

Special Address by Shri K. Rajaraman, Chairperson, IFSCA

at 3rd edition of the IFSCA-IRDAI-GIFT City Global Reinsurance Summit 2026

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1. **Background:**

- The Global Reinsurance Summit (GRS) 2026, is the third edition to be held in Mumbai on January 19, 2025, which serves as a pivotal assembly for the international insurance community. This year's theme, "Unlocking India's Re-insurance Potential", highlights the importance of collective thinking at a time characterized by geopolitical tensions and the climate crisis.
- While global markets are softening due to capital abundance, India remains the high-growth exception. The insurance industry is thus navigating a landscape shaped by economic growth, evolving risk profiles, and strategic capital management.

2. **IFSC – A Global Gateway:**

- The core activities and services include Banking and Capital Markets, Insurance and Reinsurance, Bullion and Exchange, IT and Global in-house centres (GIC). The Objective is to develop expertise in niche and specialized businesses such as aircraft & ship leasing, fintech, global treasury centres, commodity trading, etc. and providing high quality employment opportunities to the talented workforce. IFSC currently has more than 1,000 registered entities as of the date.

3. **IFSCA – A Unified Regulator:**

- The idea is to establish a single point, world-class regulator capable of providing a seamless and globally aligned regulatory ecosystem for entities to have ease of doing business at IFSC. IFSCA aims to make IFSC a bridge where Indian and foreign insurers and reinsurers can have access to other jurisdictions through a conducive and robust regulatory ecosystem aligned with best global practices to attract insurers, reinsurers and intermediaries.
- The insurance framework of IFSCA allows:
 1. Flexible and competitive capital requirements
 2. Ease of entry and operation for the players
 3. Regulatory enablement - Tax neutrality and exemptions for cross-border transactions
 4. Opportunities to access the Indian market as well as the regional market

4. **Insurance and Reinsurance entities in IFSC have multiple opportunities:**

- IIOs enjoy dual access: Targeting the 33 million Indian diaspora and soliciting foreign currency business from Indian SEZs and global markets

- **Reinsurance Opportunities:** Reinsurance companies can provide Retro support to IIOs in the IFSC, Reinsurance support to Indian Direct insurers, Retro support to Indian Re-insurers or Foreign Reinsurance Branches (FRBs) and RI and Retro support to cedants/re-insurers based outside India. IFSCA's principle-based framework enable reinsurers to develop differentiated products unavailable onshore (like cyber parametric reinsurance), leveraging branch flexibility (parent solvency rules) and offshore status.

5. GIFT-IFSC Insurance statistics:

5.1. Count of Entities:

- Started with just 4 Insurance offices in 2021-22, IFSCA has a total of 24 Insurance offices as of December 2025, with 10 Reinsurance companies (9 Foreign and 1 Indian Reinsurer) and 14 Direct Insurance Companies (8 Life insurance, 4 General Insurance and 2 standalone Health Insurance companies). There are many more applications in the pipeline for registration.
- Intermediaries – As of December 2025, IFSC has 32 intermediaries (27 Composite Brokers, 4 Corporate Agent and 1 Surveyor and Loss Assessor) doing both direct insurance and reinsurance business.

5.2. Business Volume:

5.2.1. IIOs:

- For the financial year 2024-25 total Gross written premium(GWP) transacted by the Insurance Office was 204.55 million USD, as compared to 149 million USD for the financial year 2023-24, up by 37.28%.
- Cumulative Business Volume till September 2025 is 821.97 million USD. Double-Digit Growth over the last 3 years in gross written premium, 93% of the total business is from Reinsurance for FY 2024-25.
- Health & PA is the major line of business for both Direct Insurance & Reinsurance with 50% of GWP, followed by the Motor line of business.
- Health & PA is almost 50% of the total GWP for direct business, followed by Life Insurance with 27% share for IIO.
- Other Major Lines of Business (LoB) are Fire, Engineering, Marine, and other commercial lines of Business.
- The IIOs are transacting re/insurance business throughout the World. AWP, Berkley, Peak Re, Doha Insurance, Singapore Re, Assicurazioni Generali, Everest Re, Starr International Insurance (Singapore), Korean Re, Eurasia Re are the foreign players already having offices at GIFT IFSC. Providing reinsurance capacity for both Treaty business and facultative business from the IFSC office.

5.2.2. Intermediaries:

- On similar lines, Insurance intermediaries transacted a total business of 411.36 million USD as compared to 276 million USD for the financial Year 2023-24, which was up by almost 50%.
- Cumulative Business Volume till September 2025 is 1.578 billion USD, transacting business throughout the world and also doing foreign-to-foreign business from the IFSC office.

