Insurance for All: enhancing insurance coverage across India

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Contents

Foreword

The Indian insurance sector stands at a critical juncture, poised to unlock tremendous potential in contributing to the nation's economic growth and social security. With a projected average annual real GDP growth of 6.4%[1] from 2024 to 2028, the economic landscape is ripe for both the life and non-life insurance segments to flourish. However, this growth trajectory also has formidable challenges. The sector's limited distribution reach and insufficient insurance literacy, particularly in rural areas, severely hamper accessibility. Rising costs and significant data constraints in underwriting and risk assessment present formidable obstacles to affordability. Moreover, the sector's current product offerings are inadequate, failing to meet the diverse needs of underpenetrated markets, exacerbating the challenge of availability.

As India intensifies its efforts to enhance insurance penetration, particularly in semi-urban and rural areas, addressing these critical barriers to accessibility, affordability and availability is not just important but imperative for sustainable growth. Leveraging Digital Public Infrastructure (DPI)—such as ONDC and OCEN for streamlined insurance access, ABHA and Account Aggregators for improved affordability, and Agri Stack and UPI for enhanced availability—can play a pivotal role in overcoming these challenges. Nevertheless, the sector must confront and resolve the rising costs and data limitations that complicate risk assessment and undermine affordability. Expanding distribution networks through strategic partnerships and innovative channels is essential, and not optional. Coupled with the integration of AI/ML technologies, this will drive more efficient and

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[1] India's insurance market: growing fast, with ample scope to build resilience" Swiss Re, Jan 2024

personalized underwriting, ultimately making insurance more affordable and accessible. Furthermore, the development of a more diverse range of insurance products tailored to underpenetrated segments, such as small business owners, senior citizens and gig workers, is a necessity for improving availability. Addressing these issues demands a concerted effort to boost insurance literacy and trust and to streamline regulatory processes that support innovation and inclusion.

In this report, *Insurance for All: enhancing insurance coverage across India*, we explore these challenges and opportunities, offering actionable insights for policymakers, regulators and industry stakeholders. By focusing on accessibility, affordability and availability, and by embracing technological advancements and innovative distribution strategies, the Indian insurance sector can play a transformative role in the nation's journey towards comprehensive insurance coverage for all.

We are confident that the perspectives shared in this report will inspire meaningful dialogue and drive collaborative efforts to shape the future of insurance in India.
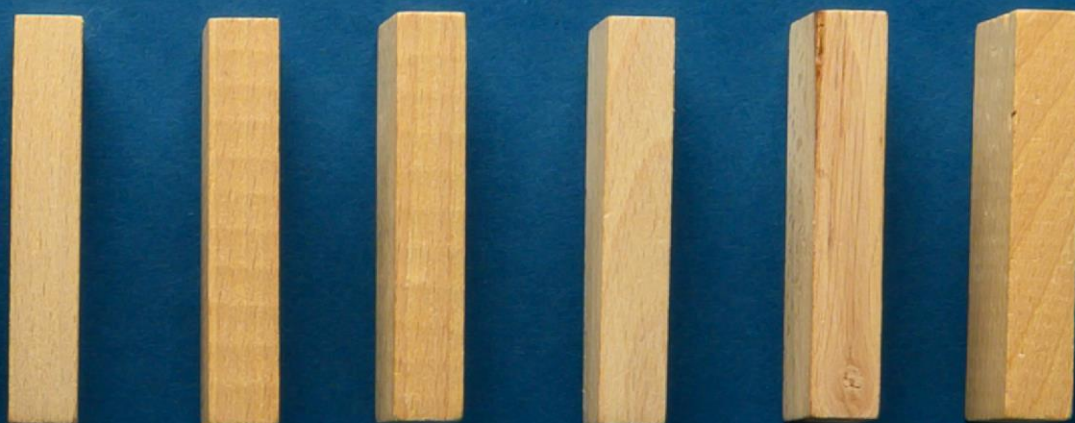
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Executive summary

This report outlines a strategic vision for enhancing insurance coverage in India by examining the current state and prospects of the insurance sector. With an average annual real GDP growth projected at 6.4% from 2024 to 2028, India's strong economic performance supports the steady growth of both life and non-life insurance segments. Key growth drivers include economic advancement, a growing middle class, improved digital access, and supportive government initiatives such as Bima Trinity (Bima Vahak, Bima Sugam, Bima Vistaar) and Ayushman Bharat. Technological innovations like AI and cloud solutions are further enhancing insurance accessibility and efficiency.

Despite these positive factors, the insurance sector faces significant challenges. Distribution reach and insurance literacy are limited, particularly in rural areas. Additionally, underwriting and risk assessment are hindered by insufficient data and rising costs, affecting pricing and profitability. There is also a need for a broader product range and more innovation to address diverse customer needs and underpenetrated segments.

This report further talks about the white spaces and opportunities for improvement that will help address these challenges:

Enhancing accessibility: Expanding distribution networks through diversified channels such as business correspondents, tapping bank branches in tier 3 and tier 4 cities, leveraging SHGs, CSCs and building partnerships with non-financial entities such as oil and utilities. Segment-specific agency networks and initiatives like Bima Vahak will create segmented distributors, enhance customer access and improve insurance penetration. Implementing targeted awareness campaigns will also build trust and improve insurance literacy.

Improving affordability: Advancing underwriting and claims processes through AI/ML technologies enhances precision and efficiency, with key strategies including hyper-personalized underwriting and dynamic risk assessments. Additionally, leveraging Digital Public Infrastructure (DPI), such as ABHA for better pricing and account aggregators for accurate underwriting can further boost affordability.

Expanding availability: Developing a broader range of insurance products tailored to specific customer segments, including small business owners, senior citizens and gig workers. Innovations in product features and leveraging customer insights will help address market gaps and enhance product relevance.

