3.1
July	39,078.9	27,867.1	31,822.7	38,958.1	91.2	-28.7	14.2	22.4
August	32,856.4	26,788.6	32,644.1	30,958.8	18.1	-18.5	21.9	-5.2
September	36,366.5	30,716.3	35,020.3		17.3	-15.5	14.0	
October	24,916.6	26,819.0	30,347.6		15.3	7.6	13.2	
November	35,458.8	26,494.8	25,306.6		30.5	-25.3	-4.5	
December	26,838.3	38,581.1	30,218.7		9.7	43.8	-21.7	
January	26,423.7	33,559.8	30,625.2		20.3	27.0	-8.8	
February	22,847.7	33,913.2	29,985.6		-16.8	48.4	-11.6	
March	52,081.1	60,213.6	61,439.1		-12.6	15.6	2.0	

Source: Life Insurance Council, IRDAI

Industry trends

11 September 2025 | Life Insurance

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Source: Life Insurance Council, IRDAI

11 September 2025 | Life Insurance

India's life insurance industry set for 14.5% CAGR growth till FY35: Report

India's life insurance industry is projected to grow at a 14.5% CAGR till FY35, according to PL Capital. The growth is driven by low insurance penetration, rising demand for mortality protection, and increasing interest in guaranteed-return products. Private insurers are expected to outperform, supported by digital innovation and regulatory reforms.
Read more



19 September 2025 | General Insurance

Two-Wheeler Claims Rise 15% as Mid-Segment Bikes Drive Insurance Activity Across India

The article discusses the 15% rise in two-wheeler insurance claims in India, driven largely by the growing popularity of mid-segment bikes. These bikes have contributed significantly to increased insurance activity across the country, as more people invest in higher-value motorcycles. The surge in claims highlights a shift in consumer behavior and a rising demand for comprehensive coverage, reflecting a growing awareness of the importance of insurance in safeguarding two-wheeler investments.
Read more



19 September 2025 General Insurance

Non-life insurance sector continues to witness slowdown in August: Care Edge Ratings

The non-life insurance sector in India continues to experience a slowdown, with August 2025 showing subdued premium growth, primarily due to reduced auto sales and economic pressures. While health and crop insurance segments show growth, overall performance remains affected, with insurers facing profitability challenges amid the ongoing deceleration.
Read more



24 September 2025 General Insurance

Galaxy Health Insurance targets Rs 450-crore premium by FY'27, breakeven in 4 years

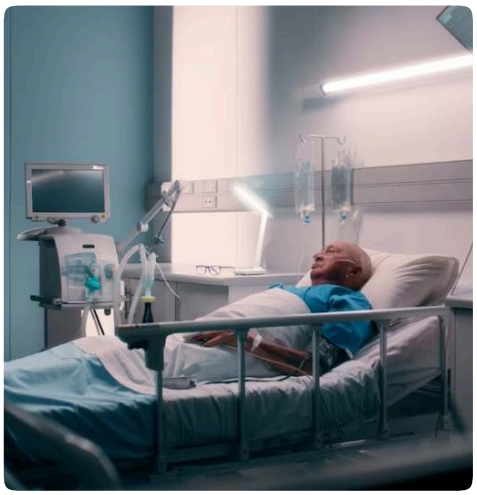
Galaxy Health Insurance aims to achieve a premium target of Rs 450 crore by FY27 and expects to break even within four years. The company plans to expand its offerings in the health insurance sector, focusing on innovative products to tap into the growing demand for healthcare coverage.
Read more



24 September 2025 General Insurance

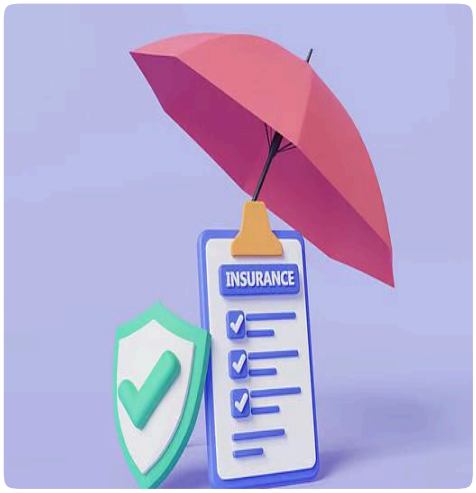
Insurance divide widens: Group health cover outpaces retail with 20% annual growth

