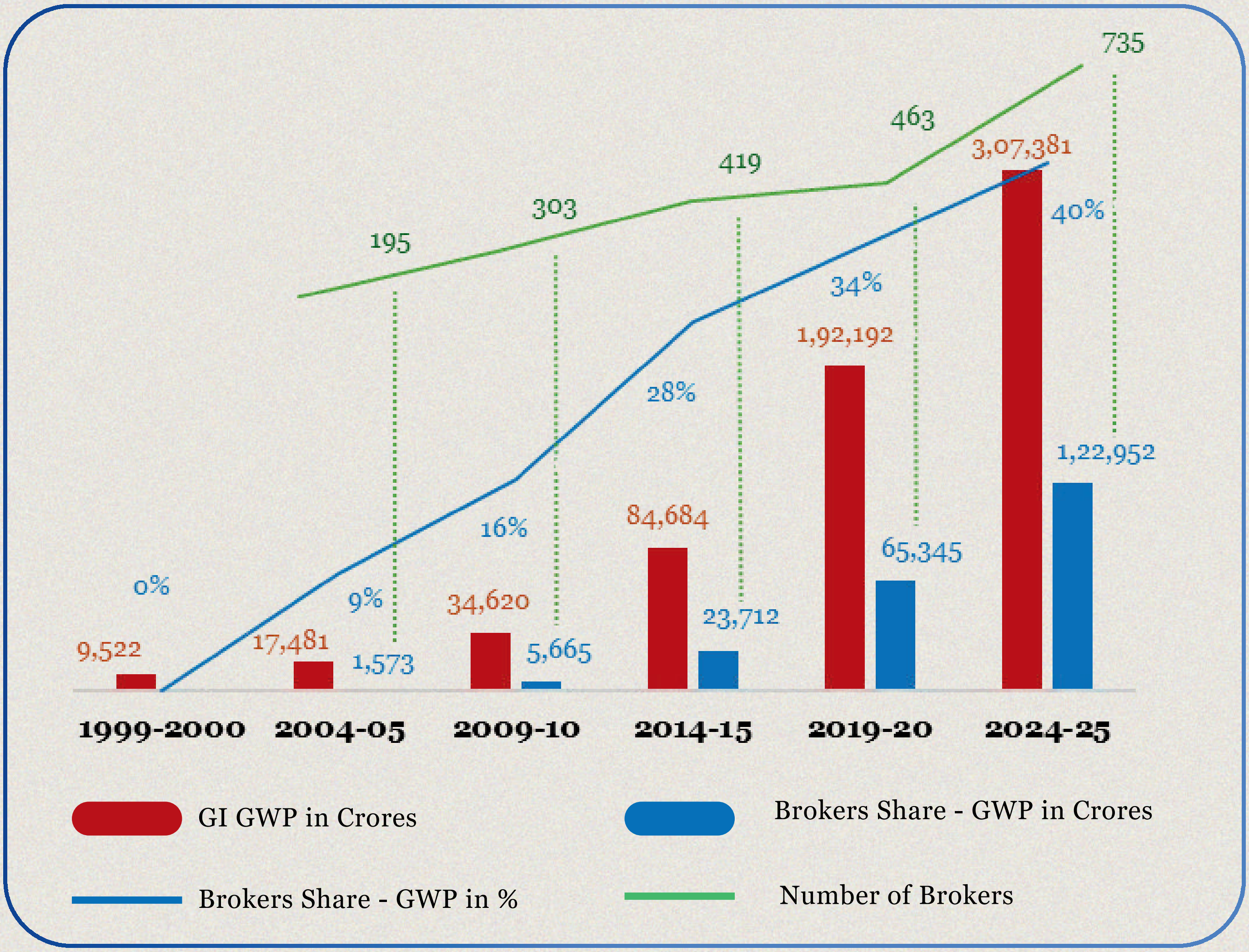
Insurance Brokers - The Growth Engines of Indian General Insurance

In the last 2 decades (2005-25) GI industry grew by 15%, whereas broker market share in GI grew by 24%, outpacing the industry growth



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INSURANCE LIYA
HEALTH I MOTOR | HOME | CROP & MORE
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₹57000 CRORE+ MOTOR CLAIMS SETTLED*
LAKHS OF HOME CLAIMS SETTLED*
Data belongs to 2023-24*
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The General Insurance Council of India has a vision to insure every Indian by 2047.
Subject to terms and conditions. | No animals or birds were harmed during the shoot.

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Sabse Pehle Life Insurance

Apne Sapno Ko Rakhiye Surakshit

Life Insurance ke Sath

AN INITIATIVE OF LIFE INSURANCE COUNCIL OF INDIA

IBAI Leadership Team

Narendra Kumar Bharindwal
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Director

Venkatesh Naidu
Director

Advisor & Mentor

Anil Swarup, IAS,
Retd. Former Secretary
Govt. of India

Advisors

Prabodh Chander
Advocate & Former
Executive Director
IRDAI

P C James
Former Executive
Director IRDAI

R. Balasundaram
Secretary General

President Message

Dear Members, Colleagues, and Industry Stakeholders,

Warm greetings to all of you!

It gives me great pleasure to share that the Q1 of FY2026 has been both, eventful and promising for the Indian insurance ecosystem and for IBAI as an institution. This quarter was full of significant activities and marked a renewed phase of engagement and outreach for our Association.

IBAI: Key Highlights in this Quarter

IBAI engaged with IRDAI in Hyderabad to bolster regulatory support, launched its IFSC Chapter at GIFT City to tap global markets, held a strategic meeting with JIBA in Tokyo on ESG and digital collaboration, and initiated work on a Vision Document to drive industry reforms. Details on all these engagements and many other developments are well covered in Hon. Secretary's report.