To expand insurance coverage, regulators should streamline distributor licensing, particularly in tier 3 and 4 cities, support insurance literacy initiatives, and foster technological innovation through integrated digital ecosystems. Additionally, they should mandate the creation of tailored products for underserved segments, such as rural populations and gig workers. Insurers, on their part, should leverage the Digital India stack, enhance customer experience through personalized product designs, and embrace advanced technologies like AI and machine learning for efficient underwriting, risk mitigation, and improved data governance.

In conclusion, making India a fully insured society requires a concerted effort from insurers, regulators and the government. By leveraging technological advancements, addressing accessibility, affordability and availability challenges, and fostering industry collaboration, India can achieve the goal of comprehensive insurance coverage for all.

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Trends shaping the insurance industry

2.1	The global insurance market

The global insurance market is experiencing a dynamic period of growth and transformation, driven by steady economic expansion, strong labor markets and rising real incomes. Despite considerable challenges in 2023, including persistent high inflation and geopolitical tensions that constrained the global GDP growth to a modest 2.6%[2], the insurance sector demonstrated a positive growth rate of 2.8%[3].

The evolving macroeconomic landscape, combined with climate volatility, technological advancements, and shifting customer needs, is acting as a catalyst for transformation in technology, infrastructure, business models and organizational culture within the insurance industry. Global insurers are actively embracing innovative technologies, expanding market reach and focusing on customer-centric approaches to enhance efficiency and meet evolving demands.

Partnerships to boost capabilities
Example: **Life insurers** are increasingly collaborating with **healthcare/employee benefits providers**.

Prudent risk management
Example : Adoption of **IFRS 17, Risk-Based Capital frameworks**, and addressing climate and cyber risk.

Embracing a customer-centric approach
Example : **AI and blockchain enabled instant claims settlement.** In US insurers have created real time claims settlement platforms

Driving product innovation
Example: **Sachetization of product** (Philippines- affordable product covering multiple risks under one policy).

Accelerating automation with Gen AI
Example : Self-service capabilities through **Gen AI assistants and chatbots.**

Enhanced penetration in underserved segments
Example**: Contextual segment specific products** like catastrophe insurance, microinsurance for readymade garment workers in Bangladesh.

Global key themes

1 2 3 4 5 6

Ethical AI, data management and ESG are other emerging themes shaping the global insurance landscape

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[2] India's insurance market: growing fast, with ample scope to build resilience'' Swiss Re, Jan 2024
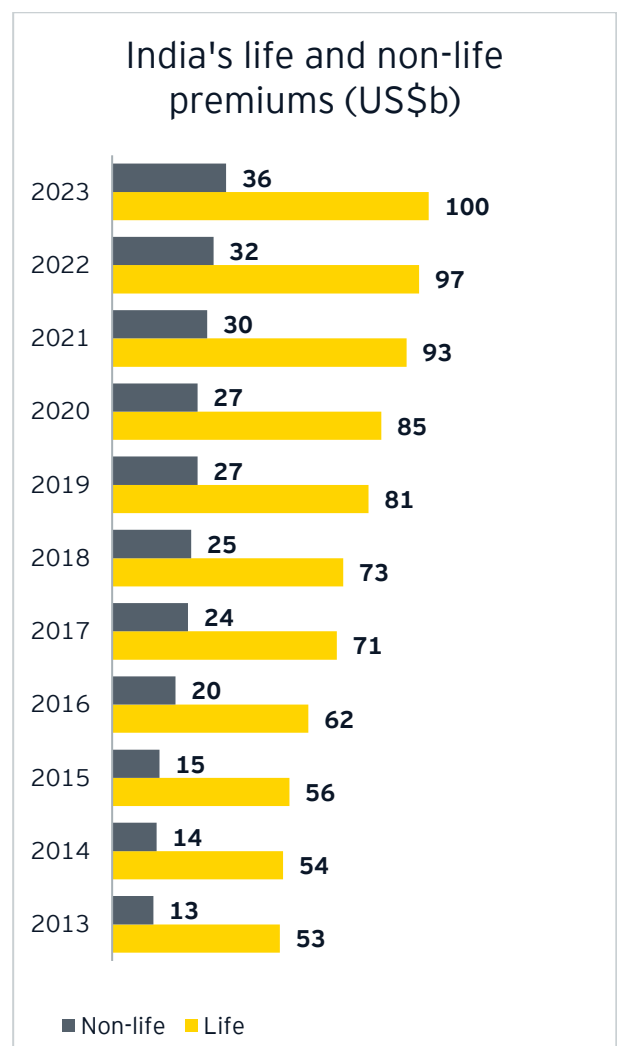[3] Swiss Re world insurance report 2024

The global economic outlook for 2024 appears favourable, with total premiums (life and non-life) expected to increase by 3.2%[4] in real terms. This growth is supported by higher interest rates and hard market conditions, particularly in personal lines. Additionally, higher interest rates will also enhance investment portfolios, improving profitability for both life and non-life insurers.

2.2	The Indian insurance market

The insurance industry showed notable growth in 2023, with non-life insurance premiums growing by 10.4% to reach $35.8 billion[5], primarily driven by health and motor insurance segments. Meanwhile, life insurance premiums grew by 2.9%, reaching US$100 billion in 2023[6].

India's life and non-life premiums (US$b)

Year	Non-life	Life
2023	36	100
2022	32	97
2021	30	93
2020	27	85
2019	27	81
2018	25	73
2017	24	71
2016	20	62
2015	15	56
2014	14	54
2013	13	53

■ Non-life ■ Life

Source: Swiss Re World Insurance Report

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[4] Swiss Re world insurance report 2024
[5] Swiss Re world insurance report 2024
[6] Swiss Re world insurance report 2024

The Indian insurance sector is expected to grow at 11-12%[7] and be the fastest-growing market among the G20 nations over the next five years (2024-2028). The growth is expected to be driven by an expanding middle class, technological advancements and supportive regulations.

