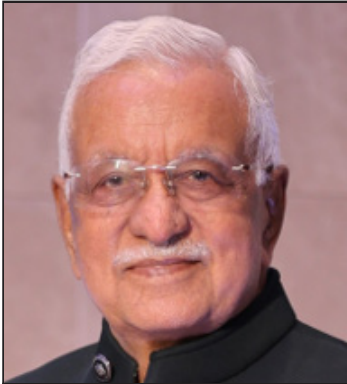


India's Insurance Story: Building a More Resilient Nation



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India's economic journey over the last three decades has been remarkable. Rising incomes, entrepreneurial ambition, deeper capital markets and greater financial inclusion have transformed the way Indians create wealth. Yet, one important aspect of financial planning continues to receive less attention than it deserves, protecting that wealth.

Insurance penetration in India has improved steadily over the years, but it still remains below that of many developed economies and several Asian peers. Behind this statistic lies a more important reality. Millions of Indian families and businesses continue to remain financially vulnerable to unforeseen events such as illness, accidents, natural disasters and the loss of a family's primary source of income.

This is not merely an industry concern. It is an economic one.

Years of savings and hard work can be undone by a single unforeseen event. As India aspires to become a developed economy, building financial resilience must become as important as building financial prosperity. Wealth creation and wealth protection are not competing objectives; they complement each other.

Having spent over four decades in financial services, I have seen India's financial priorities evolve, from encouraging savings to enabling investments and wealth creation. The next phase, in my view, is about protecting what people have worked so hard to

build. Insurance should therefore not be viewed merely as another financial product. It is an essential pillar of long-term financial security for individuals, businesses and the economy.

A Decade of Policy Momentum

The encouraging aspect is that India's insurance sector is entering one of the most promising phases in its history.

The Government's vision of "**Insurance for All by 2047**" has provided a clear direction for the industry. Equally important, that vision is being supported by a series of regulatory reforms that are making insurance more accessible, more innovative and easier to distribute.

The regulatory approach has become increasingly progressive. The introduction of the "use and file" framework has enabled insurers to introduce products faster and respond more quickly to changing customer needs. Initiatives such as Bima Sugam have the potential to simplify the insurance journey by creating a common digital marketplace where customers can compare, purchase and manage policies more seamlessly.

The decision to permit **100% foreign direct investment** in the insurance sector is another significant milestone. Beyond capital, it brings access to global expertise, product innovation, technology and risk management capabilities. Every mature insurance market has benefited from a healthy exchange of global knowledge and local execution. India is now well positioned to do the same.

Taken together, these reforms send a clear message. Insurance is increasingly being recognised not merely as a financial service, but as an important instrument of economic resilience and social security.

Technology Will Expand Reach

Technology is changing every segment of financial services, and insurance is no exception.

Artificial Intelligence, advanced analytics and digital platforms are transforming underwriting, fraud detection, claims servicing and customer engagement. Data is helping insurers understand risks more accurately, while digital platforms are making insurance available to customers who previously had limited access to financial advice.

Perhaps the greatest contribution of technology will be its ability to reduce the cost of distribution. India has thousands of towns and villages where traditional distribution models have not always been economically viable. Digital infrastructure and AI-driven processes can help bridge that gap, making insurance more accessible across geographies and customer segments.

Technology will undoubtedly improve efficiency. It will make insurance simpler to buy and easier to service. But technology alone cannot build confidence in insurance. That depends on trust.

Trust Will Continue to Define Success

Insurance is unlike most financial products. Customers are making decisions about risks they hope never materialise. The value of a policy is often realised years after it is purchased. That makes trust fundamental to the relationship between the customer and the insurance ecosystem.

Trust is built through sound advice, transparency and consistent service. It is also tested at a very specific moment, the moment a claim is made.

A policy may be purchased in a matter of minutes, but a claim is when the customer discovers whether the promise made on paper translates into meaningful financial support. In many ways, the claims experience defines the credibility of the industry. A transparent, fair and efficient claims process does more than settle a claim; it reinforces confidence

in insurance itself. Equally, delays, unnecessary complexity or poor communication can erode years of trust, not just in one insurer but in insurance as a whole.

As the industry works towards greater insurance penetration, improving the claims experience must remain as important as expanding distribution. Customers must feel confident that when they need insurance the most, the system will respond with speed, fairness and empathy.

Distribution Will Drive India's Insurance Story

One lesson has remained constant throughout the evolution of India's financial sector: products alone do not create markets. Distribution does.

India's aspiration of achieving universal insurance coverage cannot be realised unless insurance reaches every district, every town and eventually every pincode. This requires a distribution ecosystem that is broad, accessible and customer-centric.

Banks, insurers, brokers, corporate agents, PoSPs, digital platforms and fintech partnerships all have very important role to play. No single channel will be sufficient for a country as diverse as India.

Equally important is the quality of advice. Customers often know what they wish to insure. They may not always know what risks they should be protecting against. The role of an advisor is to bridge that gap by understanding the customer's needs before recommending a solution.

At Anand Rathi Insurance Brokers, we have always believed that advice should begin with understanding risk rather than selling products. The objective is not merely to place insurance. It is to ensure that customers receive protection that is appropriate to their circumstances. As products become more sophisticated and customer expectations continue to evolve, trusted advice will become even more valuable.

The Decade Ahead

Every industry experiences moments when multiple forces come together to create long-term structural growth. I believe Indian insurance has reached such a moment.

Economic growth is expanding the insurable population. Regulatory reforms are encouraging innovation. Technology is reducing distribution costs. Global investment is bringing fresh expertise and capital. Consumer awareness is steadily improving. Each of these developments is significant in its own right. Together, they have the potential to reshape India's insurance landscape over the coming decade.

The opportunity extends well beyond metropolitan India. Tier II and Tier III cities are witnessing rising incomes, greater financial literacy and growing demand for comprehensive financial solutions. Healthcare costs continue to rise. Climate-related risks are becoming more visible. Businesses are becoming more organised. All these trends make insurance increasingly relevant to everyday financial planning.

I believe India has the opportunity to evolve from an underpenetrated insurance market into one of the world's most dynamic and mature insurance ecosystems. Success, however, should not be measured only by premium volumes or market size. It should be measured by the number of families that remain financially secure after an unexpected event, the number of businesses that recover quickly from adversity, and the confidence with which people pursue their aspirations knowing that their risks are adequately protected.

For insurers, brokers, regulators, technology partners and investors, the opportunity is significant. More importantly, so is the responsibility.

India's insurance story is no longer about catching up with global benchmarks. It is about building an ecosystem that reflects the country's strengths; progressive regulation, digital innovation, trusted advice and an unwavering focus on the customer.

India's aspiration of Insurance penetration at 8% of GDP by 2047 can be achieved by a viable , motivated and trusted distribution ecosystem , which will develop in free-market forces of determination of commissions and brokerage .

A resilient economy is built not only by creating wealth, but by protecting it. If the industry remains committed to expanding access, strengthening trust and delivering on its promise when it matters most, I believe the coming decade will mark a defining chapter in India's insurance journey.