Perspective on the Insurance Industry's Q1 FY 2025–26 Performance.

The Indian insurance sector has shown a mixed performance as we enter FY 2025–26. From a broader industry standpoint, **the General Insurance sector** has delivered a **moderate growth in Q1**, while **Life Insurance** growth, though steady in premiums, has signalled a need for deeper retail penetration.

General Insurance: Moderate Growth in Q1 FY 2526

Based on Provisional data released by IRDAI, the General Insurance industry registered a premium growth of **8.78%** (from Rs. 72,859 cr. in Q1 FY 25 to Rs. 79,255 cr. in Q1 FY 26) in the first quarter compared to the same period last year. Within this, **general insurers** reported a growth of **8.85%**, **standalone health insurers** grew by **9.96%**, while **specialised insurers** saw a decline of **20.55%,** driven by a **62.61% de-growth in Agriculture Insurance Company,** which may be due to seasonal variation and a nominal growth of **4.22% in ECGC**.

The general insurance growth of **8.78% in this quarter**, compared to **5.10%** (from Rs. 2,89,673 cr. in FY 24 to Rs. 3,07,381 cr. in FY 25) **for the full year FY 2024–25**, appears to be primarily driven by **price improvements in the property line of business**. This suggests that the **nominal growth in the GI sector** is largely attributable to **rate increases**, rather than **expansion of the insured base or higher market penetration**

With regulatory support and a favourable economic outlook, the general insurance sector is expected to be in a reasonable growth trajectory in coming quarters . However, the focus should also be on enhancing penetration, improving claims experience, and addressing protection gaps, especially in underserved markets.

Life Insurance: A Wake-Up Call for Deeper Outreach

The **Life Insurance sector** reported **4.25% increase in premium income** in Q1 FY 2025–26 compared to the same quarter last year. However, this came alongside a concerning **10.11% drop in total policy count**, pointing to a slowdown in new customer acquisition and weaker retail expansion.

In the **individual business segment**, while premiums grew by **6.72%**, the number of policies declined by **10.08%**, reinforcing the trend of **value-led growth over volume expansion**. This signals a shift toward **higher-ticket policies**, likely among affluent consumers, rather than broader financial inclusion. The **group insurance segment** presented a mixed performance.

These numbers highlight a critical need for the industry to **reorient its strategies**. Premium growth without corresponding outreach does not fulfil the vision of **"Insurance for All by 2047."** There is huge potential for Brokers to develop new business in SME and Corporate group business.

Reflections from My Media Interaction

As part of the 25th Anniversary celebrations of the Insurance Regulatory and Development Authority of India (IRDAI), I had the honour of participating in a special industry panel discussion aired on 19th April 2025. The discussion, hosted by ET Now & ET Now Swadesh, brought together insurance leaders to reflect on IRDAI's impactful journey over the past 25 years and to share our collective vision for the road ahead. It was a proud moment to represent the voice of insurance brokers in this milestone conversation, reinforcing our role as key enablers in deepening insurance penetration and strengthening customer trust.

In my recent interaction with Asia Insurance Review, I highlighted the critical role that insurance brokers can play in enhancing insurance penetration in rural India. With nearly 65% of our population residing in rural areas, achieving the vision of *Insurance for All by 2047* is simply not possible without effectively reaching and serving these communities.

I emphasized that while insurers have faced challenges in rural outreach, the broking community is uniquely positioned to bridge this gap—by offering advisory-led engagement, co-creating locally relevant products, adopting hybrid distribution models, and building trust through transparent claims support. IBAI is actively encouraging members to explore these under-served markets, and we are working with stakeholders to develop an enabling ecosystem that empowers brokers to serve Bharat alongside India.

***In* a recent interview with The Hindu Business Line,** I shared several industry insights:

"The root of the trust deficit often lies in an expectation-versus-delivery gap—a disconnect between what customers believe they are buying and what the policy actually delivers."

I emphasized that the trust gap is not always about mis-selling but also about customer awareness and product complexity. Brokers must become proactive advisors and communicators to bridge this gap. We also advocated for perpetual licenses for insurance brokers to ensure business continuity and reduce regulatory uncertainty. This recommendation, if accepted in the upcoming Insurance Act amendments, will significantly stabilize our operating landscape.

We discussed rising medical inflation and how it's driving premium hikes and claim ratios, impacting the profitability of the health insurance segment. While onboarding costs remain high, renewal commissions are lower, making it imperative for brokers to adapt and innovate.

In my interview with Bimabazaar.com, I articulated IBAI's long-term vision

"Our goal is to reposition brokers not just as intermediaries, but as trusted advisors. IBAI is focusing on advocacy, professional development, digital enablement, and financial inclusion to reshape the industry."

Key points included:

- Opening new growth areas such as **cyber insurance for MSMEs** and **embedded insurance models.**
- Advocacy for inclusion of brokers in **government-led schemes**, especially in underserved regions.
- Digital enablement through **InsurTech partnerships**, plug-and-play tools, and CRM support.
- Collaborations with **global broker associations like CAPIBA and WFII** to align with international best practices.
- Plans for **certification programs,** CPD modules, and ethical training to raise professional standards.