In life insurance, there is a shift towards protection and guaranteed return savings products, with 40% of households covered, largely due to LIC's network.[8] The non-life insurance sector is expected to double its premium-to-GDP ratio over two decades but will remain below the global average.
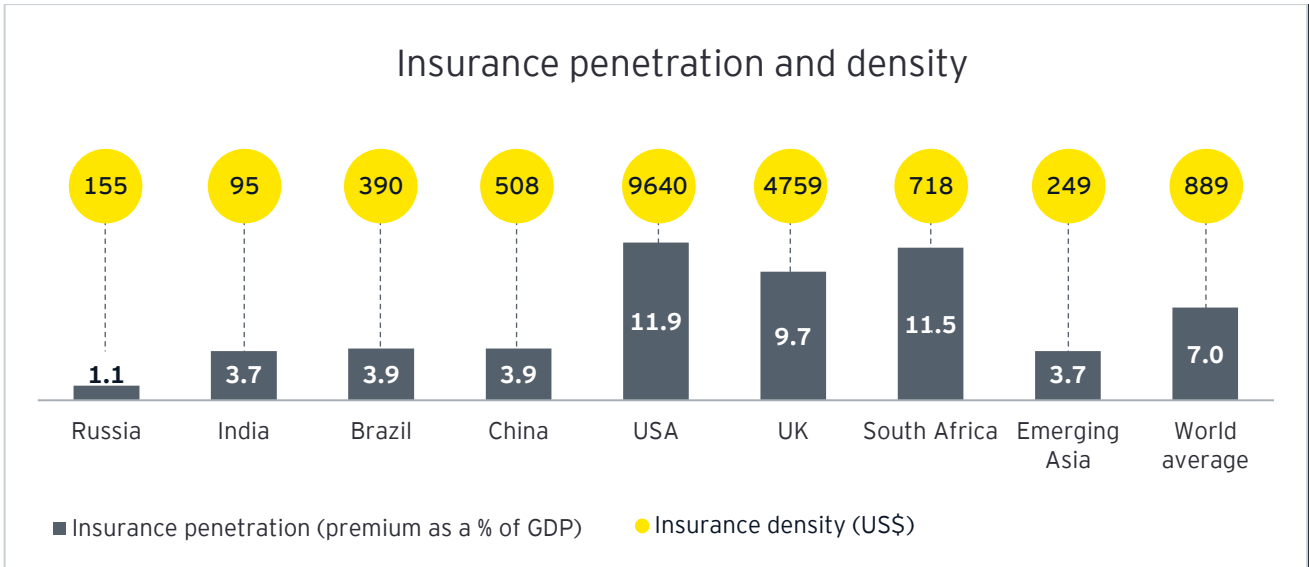
Trends shaping the Indian insurance market

Increased focus on semi-urban and rural locations	Leading insurers are looking to expand their presence in smaller, underserved locations (Tier 3/4 locations) to tap into emerging markets and increase coverage
Profitability and productivity	Insurers are boosting profitability and productivity with digital tools, robust sales management, prudent risk mitigation and enhanced embedded value (EV)
Product innovation	There is a shift towards developing innovative insurance products with a strong emphasis on protection, saving, motor and health categories
Customer centricity with hyper personalization at the centre	Insurance providers are accelerating their efforts across hyper-personalized customer experiences, improving onboarding, underwriting, servicing and claims processes
Augmenting ecosystems	Insurers are partnering with InsurTechs and service providers to improve their services and efficiencies. Although ecosystem participation and orchestration are in the early stages, they present opportunities for future development

While the above trends have driven volume growth in the industry in recent years, penetration and density levels remain low, as compared to global averages.

[7] India's insurance market: growing fast, with ample scope to build resilience" Swiss Re, Jan 2024
[8] Morgan Stanely Investor presentation ASIA, 2023

Insurance penetration and density

	Russia	India	Brazil	China	USA	UK	South Africa	Emerging Asia	World average
Insurance density (US$)	155	95	390	508	9640	4759	718	249	889
Insurance penetration (premium as a % of GDP)	1.1	3.7	3.9	3.9	11.9	9.7	11.5	3.7	7.0

■ Insurance penetration (premium as a % of GDP)   ● Insurance density (US$)

Source: Swiss Re World Insurance Report

With an overall insurance penetration of 3.7%, well below the global average of 7.0%[9], there is a notable gap in coverage that highlights opportunities for insurers to extend their reach. Targeting tier 2-3 cities and rural areas, where awareness and accessibility are limited, could unlock new customer segments and stimulate growth.

Similarly, insurance density in India, which stood at approximately 95 in 2023[10], is relatively low when compared to global standards. This low density indicates that the ratio of insurance premiums to the population remains underdeveloped, further emphasizing the scope for increased market penetration. As insurers look to expand their offerings and improve product accessibility, addressing this density gap can unlock substantial growth opportunities, allowing for a broader distribution of insurance products across diverse demographics.

The Insurance Regulatory and Development Authority of India (IRDAI) is contributing towards expanding the reach of insurance in India. The

"Insurance for All by 2047" initiative underscores the regulator's commitment to universalizing insurance coverage. IRDAI has been proactive in implementing various measures aimed at product customization, improving grievance redressal mechanisms, and optimizing regulatory frameworks. The regulator also launched three major initiatives under Bima Trinity : Bima Sugam, Bima Vahak and Bima Vistaar – to raise insurance penetration, in particular in semi-urban areas, rural towns and villages.

