



InsuranceTimes

Edition 1 | October 2026 | Reform, Partnerships and the Changing Economics of Distribution



Welcome to Insurance Times – Edition 1, Indian insurance is in a period of rapid change, with new partnerships, evolving regulation and shifting customer expectations reshaping how products are designed, priced and sold. In this issue, we bring you the developments that matter most to insurers, intermediaries and policyholders alike, along with a look at what they could mean for the road ahead.

Top Insurance Headlines

1. **Bajaj General has partnered with Swiss Re Corporate Solutions** to offer global commercial covers to large Indian companies and those expanding overseas.
2. **Removal of 18% GST on individual and family-floater health policies** could make cover more affordable and boost penetration.
3. **IRDAI's proposal reportedly considers a 15% first-year and 5% renewal commission cap** on health insurance, which could lower distribution costs but squeeze intermediary earnings.
4. **Proposed reforms aim to stop lenders from forcing insurance with loans**, giving customers more choice and reducing mis-selling.
5. **Tighter commission and expense limits may push insurers** towards digital renewals, telematics and data-based pricing in motor insurance.

Bajaj General Insurance and Swiss Re Join Hands



Bajaj General Insurance has announced an exclusive commercial insurance partnership with Swiss Re Corporate Solutions, the commercial insurance arm of the Swiss Re Group. Announced on 6 August 2026, the partnership aims to provide innovative insurance solutions to large Indian companies, multinational corporations operating in India and Indian businesses expanding into international markets.

The partnership will initially focus on sectors that are important to India's economic growth, including high-tech and manufacturing. It will combine Bajaj General Insurance's domestic market presence with Swiss Re Corporate Solutions' global underwriting expertise and international insurance capabilities. The two companies also plan to offer international insurance programmes for Indian companies operating overseas, helping businesses manage risks across multiple countries.

This tie-up could strengthen India's commercial insurance ecosystem by improving access to specialised covers and global risk-management solutions. It may also support the growth of property, engineering, liability, cyber and other corporate insurance products as Indian companies expand globally. However, the partnership remains subject to definitive agreements and applicable regulatory requirements, meaning its full commercial impact will depend on the final implementation.

Source: <https://timesofindia.indiatimes.com/business/india-business/bajaj-swiss-re-in-partnership-to-provide-global-covers-for-corporates/articleshow/134570067.cms>

GST exemption on individual health insurance



The removal of 18% GST on individual and family-floater health insurance policies is expected to make health insurance more affordable for Indian customers. Lower premiums may encourage more families to purchase adequate coverage, renew policies regularly and increase health-insurance penetration.

For insurers, the change may create an opportunity to expand the customer base, but it could also affect pricing and distribution economics. Companies may need to reassess product pricing, commissions and customer-acquisition costs while maintaining sustainable claims ratios.

The reform is likely to benefit customers most when they compare coverage, exclusions, waiting periods, sub-limits and claim-service quality rather than choosing a policy only on the basis of a lower premium.

Source:  **PIB Backgrounder**

Proposed cap on insurance commissions



IRDAI's proposed insurance-distribution reforms include product-specific limits on commissions paid to agents, brokers, banks and other intermediaries. For health insurance, the proposal reportedly considers a first-year commission cap of 15% and renewal commission of 5%.

The proposal could reduce distribution costs and eventually support more affordable insurance products. However, agents and digital platforms may face lower earnings, especially in segments that depend heavily on first-year commissions.

For general insurers, the reform may encourage greater focus on direct sales, digital distribution, customer retention and efficient renewal management. The final impact will depend on the rules eventually notified by IRDAI.

Source: <https://indianexpress.com/article/business/insurance-brokers-commission-policyholders-jobs-risk-10901858/>

Restriction on compulsory insurance bundling



The proposed reforms seek to prevent banks and lenders from compulsorily bundling insurance products with loans. Customers may receive greater freedom to decide whether they need insurance and which insurer they want to select.

This could reduce mis-selling and improve transparency in loan-related insurance transactions. Lenders may need to provide clearer disclosures and ensure that insurance is not presented as an unavoidable condition for obtaining credit.

For general insurers, the measure could reduce sales generated through compulsory or highly pressured distribution. Companies will need to compete more actively through product quality, pricing and customer service.

Source:  IRDAI Proposes New Loan Insurance Rules to Curb Forced Bundling

Possible changes in motor insurance distribution



Motor insurance distributors may be affected by tighter commission and expense limits. The impact could be particularly significant in segments where margins are already narrow, including third-party motor insurance.

Insurers may accelerate digital renewals, online sales, automated vehicle inspections and data-based pricing. Telematics could also help companies assess driving behaviour and offer more personalised motor insurance products.

Customers may benefit from faster service and clearer pricing, but traditional intermediaries could face pressure to provide greater value. Their role may shift towards advice, claims support and relationship management.

Source: 🌐 Indian Insurance and Bank Stocks Erase \$14 Billion on Fee Cap Plan

That wraps up Edition 1. Several of these developments, from the commission caps to the bundling restrictions and the Bajaj-Swiss Re partnership, are still proposals or subject to definitive agreements and final rules, so their real impact will depend on how they are implemented. Insurers who invest in digital distribution, product quality and service will be best placed to adapt, while customers should look beyond the premium and compare coverage, exclusions and claim experience. We'll track how these stories develop and bring you the latest in **Edition 2**.

Until next week , stay covered, stay ahead.