These media interactions reaffirm IBAI's proactive stance in navigating change, simplifying regulation, and empowering brokers across India. the detailed interview can be assessed by scanning the QR code provided below

Business Line Interview

bit.ly/Businessline_IBAI

Bimabazzar Interview

bit.ly/bimabazzar_Ibai

Role of Brokers and the Way Forward

As **insurance brokers**, we play a pivotal role in bridging the gap between customers and insurers. Our advisory-led, customer-centric approach can help **simplify insurance offerings**, **improve awareness**, and **build trust**—especially in underserved and emerging segments. Brokers are also uniquely positioned to support **group schemes**, SME outreach, and **risk advisory services** that align with modern-day needs.

At IBAI, we remain committed to strengthening the role of brokers in the insurance value chain and actively contributing to national goals. We are also working on strategic initiatives focused on capacity building, global collaborations, and regulatory advocacy.

Let me take this opportunity to thank each one of you for your continued trust and support. The journey ahead is promising, and together, we shall make a meaningful difference. **IBAI is completing 24 years** on the 25th of July 2025, marking a **historic milestone** in our journey and entering its **Silver Jubilee** year this quarter. I feel privileged to be part of the IBAI leadership team at this important juncture in our Association's growth. We truly hope this year will be one of the most impactful and transformative for IBAI and the broader insurance ecosystem in India.

Narendra

Narendra Kumar Bharindwal
President IBAI

From the Honorary Secretary desk

Dear Fellow Members of IBAI & Esteemed Industry Colleagues,

Warm greetings from IBAI.

As we enter the July Quarter of 2025, it gives me immense pleasure to share some key developments, updates, and milestones that mark yet another dynamic & impactful first quarter of FY 25-26 for IBAI and the broader broking community.

New Office Bearers & Regulatory Engagement

Following the constitution of the new office bearers for the term 2025–26, we had the honour of meeting **Shri Satyajit Tripathy, Member (Distribution), IRDAI**, and **Ms. Anita Joysula, CGM – Intermediaries**, earlier this quarter. The discussions centered around strengthening the role of brokers in deepening insurance penetration, ensuring regulatory harmony, and exploring fresh avenues to enable growth and trust in the ecosystem. The openness and receptiveness shown by the regulator reaffirm the progressive path ahead for insurance intermediation in India.

Launch of IFSC Gift City Chapter

We are proud to announce the **launch of IBAI's dedicated chapter at IFSC Gift City, Ahmedabad** on **28th April 2025**. The emerging insurance ecosystem within the Gift City framework offers immense opportunity, especially for **direct insurance brokers** willing to tap into international business, reinsurance support, and cross-border risk solutions. We invite members to explore this exciting jurisdiction, which aligns with India's global financial aspirations.
To further this initiative, we had a productive **meeting with the IFSC Gift City authorities** on **3rd July 2025** to explore the opportunities specifically for **Direct Brokers**. The meeting was well-attended, with a total of **70 participants**, including **28 Direct Brokers from across India**, reflecting strong interest and engagement from the broking community.

IBAI–JIBA Joint Meeting in Tokyo

On June 18, 2025, the Insurance Brokers Association of India (IBAI) held a joint meeting with the Japan Insurance Brokers Association (JIBA) in Tokyo. The gathering focused on strengthening bilateral collaboration, enhancing knowledge-sharing frameworks, and aligning cross-border practices in key areas such as compliance, cyber risk, catastrophe management, and ESG-linked insurance.

The meeting saw participation from around 50 industry professionals, including IBAI leadership team & its members, JIBA office bearers led by Mr. Satoru Hiraga, President of JIBA and top management of ICICI Lombard led by Mr. Sanjeev Mantri, MD & CEO of the co. A key highlight of the discussions was JIBA's keen interest in exploring potential partnerships or strategic tie-ups between JIBA members and Indian brokers — an encouraging development that could open significant opportunities for Indian brokers. We sincerely thank ICICI Lombard for their gracious support in enabling this meaningful and strategic dialogue.

Engagements with Industry Leaders

Recently, we had the pleasure of meeting several prominent leaders from the insurance industry. Myself together with IBAI President Mr. Narendra Bharindwal, visited the **IBAI Secretariat in Mumbai** after a long time. It was a productive and engaging visit, allowing us to review ongoing matters and reconnect meaningfully with the Secretariate team.

Following this, we resumed a series of high-level engagements, including in-depth discussions with **Dr. Shri Tapan Singhel**, Chairperson, General Insurance Council and **Shri Sanjeev Mantri**, MD & CEO, ICICI Lombard. These interactions further deepened our alignment on strategic industry priorities and collaborative opportunities.

IBAI Knowledge Series Sessions – One Year of Impactful Learning

Over the past one year, **IBAI has successfully conducted its Knowledge Series**, an initiative launched to strengthen knowledge-sharing within the insurance broking community. Held **online every second and fourth Saturday**, these training sessions cover a wide range of insurance topics and are led by **eminent guest speakers and industry experts**.

In last one year **20 sessions** have been conducted, with **200–400 participants** attending each session — and in some instances, participation has touched **up to 500 attendees**. The series was **inaugurated by Shri S. Tripathi, IRDAI Member (Distribution)**, a year back and on its **first-year celebration Dr. Shri Tapan Singhel, Chairman, General Insurance Council**, addressed the session as our special guest — a testament to the initiative's growing importance in the industry.

This educational initiative has made a **significant impact**, equipping brokers and professionals with valuable insights into evolving practices, regulatory updates, and sector trends. We encourage all broker members to promote this initiative widely among their teams and peers to foster better learning across the insurance ecosystem. All past sessions are available on the **IBAI website**, offering easy access for those who wish to revisit the content or learn at their convenience.

We extend our heartfelt gratitude to **Shri S.K. Rustagi**, who gracefully moderated all these sessions, and **Shri Ashok Kumar Jain**, the program coordinator, for their dedicated leadership in making this initiative a grand success.