While the regulator is working towards enhancing insurance reach and inclusivity, insurers need to adapt to these evolving regulatory measures, market dynamics and address the low penetration and density as a growth opportunity. The focus should be on leveraging the initiatives and frameworks provided by the IRDAI to address the existing gaps in coverage and density. This alignment with regulatory efforts is crucial to fully realizing the growth potential in the Indian insurance sector.

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[9] Swiss Re world insurance report 2024
[10] Swiss Re world insurance report 2024

03

Key barriers limiting insurance for all

Despite a decade of growth, India struggles with adequate insurance coverage for its population. In a Swiss Re study on insurance inclusion, India ranked 6th, lagging both advanced and emerging economies like South Africa. Unlike the US, UK, and Canada, which benefit from high affordability and accessibility due to higher incomes, and South Africa, which offers low-cost products, India remains weak across all three pillars: availability, affordability, and accessibility. This low inclusion score highlights the opportunity and potential for improvement in India.

Accessibility

1. **Limited reach of insurance distribution**
   Insurance coverage remains underpenetrated in rural India despite ~65%[11] of population residing there. Private insurers have been cautious with their investments in the rural segment, focusing on profitability. As a result, rural distribution channels such as BCs and CSCs are not fully utilized.

2. **Inadequate insurance literacy**
   Despite government initiatives to introduce insurance schemes in the rural sector, understanding and awareness remain limited. Insurance awareness programs that highlight how insurance can address economic and social challenges are limited and inadequate.

Affordability

1. **Underwriting and risk assessment challenges**
   Limited data and technology adoption challenge an insurer's ability to underwrite rural segments and balancing high coverage with low premiums in middle-income groups not covered by government schemes has been challenging for insurers.

2. **Profitability strain for insurers led by rising costs**
   Insurers focus on driving volume sale and struggle with new business strain in initial years with the cost of opening new branches, underwriting costs of medicals, servicing costs and claims investigation costs start ballooning.

[11] Economic survey of India 2022-23

Availability

1. **Product range and innovation**
   Insurers have focused on product evolutionbasis customer needs, including low-cost, short-term and niche covers. However, many offerings remain limited and do not address the full demand. There are gaps in coverage for SMEs, senior citizens, rural areas, gig workers, pre-existing conditions, and outpatient expenses, with some areas still at a nascent stage.

2. **Untapped customers due to limited market insights**
   Over reliance on external distribution arms of bancassurance and agency and unstructured need analysis of the rural segment has limited the understanding of underpenetrated customer segments for insurer

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Propelling towards insurance inclusion by leveraging digital public infrastructure

4.1 **Accessibility: innovating distribution channels to serve the underserved**

Enhancing accessibility to insurance in India is crucial for comprehensive coverage across the diverse population. India can bridge the accessibility gap by expanding alternative distribution channels, leveraging technology and analytics, and implementing targeted regulations. Scalable solutions, fostering a more inclusive financial ecosystem will help improve insurance accessibility.

Expanding distribution reach

Expanding distribution reach is essential for improving insurance accessibility in India. By diversifying and optimizing distribution channels, insurers can effectively meet the varied needs of the population.

Leveraging Bancassurance for Rural Inroads

Segmented proposition and distribution and tapping rural ecosystem for growth opportunities

- CASA, SME, Salary Accounts
- BCs, SHGs, CSCs,

Bundling of services through banking product backed man-model

Embedded Insurance and New Age

Embedded: Meaningful value propositions all under one service touchpoint

Partnerships going beyond just the transaction to end to end ownership including servicing and cross-sell

Augmenting new and targeted distribution models

Customer segment, demographics backed, or product segment backed man-model

For instance, Women segment backed agency

Leveraging bancassurance for rural inroads

Leveraging banks existing customer relationships and data can streamline insurance distribution, making it more accessible and integrated into customers financial planning

► Business correspondents (BCs) could act as facilitators in financial services, providing financial literacy programs, doorstep support and assistance, making them a viable distribution network for insurance in underserved areas

► Insurers can leverage bank branches and BCs to tap into Self-Help Groups (SHGs), Common Service Centres (CSCs) for customer access and servicing

► Innovative distribution models can enable up-sell to under insured customers who are covered in the government schemes like PMJJBY, PMFBY, PMJAY

BCs can significantly impact the Indian insurance sector by improving customer experiences, broadening distribution reach, and offering a diverse range of insurance products and services.

► **Improving customer experience:** BCs can offer hands-on support and personalized guidance throughout the insurance process, addressing queries and simplifying complex procedures.

► **Expanding distribution value proposition:** They can enhance their role beyond traditional banking services by focusing on insurance sales, receiving competitive commissions, and integrating insurance into their service offerings, thereby increasing their value proposition and earning potential.

► **Broadening role and product scope:** BCs can be empowered to handle a wider range of insurance products, including comprehensive plans beyond micro-insurance, and take on roles beyond lead generation, such as providing policy advice and assisting with claims, thereby increasing their overall impact and utility in the insurance sector.