6. Recent Developments/Initiatives:

- The IFSCA (Registration of Insurance Business) (Amendment) Regulations, 2026, which came into effect in early January, further demonstrated this agility by expanding the scope of eligible entities to include Service Companies of Lloyd's IFSC and clarifying the participation of managing general agents and group entities. Such proactive amendments allow the IFSC to respond quickly to market needs, such as the increasing demand for specialized "Service Company" structures that facilitate risk placement without the need for full-scale branch infrastructure in the initial phase. This reflects the rapid maturation of India's international financial jurisdiction.
- The Insurance Act 1938 amendments 2025 significantly reduced the minimum net owned fund requirement for Foreign Reinsurer Branches (FRBs) from INR 5,000 crores to INR 1,000 crores, thereby reducing the entry barrier for Reinsurers.
- MGA: It also introduced Managing General Agents (MGAs)—referred to as MGA in the query—as a new category of insurance intermediaries with delegated underwriting authority. These changes, passed in December 2025, align domestic regulations with global practices, enabling specialized distribution and underwriting models. For IFSCA in GIFT City, this facilitates easier entry and operations of MGAs in FY 2025-26 (April 2025–March 2026).

7. Drivers for Global Reinsurers to Come to IFSC Gift City:

7.1. Financial Efficiency

- Global reinsurers are increasingly sensitive to the cost of capital. The GIFT-IFSC framework allows firms to operate with significantly lower assigned capital.
- The "Order of Preference" (OoP) parity is perhaps the most significant top-line advantage. Reinsurers established in GIFT-IFSC that opt for Category 2 status under the IRDAI Order of Preference are treated on par with Foreign Reinsurance Branches in India. This provides a direct competitive edge when Indian domestic insurers seek to cede risk, as IFSC-based branches are given priority over pure cross-border reinsurers (CBRs) attempting to service the market from London or Singapore.

7.2. Innovation and Technological Infrastructure:

7.2.1. Institutionalizing the Insurance-Linked Securities (ILS) and Catastrophe Bonds Market

- A central objective of the GRS 2026 is the advancement of the ILS and catastrophe bond framework within India, specifically through the GIFT-IFSC jurisdiction. This initiative is driven by the urgent need to bridge the "protection gap" for climate and natural catastrophe risks, which remains at 84% across Asia, meaning only 16% of total economic losses are currently insured.

7.2.2. The IFSCA Working Group Roadmap for Alternative Risk Transfer (ART)

- In August 2025, a high-level Working Group (WG) submitted a comprehensive report to the IFSCA, outlining the mechanism for making India a hub for cat bonds. To bridge the 84% protection gap, we are operationalizing a Special Purpose Insurer (SPI) framework and standardizing parametric solution reporting to attract global institutional capital

7.2.3. 2025-2026 ILS Market Trends and Pricing Benchmarks

- The 2026 market is characterized by stabilizing spreads and an expanding risk mix that now includes wildfire and cyber risks, previously not considered suitable by many investors.
- The launch of the world's first cat bond exchange-traded fund (ETF), the Brookmont Catastrophic Bond ETF (ticker ILS), which surpassed its break-even mark of USD 25 million in assets by late 2025, signals a deepening of the retail and institutional investor pool that the IFSCA can tap into.

8. Emerging Frontier Risks and Underwriting Trends in 2026:

- The strategic narrative for 2026 must account for the specific "frontier risks" that are currently shaping reinsurance strategies.
 - Climate and Environmental Perils
 - Cyber and Technological Risk
 - The Demographic Shift in Reinsurance

9. Conclusions:

9.1. Navigating the Softening Global Market through operational efficiency and capital flexibility.

- GIFT-IFSC's assigned capital requirements offer a huge opportunity for firms looking to maintain their margins in a lower-yield environment.
- The 10-year tax holiday and the ability to operate in USD ensure that our capital is protected from currency fluctuations while we benefit from India's position as the fastest-growing G20 insurance market.

9.2. Closing the Asia Protection Gap with Alternative Capital

- The 84% protection gap in Asia is a systemic risk that traditional reinsurance cannot solve alone.
- The 2025 record for cat bond issuance—USD 25.6 billion—proves that capital market appetite for insurance risk is at an all-time high.
- We are moving beyond indemnity towards parametric certainty. The IFSCA's proposed analytical framework for ILS will support the mass-scale distribution of parametric solutions for climate-sensitive sectors, ensuring that liquidity reaches disaster zones in days, not months.

9.3. The Future of Underwriting – Talent, AI, and Connectivity

- In 2026, a reinsurance hub is only as strong as its digital and human infrastructure.
- The Global Reinsurance Summit 2026 confirms that India is no longer just a consumer of global reinsurance capacity but a foundational pillar of the global risk transfer architecture. For the IFSCA, the facilitating role in the ILS and cat bond market is the final component in creating a truly "future-ready" jurisdiction.
- By leveraging the proposed SPI framework, parametric innovation, and a unified regulatory environment, GIFT-IFSC is uniquely positioned to bridge the gap between India's current protection needs and its 2047 vision of "Insurance for All".

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