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**21st Global
Conference
of Actuaries**

17th - 19th February 2020 | Mumbai, India

Title Insurance – Challenges and Opportunities

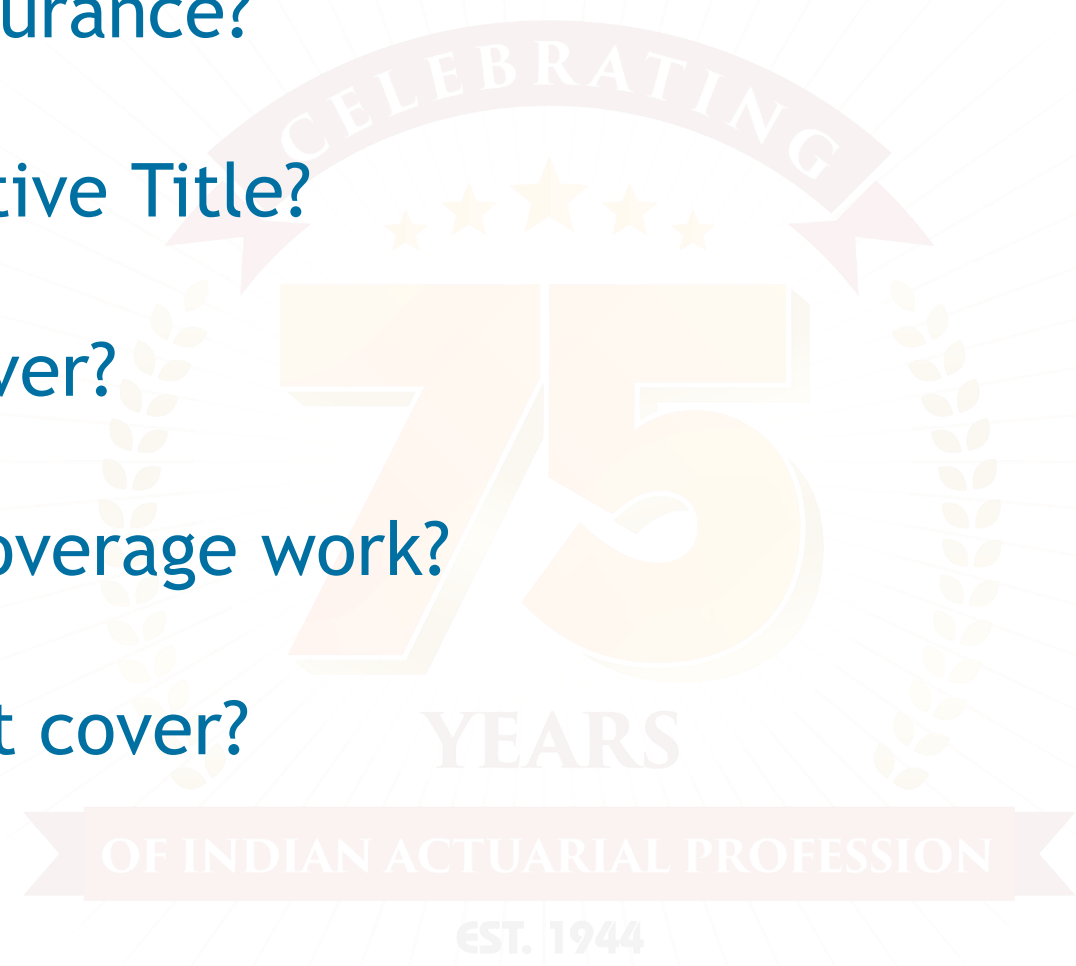
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• About Title Insurance

- What is Title Insurance?
- What is a defective Title?
- What does it cover?
- How does the coverage work?
- What does it not cover?
- Who buys it?



• The Risk Management Opportunities

Title Insurance is required in India from a real estate legal perspective for the following reasons:

- Lack of proper land registration systems
- Inadequacies in land records
- Lack of cohesion of land records
- Lack of information about real estate claims and risks



• The Indian Opportunity

- Central Government policy initiative to improve ranking in ease of doing business.
- Economic growth and the need for Foreign direct investments.
- Consumer protection to improve individual owner confidence in the system
- Government policy commitments such as social housing, infrastructure development, smart cities and retail and logistics.

- # The Market Challenges

Whilst there is widespread acknowledgement that there is title risk inherent in the land registration system, the Indian market is not without its challenges which include:

- The real estate slow-down and developer resistance
- The lack of proper claims data to reinforce the existence of risk
- The disconnect between State and Central timelines
- Lack of product understanding and proper distribution channels

• The Actuarial Challenges

Without any historical data on this risk class for India there are real challenges in building optimal rating models for the market:

- pricing to Indian risk appetite
- lack of accurate claims data
- policy structuring relative to Indian Insurance models given the long tail nature of the product
- attracting adequate reinsurance capacity

- # Conclusion

Title Insurance as a product has huge premium potential in India due to the need for

- Attracting investment in real estate
- Improving risk management in real estate transactions

But there are challenges to

- Lack of data which will inform better pricing models
- Lack of product understanding and reinsurer confidence in the context of currently low transaction volumes.



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Thank You