Embedded insurance and new age partnerships

▶ Partnerships with non-financial services companies (such as telecom, oil marketing and utility companies) that are already catering to underserved customers, offer a significant opportunity to boost insurance sales

▶ By integrating insurance into digital platforms, insurers can streamline transactions and reduce costs, making it easier for consumers to access and purchase coverage

▶ Public-private partnerships also present new opportunities for collaboration, enabling innovative solutions to reach underserved markets

Several US-based insurers leverage Ubers platform to offer additional coverage to drivers, enhancing their protection with options like medical and roadside assistance. This partnership helps insurers reach drivers efficiently and boost policy sales

Augmenting new and targeted distribution models

▶ **Customizing agency and direct sales force**: Focusing on unique needs of demographics and customer segments, varied agent segments can penetrate different customer persona

▶ **Bima Vahak initiative:** To enhance women's inclusion in insurance, IRDAI launched Bima Vahak, a women-focused distribution channel in every Gram Panchayat by December 31, 2024. New guidelines allow Bima Vahaks to partner with multiple insurers and handle various services, increasing insurance penetration in underserved segments

▶ **Point of Sale person (PoSP):** Leveraging PoSPs who have local knowledge and community ties, could boost insurance awareness and facilitate policy sales

    ▶ Explore target customer segments for PoSPs and utilize touchpoints such as fairs, melas, petrol pumps, Kirana stores etc. to tap into rural segments

    ▶ Target loanee and non-loanee farmers for crop insurance, to supplement government schemes and increase rural penetration

A US-based insurer has successfully implemented a strategic approach to build a network of specialized agents and use segmentation to offer insurance offerings to farmers, small business owners and families.

Increasing insurance literacy

Increasing insurance literacy is pivotal for enhancing accessibility in India. A focused approach can be adopted by:

Nominating select districts and villages to serve as pilot areas for targeted literacy programs

Developing an insurance index matrix at the district level, similar to the credit index in banking

Coordinated efforts by associations such as NABARD, NGOs, SHGs, Farmers' clubs, and regulators like RBI and IRDAI

Mass media marketing campaign to increase household awareness of insurance and protection

To boost insurance literacy in India, a district-level insurance index matrix can be developed. It will pinpoint areas with low awareness and coverage, guiding targeted educational initiatives and outreach. By revealing disparities in insurance access and literacy, the index can help craft localized strategies to improve financial literacy and increase insurance adoption. Integrating this with banking indices will further offer a complete view of financial inclusion, ensuring that efforts to enhance insurance literacy support broader financial services and increase insurance penetration in India

Source: EY analysis

To build trust, regulators should focus on targeted awareness campaigns, e.g. for life insurance, they can highlight the differences between protection and savings products. For retirement planning, they can emphasize the importance of voluntary savings.

Boosting accessibility with DPI

Leveraging Digital Public Infrastructure (DPI) can significantly enhance insurance accessibility:

▶ **ONDC:** to streamline gig worker insurance for delivery personnel
▶ **OCEN:** to link insurance solutions with credit applications, simplifying insurance acquisition alongside loans

4.2	Affordability: digitally transforming onboarding, underwriting and claims processes

To enhance affordability in the Indian insurance market, a strategic enhancement in underwriting and claims processes is essential. Advancing underwriting through AI/ML technologies and holistic risk scores improves precision and efficiency, while leveraging diverse data sources enables more personalized and accurate risk assessments. Additionally, modernizing claims management with AI-driven tools and unified digital platforms further streamlines operations and reduces costs.

Leveraging diverse data sources enables insurers to create personalized experiences and insights for both individuals and businesses. For example, by utilizing company registrations, compliance records, and financial verification, insurers gain a comprehensive view of each SME. Applying a holistic data approach refines risk assessments, develops customized solutions and achieves precise pricing. For individuals, detailed data on health, behavior and financial status allows for tailored risk evaluations, enhancing affordability and operational efficiency through technology-driven claims modernization.

Transforming underwriting

- Accelerated and hyper-personalized underwriting uses AI/ML and detailed data for tailored risk assessments and pricing
- Dynamic underwriting involves real-time adjustments based on continuous data collection and customer behavior

Streamlining claims

- Modernizing claims with technology and collaborations boosts efficiency and reduces costs, fostering affordability

One-click servicing

- Insurers should create a fully integrated digital ecosystem with a single interface for staff, customers and partners that can seamlessly assimilate data from every system

Transforming underwriting

- Accelerated underwriting: Integrate financial underwriting through fintech collaborations
  - Shift from rule based to AI/ML underwriting
  - Reduction in manual medical UW and applicants requiring invasive medical exams
  - Streamlined financial UW through tie-ups with fintechs and data aggregators
- Hyper-personalized underwriting: Leverage data to tailor risk assessments and pricing
  - Develop granular view of risk categories using holistic data sets
  - Differential pricing and UW grids using real time customer data from wearables, health and fitness app etc.
  - Personalized offers and enhanced accuracy based on customer micro-segment and distinct needs
- Dynamic underwriting: Enable ongoing data collection and real-time adjustments based on customer behavior and lifestyle changes, optimizing policy terms and premiums

- Continuous engagement and data collection followed by interventions-based lifestyle stage
- Dynamic adjustment based on usage and customer behaviour, such as reduction in premium of term plan or enhancement of term plan if customer follows healthy lifestyle
- Holistic risk score: Integrate diverse data sources and leverage advanced technologies to achieve a more nuanced understanding of risk and enhance overall affordability
  - Combining financial, lifestyle, health and location parameters improves risk evaluation precision
  - Real-time premium adjustments based on lifestyle behaviors foster affordability and encourage healthy habits
  - Advanced technologies and enhanced data interoperability streamline and strengthen the risk evaluation process

Modernizing and streamlining claims

Embedded insurance in India has rapidly advanced, enabling swift policy purchases. However, the process for handling service requests and claims remains cumbersome, potentially hindering broader adoption. Addressing this challenge and streamlining the backend processes will enable insurers to match the claims and servicing experience to the convenience of purchasing insurance.

