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In the next 5 years, what will be the key trends shaping the evolution of re-insurance services?

In the increasingly interconnected yet fragmented world, cyber risks are expected to grow exponentially, while supply chain disruptions, whether from geopolitical turbulence or sanctions, will reshape the exposure landscape. The magnitude of climate risk is now widely recognized, and (with potential political inaction) the reinsurance industry's responsibility in managing this risk will only increase. All these converging challenges will shape the key trends over the next five years, with the most prominent being an increased demand for reinsurance. This heightened demand will, in turn, drive several other key trends such as Specialized product development and innovation; Increased reliance on parametric solutions, Advanced risk modelling and analytics; Increased Public Private Partnerships; Emphasis on ESG integration etc. The next five years will see the reinsurance industry adapt to a more complex and volatile risk landscape.



In the coming years, how can the re-insurance industry adapt to regulatory shifts, particularly around digital policies, climate risks, and customer-centric models?

The natural response to increasing regulatory complexity would be to further strengthen the compliance framework, making regulatory risk one of the most prominent risks in the ERM framework. This implies a more holistic approach to identifying, assessing, and mitigating regulatory risks.

It's encouraging to see regulators globally adopting a more consultative and collaborative approach, demonstrating a growing understanding of the complexities of the reinsurance business. For industry, proactive engagement with regulators is crucial, not only to anticipate emerging trends but also to actively contribute to the development of effective and balanced regulations.

Beyond compliance, investing in automation and data analytics enhances efficiency, showcases capabilities, and drives competitive advantage.

What do you see as the biggest risks or challenges the re-insurance sector in India will face in the next 5 years?

We at GIC Re see the following as the most significant challenges:
The increasing frequency and severity of natural catastrophes,

exacerbated by climate change, pose a significant threat. This will lead to higher claims and potentially volatile underwriting results.

India's rapid technological advancement increases the cyber risks.

The government's push for foreign direct investment will increase capacities in domestic market and in the next few years it will intensify the competition.

Attracting and retaining skilled professionals is critical.

IRDAI's vision of "Insurance for All by 2047" presents both a challenge and an opportunity.

At GIC Re, we are actively monitoring and analysing these challenges. We have an edge in mitigating the risks with our experience, and strong relationship with the Indian market. ■