Celebrating 24 Years of IBAI

A significant milestone is upon us — IBAI completes 24 years of its establishment on 25th July 2025 and enters Silver Jubilee Year. To commemorate this occasion, a special celebration is being organized at **Hotel Taj Presidency, Mumbai**, bringing together regulators, policy makers, insurers, insurance brokers and other key stakeholders of the industry. This event will not only honour our journey so far but also reaffirm our collective commitment to the future of the insurance broking sector.

To make this celebration meaningful and memorable, a dedicated committee was formed comprising **Ms. Rashmi Iyer**, **Ms. Monisha Dossa**, **Shri Surender Kumar Tonk and Shri Venkatesh Naidu**, with support from other board members. The team is doing a commendable job in curating the event, including the release of a **commemorative edition of "Broker"**, IBAI magazine.

For the first time, such a comprehensive initiative has been undertaken — the committee reached out to **CEOs of all insurers** and made special efforts to **bring together the industry captains with founders, torchbearers & members of IBAI**, ensuring this milestone is celebrated with the respect and recognition it truly deserves.

IBAI Vision Document Launch – 25th July 2025

As part of IBAI's ongoing commitment to shaping the future of insurance broking in India, we are proud to announce the launch of our **Vision Document** on **25th July 2025**, coinciding with the **Foundation Day of IBAI**.

This landmark initiative, developed in collaboration with **McKinsey & Company** as our knowledge partner, presents a forward-looking strategy for the Indian insurance broking sector. It draws on insights from **over two decades of sector liberalization** and **IBAI's journey** of industry transformation and growth.

The **Vision Document** reflects on this evolution and looks ahead to a promising future shaped by Bharat's strong economic growth, global influence, evolving geopolitics, and its growing role on the global stage. With the Indian insurance sector poised for **leapfrog growth**, the document outlines a strategic roadmap, identifying emerging opportunities, structural challenges, and actionable recommendations that can guide **Indian insurance brokers** in navigating the future with clarity and confidence.

To ensure depth and strategic relevance, a Specific Committee was constituted for this initiative, under the guidance of **Shri Abhishek Bondia, Committee Chair**. Over the past six weeks, this committee jointly with Mc Kensey Team has invested **hundreds of hours** in research, data crunching, meeting industry leaders, deliberation, and consultation — bringing together diverse industry perspectives and expertise to ensure the Vision Document is both, aspirational and grounded.

This initiative reaffirms **IBAI's commitment to being a catalyst for ideation, innovation, inclusivity, and sustainable growth** in the insurance ecosystem. The Vision Document is designed to enlighten and empower all stakeholders — brokers, insurers, policymakers, and policy-holders — and serve as a strategic compass for the next phase of sectoral development.

We look forward to sharing this milestone document with you on 25th July.

Industry Updates (April–June 2025)

The quarter has seen several notable developments in the insurance sector:

- IRDAI's Introduction of **"Claims Guarantee Framework"** for select segments, mandating turnaround times and introducing a graded penalty structure for delays — a step towards greater policyholder protection.
- **The Department of Financial Services (DFS)** rolled out consultations on increasing **life insurance coverage for low-income households**, seeking views on PPP-based subsidy models.
- **IRDAI's revised guidelines for cyber insurance policies**, emphasizing transparent disclosures and pre-incident planning, were well received by the industry.
- **Health insurance sector** saw continued push for standardization of exclusions and increased focus on mental health cover under indemnity plans.
- The launch of **India's National Risk Index 2.0** was announced — a joint effort of NDMA and IRDAI to aid insurers and brokers in pricing and preparedness for climate-related and seismic risks.

Policyholder-Centric Initiatives

- The **"Bima Bharosa" platform** piloted in 10 states during this quarter aims to improve grievance redressal tracking and bring transparency in claims processing.
- IRDAI urged all insurers and intermediaries to ensure **QR-code-based policy validation**, making verification easier for policyholders in rural and semi-urban areas.
- The **"Digital Claim Tracker"** initiative has now been mandated for all insurers, and brokers are being encouraged to integrate client-facing dashboards into their systems.

Road Ahead: A Promising (Silver Jubilee) Year for IBAI

The year ahead is set to be pivotal for IBAI, with key activities including our AGM, Governing Board elections, and the launch of the IBAI Vision Document in this current quarter. We also look forward to the Insurance Bill likely to be tabled in Parliament, which could usher in vital sector reforms.

We all await the appointment of the new IRDAI Chairperson, a critical step toward progressing next level of regulatory reforms, developments, and growth for the sector.
As we move forward, our focus remains clear — to empower brokers, uphold policyholder's interest, and deepen engagement across the insurance ecosystem for industry growth and innovation. With your continued support, I am confident that IBAI will stay committed to shaping the future of insurance intermediation in line with our Vision 2047. I express my sincere gratitude to all the members, IBAI past & present Directors, Officials at IRDAI, DFS & IFSC and Insurers for their continued support and guidance.

Thank you for your trust and engagement.

Nirmal Bazaz
Honorary Secretary, IBAI

CONNECTING, COLLABORATING, CONTRIBUTING
IBAI IN ACTION


IBAI delegates meeting
Shri. M Nagaraju, Secretary, DFS


IBAI delegates meeting
Dr Prashant Goyal, Jt. Secretary, DFS

Launching of IBAI IFSCA Gift City chapter - Chief Guest
Shri. K Rajaraman, IAS


IBAI Office Bearers with **Smt. Anita Joysula,** CGM Intermediaries, IRDAI, **Mr. Deepak Gaikwad,** GM, Intermediaries, IRDAI

IBAI Treasurer addressing the Insurance Brokers'meet at GIFT City


IBAI President & Hon. Secretary with **Mr. Sanjeev Mantri,** MD & CEO, ICICI Lombard General Insurance.