▶ Implement AI-driven chatbots and virtual assistants to manage service requests and claims, and apply machine learning algorithms to assess claims swiftly and accurately, reducing manual intervention and speeding up approval
▶ Develop unified and comprehensive digital platforms for customers to purchase, file and track claims, and communicate with support teams, ensuring mobile accessibility
▶ Foster partnerships among insurers, fintech companies and regulators to standardize claims processing protocols, facilitating smoother transactions and faster resolutions

A leading US InsurTech is using AI and machine learning to process claims in seconds. Their chatbot handles customer interactions, making entire process quick and user-friendly

One-click servicing

Focus on creating seamless and efficient customer experiences by leveraging advanced technologies and streamlined processes

▶ Develop intuitive interfaces for policy management, claims filing and service access, with real-time notifications
▶ Use AI-driven chatbots and RPA for common queries and back-end tasks, enabling easy updates and one-click payments
▶ Implement AI for rapid claims assessment and "Zero Touch Claims," improving accuracy, fraud detection and reducing costs

A prominent Chinese insurer provides AI-based health assistance to direct patients to appropriate medical specialties. Their healthcare platform offers online consultations, with AI integrated to support

Leveraging diverse data sources

Insurers will need to leverage various business or individual-specific information in order to enhance the affordability:

▶ Utilize company registrations, compliance records and financial verification for a comprehensive view of each SME
▶ Apply a holistic data approach to refine risk assessments and develop customized insurance solutions
▶ Achieve more precise pricing and enhance affordability through detailed and accurate risk evaluations

Boosting accessibility with DPI

Leveraging Digital Public Infrastructure (DPI) can significantly enhance insurance affordability:

▶ ABHA: Enables improvement in pricing and reduction of claims cost
▶ Account Aggregators: Enhances underwriting precision; electronic consent through Sahamati supporting accurate pricing
▶ Centralized KYC: Enables immediate issuance at a lower cost

Many insurers currently lack comprehensive market insights, which further restricts their ability to understand and address the specific risks and needs of the underpenetrated customers. Without these insights, insurers struggle to identify unique challenges, resulting in less relevant solutions. However, gaining deep market insights allows insurers to pinpoint these issues and develop tailored solutions.

For example, understanding the specific risks faced by a garment retailer in Gandhinagar, Delhi, such as waterlogging, enables insurers to create targeted parametric lite coverage options. This approach not only addresses the retailer's unique needs but also bridges the existing gaps in product range and innovation, enhancing the overall effectiveness of insurance offerings.

Customer persona driven product categories

Hyper-personalized product offerings

Leveraging Product Innovations for Insurance Growth

Innovative and inclusive product strategies for expansion

Products with need-based features for enhanced value

Customer persona driven product categories

Insurers can tailor products to specific customer segments like small business owners, senior citizens, or gig workers, addressing their unique needs and filling market gaps with targeted solutions.

► Insurers can develop women-centric offerings such as enhanced coverage for diseases affecting women and comprehensive maternity care
► They can tailor plans for the segments typically outside the purview of traditional term insurance such as ladder term insurance, plans providing coverage for customers with income of less than INR5 lakhs or coverage for career breaks
► They can introduce comprehensive plans for entire families, combining ULIP, Par and Non-Par products to drive wealth creation

Hyper-personalized product offerings

Insurers can use data analytics and AI to create highly customized insurance products, tailoring policies to individual health conditions, lifestyle choices, and financial situations for more relevant and effective coverage

► Create bite-sized, on-demand covers in life/ non-life and single disease covers in health to target rural and millennial customers
► Explore modular, hyper-customizable products like small ticket size shopkeeper's insurance and bundled SME/MSME plans
► Occupation related plans covering occupational linked diseases, hazards, on-job injuries
► Subscription based solutions for gadget insurance, cyber coverage, device protection

An Italian insurer offers its customers a completely modular product with 13 custom building blocks including term, health and property insurance allowing customers to pick and choose and watch the pricing effect real time

Innovative and inclusive product strategies for expansion

Insurers can expand product offerings to include innovative group insurance products, SME products and other accessible options.

- Extend group life insurance to gig workers and buyer groups like telecom service users
- Develop innovative SME-focused products such as single coverage for both fire and health, solar panel utility coverage add on, or variable risk coverage for working capital/goods
- Simplify underwriting by reducing questions and using alternative data sources while avoiding proxy discrimination

Products with need based features for enhanced value

Insurers can enhance their offerings by developing innovative features such as flexible pricing, adjustable term options and value-added services.

- Implement usage-based insurance models that adjust premiums based on coverage use
- Develop products with specific coverage for illnesses or conditions
- Provide adjustable term policies that customers can modify as their needs change
- Offer wellness benefits like diabetes management plan, healthy heart program, online and free consultations and home healthcare discounts

A leading France-based insurer launched CareForAll plan to cater to customers living with chronic diseases, the elderly and critical illness survivors
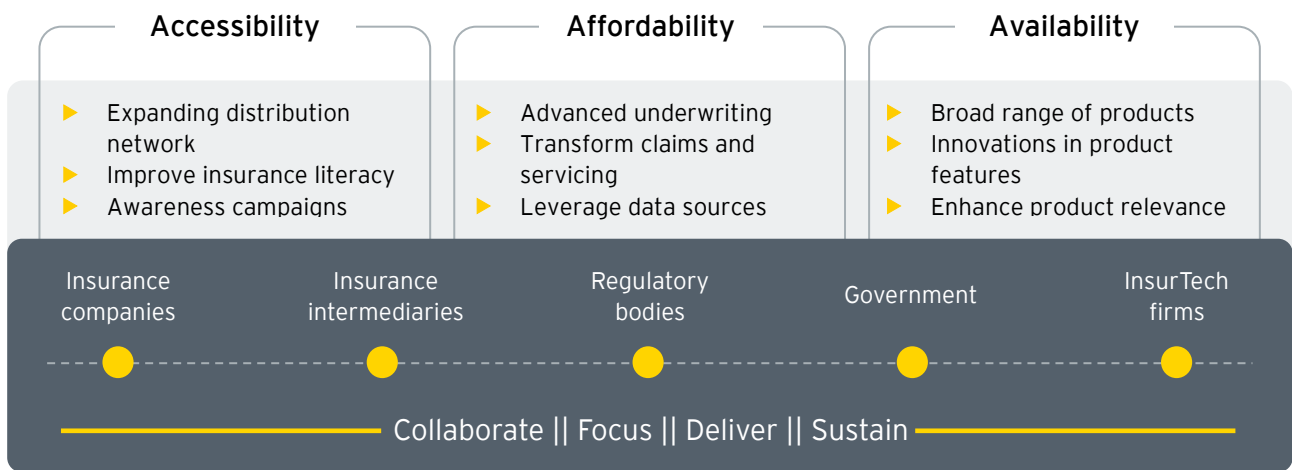
Boosting accessibility with DPI