The article highlights the growing divide in the Indian insurance market, with group health insurance plans outpacing retail health insurance in growth. Group health cover has seen a 20% annual growth, driven by employers offering policies to their employees. In contrast, retail health insurance growth remains slower. This trend reflects a shift in the market, where corporate sector coverage is expanding faster than individual policies, leaving a significant gap in retail health insurance. The rise in corporate group policies signals a growing demand for employer-provided health benefits while highlighting challenges in reaching individual customers.
Read more



26 September 2025 | Life Insurance | General Insurance

Insurance complaints jump 45% in Q2 2025; endowment policies top mis-sold list



India's insurance sector witnessed a sharp rise in consumer grievances during the second quarter of 2025, with complaints increasing by 45% compared to the previous quarter, according to the Q2 2025 Trends Report by Insurance Samadhan. The platform recorded 4,004 cases involving claims worth ₹75.4 crore, up from 684 disputes in Q1 to 974 in Q2. The contested claim amount also surged by 43.1%, from ₹83.5 crore to ₹119.5 crore.
Read more

New Product Launches

08 September 2025 | Life Insurance

Tata AIA Launches Shubh Maha Life



This whole life savings plan offers high cover during earning years and tax-free income during retirement. It includes critical illness protection and flexible payout options, tailored for evolving life stages.
Read more

10 September 2025 | Life Insurance

Axis Max Life Insurance Partners with India Post Payments Bank to Drive Life Insurance Penetration In Tier 3 Tier 4 and Rural Markets



Announced on September 10, Axis Max Life partnered with India Post Payments Bank to expand insurance access in Tier 3/4 and rural India. Products include Smart Wealth Advantage Guarantee Plan and Smart Vibe Plan, tailored for underserved segments.
Read more

11 September 2025 | Life Insurance

Bajaj Allianz Life Insurance launches BSE 500 Enhanced Value 50 Index Fund

Bajaj Allianz Life launched the BSE 500 Enhanced Value 50 Index Fund under ULIPs. This passively managed fund tracks the BSE 500 Enhanced Value 50 Index, using valuation metrics like book-to-price, earnings-to-price, and sales-to-price ratios. It targets long-term investors seeking disciplined value investing, equity diversification, and life insurance protection.
Read more



18 September 2025 | General Insurance

Citroën India Partners with Oriental Insurance Company

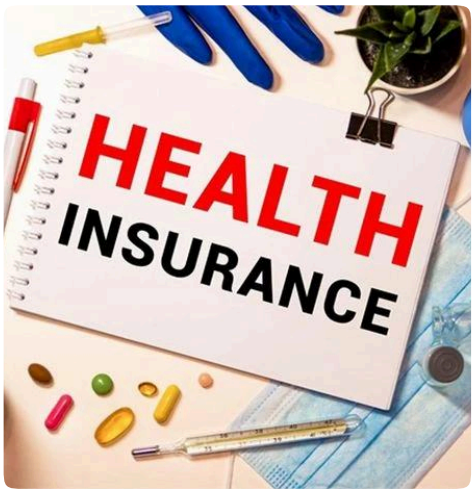
Citroen India and Oriental Insurance Company partners to offer comprehensive insurance solutions to Citroen car buyers. Through this collaboration, customers will be able to avail customized insurance plans, making it easier to purchase vehicle insurance at the time of buying a new Citroen car. The partnership aims to enhance the overall customer experience by providing a seamless and convenient insurance process along with the vehicle purchase.
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18 September 2025 | General Insurance

No needles, no hassle: SBI General App turns phone into health monitor

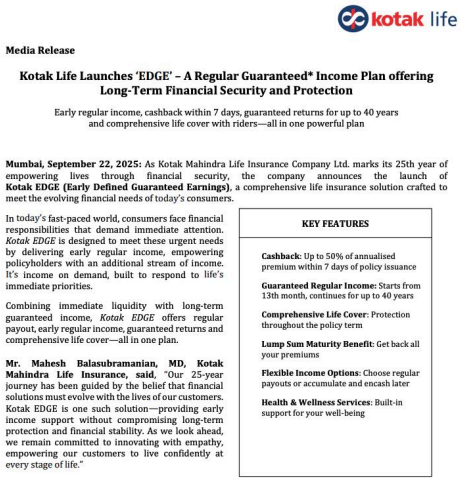
SBI General Insurance, in collaboration with CarePlix, has launched a biometric health scanning feature on its mobile app that lets users track vital health metrics like heart rate, BMI.
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22 September 2025 | Life Insurance