IBAI delegates meeting with JIBA President **Satoru Hiraga san** and other office bearers, accompanied by **Mr. Sanjeev Mantri,** MD & CEO, ICICI Lombard

Unveiling of iBroker magazine by **Shri K. Rajaraman, IAS**, and **Smt.TL Alamelu**

Shri K. Rajaraman, IAS, Chairman of IFASA, addressing the Insurance Brokers' meet at GIFT City

India's Insurance Brokers Can Bridge the Protection Gap - But Only If We Let Them

Arup Chatterjee

As India strides towards its $5 trillion economic goal, a silent yet critical crisis looms large: the protection gap. This is not just a technical term but a rapidly widening gap between what's insured and what's at risk. And it's not just growing—it's accelerating, demanding our immediate attention and action.

India's protection gap ranks among the most severe globally—spanning life, health, climate catastrophes, pensions, and now, cyber risk. This gap is not theoretical; it is quantifiable, deeply embedded, and economically destabilizing. Life insurance alone shows an 87% coverage shortfall, leaving over $100 billion in premiums untouched by 2030. Health insurance still accounts for less than 1% of GDP, with vast rural and informal populations left behind. Catastrophe coverage protects under 5% of potential losses, even as India faces escalating climate threats. Pension systems, meanwhile, are straining under the weight of demographic aging, with a protection gap quietly ballooning past $300 billion. Cyber risk is emerging as a critical new frontier in this landscape. Despite India's rapid digitalization, cyber insurance penetration remains minimal. In 2024, the market stood at just $582 million—minuscule compared to the scale of digital exposure. With cyberattacks growing in frequency and severity, the protection gap in this domain is widening rapidly, leaving businesses and public systems vulnerable to systemic shocks.

These aren't market inefficiencies—they're structural weaknesses. These are deep-rooted issues within the insurance sector that, if left unresolved, could lead to a breakdown in household security, disrupt business continuity, and weaken the very scaffolding of India's macroeconomic resilience. They are not just problems to be fixed but potential threats to the entire economic system.

These systemic cracks demand more than patchwork fixes—they call for a hard look at the structural inertia holding the sector back.

Arup Chatterjee, Unit Head of the Capital Markets and Insurance Practice Team at the Asian Development Bank (ADB), has over 35 years of experience shaping global policies and driving reforms in insurance, pensions, and capital markets.

At ADB, he advises governments on innovative financing solutions involving public, private, and not-for-profit sectors to address sustainable development priorities. This includes strengthening policy frameworks, mobilizing domestic savings, enhancing investor confidence, enabling access to finance for green transition, and improving protection against climate shocks using risk-financing solutions.

Arup's previous roles include stints with the International Association of Insurance Supervisors in Switzerland, the Insurance Regulatory and Development Authority of India, and the Ministry of Finance in India.

An alumnus of the Indian Institute of Foreign Trade, Jawaharlal Nehru University, and Delhi University, Arup has furthered his expertise through specialized courses at NYU Stern and the University of Cambridge.

As a thought leader, he frequently shares insights into contemporary issues through speaking engagements, published articles, and broadcast media.

Why India's Insurance Sector Is Stuck in Second Gear

Two decades after liberalization, India's insurance sector remains stuck—life at 3.2% of GDP, non-life below 1%. These aren't just low figures; they expose a system bogged down by rigid regulation, outdated operations, and a distribution model outpaced by India's economic ambitions.

Insurers face mounting structural pressure. Profitability is eroding under high claims ratios, rising reinsurance costs, and obsolete solvency norms. With no risk-based capital framework, all insurers must maintain a flat 150% solvency margin—regardless of portfolio risk. Worse, limited recognition of reinsurance recoverables ties up capital that could fuel innovation.

The 2024 'Use and File ' regime has fast-tracked product approvals and is a step in the right direction. However, innovation remains throttled by internal bottlenecks and regulatory discretion to alter or withdraw products post-launch.

Rural and social sector targets—vital for inclusion—often collide with commercial realities. Weak governance and patchy infrastructure further blunt outreach, especially in Gram Panchayat servicing, which, too, usually misses its mark. Rigid pricing norms further constrain microinsurance and social offerings.

Compliance with the Digital Personal Data Protection (DPDP) Act 2023 complicates digital onboarding. When layered atop legacy IT systems, high costs, and absent fiscal incentives, the sector's ability to scale and serve the underserved remains stifled.

While beneficial in some aspects, this regime also underscores the need for deeper reform to fully unlock the insurance sector's potential—especially as regulatory choke points feed directly into a distribution ecosystem that is vast in reach but fragmented in execution.

Why India's Insurance Distribution Model Needs a Reset

India's insurance sector stands at a crossroads. Despite its scale and reach, the distribution landscape remains deeply fragmented—hindering inclusive growth and leaving millions without adequate financial protection.

Agents and bancassurance dominate life insurance, capturing nearly three-quarters of new business. Digital and direct channels, though promising, account for barely 10–12%. The non-life segment fares slightly better, with brokers and direct channels leading in commercial and motor lines. Yet, insurtechs and aggregators—despite their urban momentum—remain marginal players.

This isn't a market quirk. It's a structural challenge. Traditional channels, while dominant, are evolving too slowly. Agents—the backbone of retail insurance—often lack the digital tools and advisory depth needed to serve today's consumers. Bancassurance, though strong among private banks, remains transactional and urban-centric. Its failure to embed insurance within everyday banking products limits its reach.