Leveraging the following Digital Public Infrastructure (DPI) can significantly enhance insurance availability:

- **Agri Stack:** speeds up claims processing and supports innovative crop insurance by streamlining verification and addressing regional risks
- **UPI:** facilitates embedded insurance by integrating insurance options directly into payment processes, making it easy for users to add coverage during transactions

05
Call to action for all inclusion

Accessibility	Affordability	Availability
▶ Expanding distribution network ▶ Improve insurance literacy ▶ Awareness campaigns	▶ Advanced underwriting ▶ Transform claims and servicing ▶ Leverage data sources	▶ Broad range of products ▶ Innovations in product features ▶ Enhance product relevance

Insurance companies	Insurance intermediaries	Regulatory bodies	Government	InsurTech firms
●	●	●	●	●

Collaborate || Focus || Deliver || Sustain

5.1 | Key imperatives for regulators

Enhance market reach and penetration

▶ Simplify the distributor licensing and onboarding guidelines, esp. in tier 3 and 4 cities to increase insurance coverage in rural and underserved regions through targeted distribution channels

▶ Support efforts to improve insurance literacy and awareness among economically weaker sections with educational campaigns and programs

Foster technological innovation

▶ Support the development of integrated digital ecosystems across sectors to streamline operations and enhance customer experiences and advocate adoption of advanced technologies like AI and data

analytics to refine risk assessments, personalize products, and optimize underwriting processes

▶ Promote investments in technology and development with continual relaxation in the Expenses of Management (EoM) guidelines

Support customized product development

▶ Mandate product creation for rural segment and encourage the development of age-specific and needs-based insurance products, including those for women's unique requirements, gig workers, and comprehensive health coverage

▶ Promote retirement planning products and awareness programs to foster long-term financial security and promote products targeting MSMEs, premium financing option and short-term life

Revision in data and infrastructure frameworks

► Provide flexibility on data collection and storage for insurers for need assessment and offer customized product offerings supported by comprehensive data privacy and security regulations

► Extend digital network infrastructure to banks, financial institutions and local bodies in Tier 3/4 cities to drive insurance penetration in rural areas

5.2	Key imperatives for insurers

Leverage Digital India stack

► Leverage usage of credit bureaus and alternate credible data sources and simplify consent mechanism for AA platforms to enable more efficient and data backed underwriting

► Leverage Ayushman Bharat Digital Mission (ABDM) to drive transparency

Placing customer experience at the forefront

► Understand target customer needs and behavior and invest in product designs that provide personalized experiences tailored to specific lifestyles and needs

► Develop an omni-channel strategy, enabling interoperability among digital assets and providing access to real time data

Embrace and invest in technology as next big enabler

► Harness technology and advanced data analytics to offer personalized solutions tailored to customers lifestyles and behavioral needs

► Leverage predictive AI and machine learning as risk mitigation and fraud detection tools for claims verification and assessments, weeding out underwriting risks

Focus on risk assessment and enhancing data governance

► Adopt alternative pricing mechanisms and leverage Risk Based Capital (RBC) framework principles to address evolving cyber risks (data loss, leaks, and compromise) and climatic risks (natural disasters like cyclones, earthquakes, floods etc.) impacting property and life

► Collaborate with other insurance players and InsurTechs for information symmetry and value chain optimization

Conclusion and way forward

India's pursuit of universal insurance coverage stands as both a significant opportunity and a daunting challenge. As the nation stands on the edge of a transformative era, the task of extending insurance solutions to every corner of the country remains intricate and demanding. While economic growth and a positive trajectory for the insurance sector provide a solid foundation, substantial hurdles persist in closing the gaps in insurance penetration and density.

To address these barriers, a comprehensive strategy is essential. Enhancing accessibility requires innovative distribution models, a boost in insurance literacy, and the effective use of digital platforms to engage diverse customer segments. Similarly, improving affordability hinges on advancing underwriting practices, leveraging technology to streamline claims processes, and adopting data-driven risk assessment methods. Furthermore, expanding product offerings and gaining deeper insights into customer needs will be crucial in bridging gaps in product availability and innovation.

For these strategies to be effective, regulatory bodies must play a pivotal role by fostering a supportive environment for innovation and expanding market reach. Insurers, on their part, should prioritize customer experience, harness digital advancements, and engage in collaborative efforts to enrich the insurance ecosystem. By embracing technology and refining data governance, the industry can provide more personalized and efficient solutions.

As we look ahead, India's journey towards "Insurance for All" is not just a goal but a call to action. With strategic efforts from all stakeholders, the nation can overcome existing barriers and pave the way for a future where every citizen is empowered with the security and peace of mind that comprehensive insurance coverage brings.