Kotak Life Launches 'EDGE' – A Regular Guaranteed* Income Plan offering Long-Term Financial Security and Protection

Kotak EDGE is a guaranteed income plan offering early cashback, regular payouts for up to 40 years, and comprehensive life cover. It includes wellness services and flexible income options.
Read more



kotak life

Media Release

Kotak Life Launches 'EDGE' – A Regular Guaranteed* Income Plan offering Long-Term Financial Security and Protection

Early regular income, cashback within 7 days, guaranteed returns for up to 40 years and comprehensive life cover with riders—all in one powerful plan

Mumbai, September 22, 2025: As Kotak Mahindra Life Insurance Company Ltd. marks its 25th year of empowering lives through financial security, the company announces the launch of **Kotak EDGE (Early Defined Guaranteed Earnings)**, a comprehensive life insurance solution crafted to meet the evolving financial needs of today's consumers.

In today's fast-paced world, consumers face financial responsibilities that demand immediate attention. *Kotak EDGE* is designed to meet these urgent needs by delivering early regular income, empowering policyholders with an additional stream of income. It's income on demand, built to respond to life's immediate priorities.

Combining immediate liquidity with long-term guaranteed income, *Kotak EDGE* offers regular payout, early regular income, guaranteed returns and comprehensive life cover—all in one plan.

Mr. Mahesh Balasubramanian, MD, Kotak Mahindra Life Insurance, said, "Our 25-year journey has been guided by the belief that financial solutions must evolve with the lives of our customers. Kotak EDGE is one such solution—providing early income support without compromising long-term protection and financial stability. As we look ahead, we remain committed to innovating with empathy, empowering our customers to live confidently at every stage of life."

KEY FEATURES

Cashback: Up to 50% of annualised premium within 7 days of policy issuance

Guaranteed Regular Income: Starts from 13th month, continues for up to 40 years

Comprehensive Life Cover: Protection throughout the policy term

Lump Sum Maturity Benefit: Get back all your premiums

Flexible Income Options: Choose regular payouts or accumulate and encash later

Health & Wellness Services: Built-in support for your well-being

23 September 2025 | Life Insurance

HDFC Life's new campaign highlights ease of buying insurance online with 'Smart Age ka Smart Insurance'

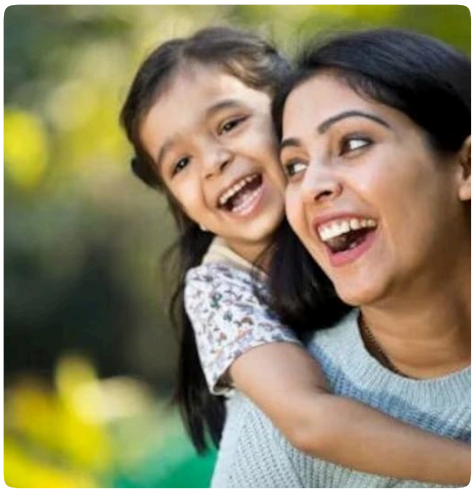
Launched on September 23, this campaign promotes digital life insurance buying. It highlights ease, transparency, and 24/7 access, encouraging users to explore and purchase plans online.
Read more



26 September 2025 | Life Insurance

New Sukanya Suraksha Plan: PNB MetLife, IPPB tie up to bundle life cover with Sukanya Yojana for girl child security

Launched on September 26, this group term plan is bundled with the Sukanya Samriddhi Yojana. It ensures uninterrupted savings for a girl child even if the earning parent passes away. No medical tests required, and coverage is available nationwide via India Post Payments Bank.
Read more



30 September 2025 | Life Insurance

LIC – RBL Bank Partnership

LIC tied up with RBL Bank to expand its bancassurance channel. This strategic move aims to boost distribution of LIC's life insurance products across RBL's customer base, enhancing reach and accessibility.
Read more



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The Actuary India is the flagship magazine of the IAI that has been in publication for over two decades. We aim to provide our members and the larger actuarial community a platform to connect, exchange views and promote thought-leadership and research beneficial to the profession.

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