Contrast this with mature markets in Europe and Southeast Asia, where insurance is seamlessly integrated into banking ecosystems. The result? Higher engagement, better coverage, and sustained uptake.

Brokers, meanwhile, are pivotal in commercial lines but underutilized in retail. Regulatory complexity and low consumer awareness have stunted their growth. Yet, brokers are uniquely positioned to deliver tailored, advisory-led solutions—especially in underserved markets.

Digital channels are expanding, particularly in motor, health, and term life. However, their growth is constrained by low financial literacy, trust deficits, and limited rural reach. Insurtechs and aggregators are reshaping urban insurance, but their footprint remains narrow.

Global insights from Deloitte, McKinsey, and EY reinforce the urgency for transformation in the insurance sector. A multi-channel, advisory-driven, customer-centric model is no longer optional—it's essential. Bridging the divide between traditional and digital channels, modernizing regulation, and fostering public-private partnerships must be at the heart of this shift.

India, in particular, needs a bold rethink—an integrated, inclusive, and digitally enabled distribution strategy that empowers agents with modern tools, embeds insurance into banking journeys, expands broker capacity, and scales digital outreach beyond urban centers. Without such a transformation, the protection gap will persist, and the promise of financial resilience will remain out of reach for millions.

In a country where trust, literacy, and last-mile access continue to pose significant challenges, removing the human layer from insurance isn't innovation—it's erosion.

Why India's Insurance Needs a Human Touch

In the race to digitize insurance distribution, many Indian insurers are making a costly mistake: sidelining the very people who bring insurance to life—intermediaries. The appeal of direct digital channels is understandable: more control, lower costs, and faster scale. But in reality, this strategy risks hollowing out the heart of insurance itself.

India's insurance market is vast and complex but also deeply personal. Insurance isn't just a financial product for millions—it's a promise. A promise that someone will be there when life takes an unexpected turn. In this context, intermediaries—agents, brokers, and advisors—are not just salespeople. They are guides, translators, and trusted confidants. They help families understand unfamiliar terms, choose the right coverage, and navigate claims during moments of vulnerability and loss.

These human connections matter. They build trust in a system that can often feel opaque and intimidating. And they do something digital platforms, no matter how advanced, still struggle to do: meet people where they are—linguistically, culturally, and emotionally.

When insurers bypass intermediaries, they don't just lose a channel—they lose a relationship. They inherit the burden of last-mile engagement, compliance, and servicing, often without the local presence or empathy needed to deliver effectively. The result is a transactional experience that fails to reassure, educate, or protect.

Yes, digital innovation is essential. It can simplify processes, personalize offerings, and expand reach. But it must support, not supplant, the human element. Intermediaries remain indispensable in India, where financial literacy is uneven, and trust is earned face-to-face.

The future of insurance lies in partnership, not disintermediation. Insurers must invest in empowering intermediaries—with digital tools, data insights, and training—to serve better, faster, and more inclusively. A hybrid model, where technology amplifies human advisory, is not just viable—it's vital.

India's economic ascent demands a new kind of insurance—one that's not just algorithmically efficient, but emotionally intelligent and deeply human. The era of incremental change is over. Closing the protection gap is a national imperative. India must build a resilient, inclusive insurance ecosystem that protects people, powers businesses, and anchors economic stability.

To bridge this divide, India must reimagine the architecture of risk protection—and at the heart of this transformation lies a critical yet under-leveraged force: insurance brokers.

Why Brokers Are the Missing Link in Inclusive Risk Protection

India's insurance sector is on the cusp of a transformation. Despite a projected market size of USD 458 billion by 2031, insurance penetration remains stubbornly low at just 3.7% of GDP—well below the global average of 6.5%. This persistent gap is more than a statistical shortfall; it reflects a more profound vulnerability in the country's financial and social fabric. Yet, within this challenge lies a powerful opportunity that hinges on a stakeholder group often relegated to the sidelines: insurance brokers.

As the Insurance Regulatory and Development Authority of India (IRDAI) advances its Vision 2047 to position India as a global insurance and reinsurance hub, brokers—both direct and reinsurance—are emerging as pivotal actors in reshaping the sector. They are no longer confined to transactional roles but are becoming architects of inclusive growth, fiscal resilience, and climate adaptation.

India's uninsured population, comprising over 400 million people across rural households, micro and small enterprises, gig workers, and the urban middle class, represents both a market opportunity and a social imperative. Direct brokers can step into this space as distributors and trusted advisors. By demystifying complex insurance products and tailoring them into accessible, locally resonant solutions, brokers can unlock underserved markets—leveraging mobile-first platforms, vernacular content, and deep-rooted community engagement to reach those traditional channels have long overlooked.

Conversely, reinsurance brokers can channel global capital and technical expertise into the Indian market. Their ability to structure and price products in high-risk or low-margin segments enables insurers to expand into areas once considered unviable. With access to international reinsurance markets and advanced actuarial capabilities, they help ensure these offerings are both scalable and financially sustainable.

The urgency of their role becomes even more apparent in the face of escalating climate risks. In 2023 alone, India suffered over $10 billion in economic losses due to climate-related disasters, yet 93% of catastrophe risks remain uninsured. Brokers can helping shift the paradigm from reactive disaster relief to proactive risk financing. Direct brokers, by collaborating with state and municipal authorities, can design parametric insurance schemes that safeguard public infrastructure—such as roads, schools, and utilities—against climate and disaster risks, while also establishing disaster-linked social safety nets for vulnerable communities.