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Tel: + 91 79 6608 3800

Bengaluru
12th & 13th Floor
"UB City", Canberra Block
No.24 Vittal Mallya Road
Bengaluru - 560 001
Tel: + 91 80 6727 5000

Ground & 1st Floor
11, 'A' wing
Divyasree Chambers
Langford Town
Bengaluru - 560 025
Tel: + 91 80 6727 5000

Bhubaneswar
8th Floor, O-Hub, Tower A
Chandaka SEZ, Bhubaneswar
Odisha – 751024
Tel: + 91 674 274 4490

Chandigarh
Elante offices, Unit No. B-613 & 614
6th Floor, Plot No- 178-178A
Industrial & Business Park, Phase-I
Chandigarh - 160 002
Tel: + 91 172 6717800

Chennai
6th & 7th Floor, A Block,
Tidel Park, No.4, Rajiv Gandhi Salai
Taramani, Chennai - 600 113
Tel: + 91 44 6654 8100

Delhi NCR
Ground Floor
67, Institutional Area
Sector 44, Gurugram - 122 003
Haryana
Tel: +91 124 443 4000

3rd & 6th Floor, Worldmark-1
IGI Airport Hospitality District
Aerocity, New Delhi - 110 037
Tel: + 91 11 4731 8000

4th & 5th Floor, Plot No 2B
Tower 2, Sector 126
Gautam Budh Nagar, U.P.
Noida - 201 304
Tel: + 91 120 671 7000

Hyderabad
THE SKYVIEW 10
18th Floor, "SOUTH LOBBY"
Survey No 83/1, Raidurgam
Hyderabad - 500 032
Tel: + 91 40 6736 2000

Jaipur
9th floor, Jewel of India
Horizon Tower, JLN Marg
Opp Jaipur Stock Exchange
Jaipur, Rajasthan – 302018

Kochi
9th Floor, ABAD Nucleus
NH-49, Maradu PO
Kochi - 682 304
Tel: + 91 484 433 4000

Kolkata
22 Camac Street
3rd Floor, Block 'C'
Kolkata - 700 016
Tel: + 91 33 6615 3400

Mumbai
14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (W), Mumbai - 400 028
Tel: + 91 22 6192 0000

5th Floor, Block B-2
Nirlon Knowledge Park
Off. Western Express Highway
Goregaon (E)
Mumbai - 400 063
Tel: + 91 22 6192 0000

3rd Floor, Unit No 301
Building No. 1
Mindspace Airoli West (Gigaplex)
Located at Plot No. IT-5
MIDC Knowledge Corridor
Airoli (West)
Navi Mumbai - 400708
Tel: + 91 22 6192 0003

Pune
C-401, 4th Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune - 411 006
Tel: + 91 20 4912 6000

10th Floor, Smartworks
M-Agile, Pan Card Club Road
Baner, Taluka Haveli
Pune - 411 045
Tel: + 91 20 4912 6800

Core team

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  Partner, Business Consulting

- **Nilesh Naker**
  Partner, Technology Consulting

- **Varun Gupta**
  Partner, Risk Consulting

- **Rajeev Arora**
  Partner, Business Consulting

- **Manikandan Hariharan**
  Partner, Technology Consulting

- **Mayur Chawla**
  Partner, Business Consulting

- **Sagar Kendre**
  Partner, Business Consulting

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  Senior Manager, Business Consulting

- **Arti Nagdeo**
  Senior Manager, Business Consulting

- **Chetna Khanna**
  Consultant, FinTech team

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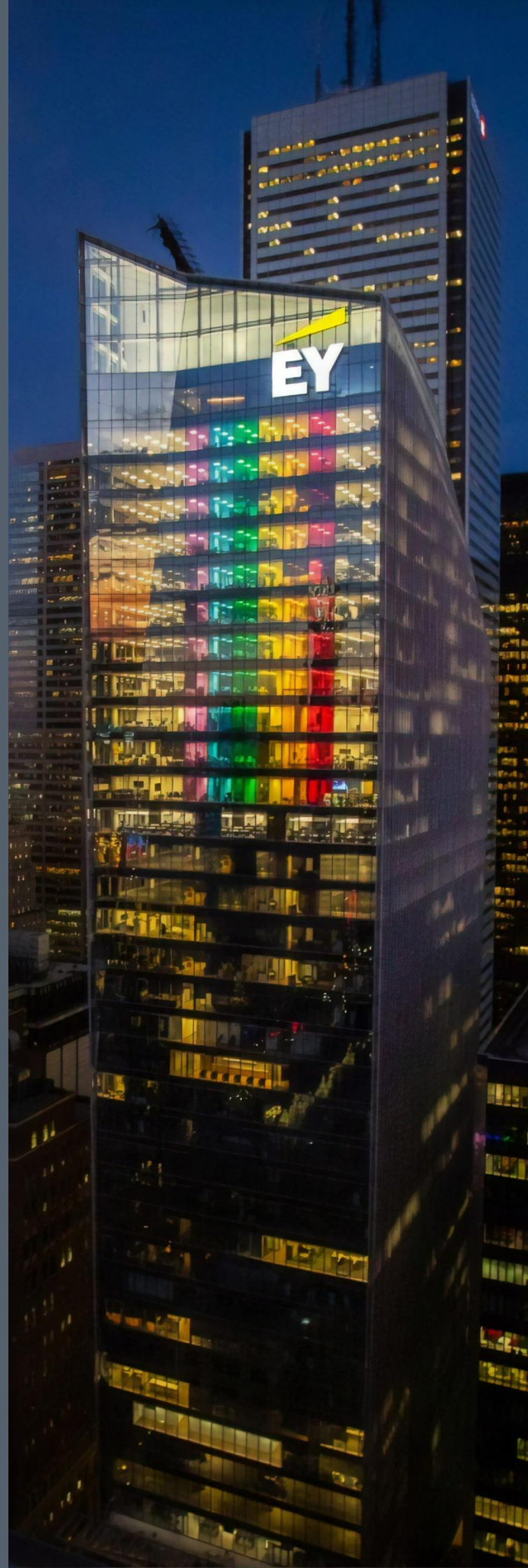
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