Meanwhile, reinsurance brokers can help structure sovereign and sub-sovereign risk transfer instruments—such as catastrophe bonds, risk pools, and contingent credit facilities—linking governments at various levels with global reinsurers and capital markets to enhance financial resilience against large scale disasters.

Their innovation extends to nature-based insurance solutions as well. By linking parametric coverage to initiatives like mangrove restoration, watershed protection, and climate-resilient agriculture, brokers can design solutions that not only reduce physical risks but also deliver co-benefits for biodiversity, food security, and carbon sequestration. These models—drawing inspiration from global frameworks like the Caribbean

Catastrophe Risk Insurance Facility and Africa Risk Capacity—can be thoughtfully adapted to India's unique ecological and socio-economic landscape.

As cyber threats grow in frequency and sophistication, both direct and reinsurance brokers are emerging as key architects of India's cyber risk protection strategy. Direct brokers help businesses—especially small and medium enterprises—navigate the complexities of cyber insurance by assessing digital vulnerabilities, customizing coverage, and supporting incident response planning. They play a vital role in translating technical risks into actionable protection for clients with limited cybersecurity expertise. Reinsurance brokers, on the other hand, collaborate with global reinsurers and cyber risk modelers to quantify aggregate exposures and structure coverage for large-scale or systemic cyber events. Their expertise enables insurers to underwrite cyber risks more confidently and sustainably, while also helping regulators and policymakers understand the broader implications of digital risk. Together, brokers are bridging the gap between rising cyber threats and the limited availability of tailored, scalable insurance solutions in India.

At the heart of these solutions lies data. Brokers play a critical role in translating complex risk models into actionable insights for clients. By collaborating with actuaries, they help ensure that insurance products remain both affordable and sustainable. Reinsurance brokers, in particular, work with global risk modelers to quantify exposures—especially for natural catastrophes and systemic risks—enabling insurers and governments to benchmark risk and optimize capital allocation under India's evolving risk-based capital regime.

Brokers are increasingly harnessing cutting-edge technologies—such as artificial intelligence, geospatial analytics, and digital onboarding tools —to assess risk, deliver tailored products, and streamline claims management. These innovations significantly amplify the reach and efficiency of insurance solutions.

However, technology alone is not a panacea. In low-trust, low-literacy environments, digital-only models often struggle to build credibility or drive adoption. This is where brokers play a uniquely powerful role. By blending technological tools with human insight, empathy, and local knowledge, brokers bridge critical gaps that algorithms alone cannot. Their presence ensures that innovation remains inclusive, accessible, and grounded in real-world needs.

Their influence also extends to advancing gender equity in insurance. By working with women-led self-help groups, female farmers, and micro-entrepreneurs, brokers are already helping close the gender protection gap. They ensure coverage reaches those most vulnerable to economic and climate shocks, reinforcing the social safety net.

Beyond general risk protection, brokers are central to advancing India's long-term financial resilience. In the life insurance space, they serve as trusted navigators—helping individuals make informed choices across a complex array of products, from term plans and endowments to unit-linked policies. By aligning coverage with income levels, family responsibilities, and future aspirations, brokers ensure that life insurance becomes a meaningful tool for financial planning, not just a transactional purchase.

In health insurance, brokers are instrumental in expanding access to comprehensive coverage that goes beyond hospitalization. They guide clients toward plans that include outpatient care, chronic disease management, and preventive services—critical interventions in a country where out-of-pocket health expenditure remains among the highest globally. Their ability to match products with real-world needs makes brokers key enablers of inclusive, sustainable health financing.

For India's vast informal workforce and rapidly aging population, brokers play a pivotal role in expanding access to pension and annuity products.

By guiding individuals through complex financial decisions, they help people plan for longevity risk and secure stable, post-retirement income. In doing so, brokers not only support individual financial well-being but also contribute to building a more resilient and inclusive social protection system.

What emerges is a picture of brokers not as intermediaries but as enablers of transformation. They translate complexity into clarity, risk into resilience, and exclusion into inclusion. As India seeks to build a more secure, equitable, and climate-resilient future, brokers must be recognized and empowered as central actors in this journey.

India's insurance future must be anchored in trust, expertise, and human connection. Brokers bring all three. If integrated strategically into the sector's evolution, they can help close the protection gap, strengthen fiscal resilience, and make insurance a true pillar of inclusive, climate-smart, and sustainable development.

To fully realize this potential, India must look outward and inward—drawing on global lessons to reimagine the role of brokers not just as distributors but as strategic risk partners embedded in the resilience architecture.

Elevating India's Insurance Brokers to Strategic Risk Partners

A global perspective on insurance ecosystems reveals a critical truth: brokers are not mere intermediaries—they are strategic risk partners essential to navigating the complexities of a rapidly evolving risk landscape. In mature markets, brokers are embedded in the architecture of financial resilience, advising on everything from climate adaptation to cyber risk transfer. In contrast, India's regulatory framework has historically cast brokers in a limited, distribution-centric role—an outdated view that constrains innovation and underutilizes a vital lever for systemic resilience.

To its credit, the Insurance Regulatory and Development Authority of India (IRDAI) is beginning to recalibrate this approach. The 2025 Regulatory Sandbox has opened new pathways for cross-sector collaboration, enabling brokers to co-develop embedded insurance solutions with banks, fintechs, and health platforms. Recent reforms in data governance, aligned with the Digital Personal Data Protection Act and the restructuring of advisory committees to enhance stakeholder engagement, are not merely procedural but structural enablers. These shifts position brokers to design next-generation products, including ESG (environmental, social, and governance)-linked coverage, climate risk instruments, and inclusive insurance models tailored to India's socio-economic realities.

Globally, insurance is increasingly recognized as a catalytic enabler of development finance. India is beginning to harness this potential. Direct brokers integrate insurance into agricultural, Micro, Small & Medium Enterprises (MSMEs), and housing credit, reducing default risk and expanding access to formal finance. They are also advancing credit-linked insurance for green infrastructure and energy efficiency projects.

Reinsurance brokers complement this by structuring performance guarantees and credit enhancement mechanisms, enabling global reinsurers to underwrite climate-aligned lending and facilitate risk-sharing arrangements that de-risk capital flows and attract institutional investment.

India's demographic transition adds another layer of complexity. With a growing elderly population and a vast informal workforce, the need for longevity protection is urgent. Direct brokers advise individuals and employers on annuity and retirement products, support pension funds in designing insurance-linked solutions, and promote financial security for informal sector workers. Reinsurance brokers play a critical role in hedging longevity risk through reinsurance treaties and structuring long-duration risk transfer instruments that enhance the solvency and sustainability of pension systems.

Perhaps most significantly, brokers are embedding risk management into the core of infrastructure and development planning. Direct brokers participate in pre-feasibility assessments, identify uninsurable exposures, and structure mitigation strategies to improve project bankability. Reinsurance brokers provide technical input on risk layering and structuring for complex infrastructure projects, facilitate facultative reinsurance for high-severity risks, and connect governments and developers with global risk capital markets.

India's insurance sector stands to gain immensely by reimagining the role of brokers—not as transactional agents but as strategic enablers of resilience, innovation, and inclusive growth.

Global experience affirms that when brokers are empowered with the correct regulatory latitude and institutional recognition, they unlock new markets, deepen financial inclusion, and build systemic capacity to absorb shocks. For India to close its protection gap and realize its development ambitions, brokers must be fully integrated into its insurance future's policy, regulatory, and financial architecture.

Translating this vision into reality requires more than recognition—it demands regulatory transformation, institutional support, and a redefinition of brokers' roles within India's evolving risk economy.

Empowering Brokers to Build India's Risk Economy

As India scales up its infrastructure ambitions and expands its social protection net, public-private partnerships (PPPs) are becoming indispensable. Yet behind every resilient PPP lies a less visible but increasingly vital actor: the insurance broker. Far from mere intermediaries, brokers are emerging as strategic enablers—translating public policy into insurable frameworks and connecting domestic risk with global capital.

Direct brokers are helping governments articulate risk in actionable terms. Whether bundling crop insurance with rural credit or designing health coverage for informal workers, they embed protection into the development architecture. Reinsurance brokers, in turn, are structuring multi-layered risk transfer mechanisms and mobilizing international capital, ensuring that PPPs are scalable, financially sustainable, and aligned with global best practices.

The message is clear: brokers are no longer just selling policies—they are engineering resilience. They are the connective tissue between risk and capital, vulnerability and security. Yet despite their growing strategic relevance, India's regulatory framework continues to treat them through a narrow lens—constraining their potential at a time when the country needs them most.

Licensing remains fragmented and administratively burdensome. Innovation sandboxes are limited in scope and often inaccessible to smaller players. Restrictions on foreign collaboration persist, and sub-brokers usually the first point of contact in rural and informal markets—operate in a regulatory grey zone. India's capital regime remains rule-based rather than risk-based, stifling innovation in pricing, structuring, and advisory services.

India needs a regulatory leap. A centralized, digital licensing and compliance platform—modeled on the UK's Financial Conduct Authority (FCA) Connect—would reduce friction and enable brokers to scale across states and sectors. The innovation sandbox must be broadened and tiered, allowing phased testing and inclusive participation, including sub-brokers and aggregators. Singapore's progressive sandbox architecture offers a proven model.

Liberalizing foreign broker participation is another imperative. Kenya's clear regulatory framework allows foreign brokers to operate under defined conditions, bringing in capital, expertise, and global best practices. India can adopt a similarly calibrated approach to attract capabilities in reinsurance, ESG-linked products, and catastrophe risk transfer.

Sub-brokers, too, deserve formal recognition. Drawing from the National Association of Insurance Commissioners' (NAIC) model laws in the United States, India can establish a framework for licensing, training, and ethical conduct. This is essential for building trust in underserved markets and ensuring responsible last-mile outreach.

The most transformative reform, however, would be a shift to a risk-based capital and supervision regime. Solvency II in the European Union (EU) and Risk Based Capital (RBC) 2 in Singapore demonstrate how aligning capital requirements with actual risk exposure strengthens systemic resilience and fosters innovation. India must adopt a similar approach to remain competitive in the global insurance economy.

Remuneration reform is equally critical. Globally, brokers are increasingly compensated for advisory services—risk audits, modeling, claims advocacy, ESG consulting—rather than solely for policy placement. India should allow brokers to charge professional fees independent of commissions. This would reduce conflicts of interest, enhance neutrality, and enable brokers to serve governments, pension funds, and infrastructure developers as fiduciary risk advisors. It would also align them with other professional service providers—such as investment advisors and chartered accountants—who are valued for their expertise, not just their transactions.

In the UK, brokers are recognized as fiduciary advisors. Solvency II mandates a clear separation between advisory and commission-based roles in the EU. These frameworks promote transparency, reduce misaligned incentives, and elevate brokers as client advocates.

Insurers, too, must evolve. In mature markets, brokers are seen as partners—bringing technical depth, client advocacy, and market intelligence. As Indian insurers expand into complex and underserved markets, brokers can help de-risk distribution, improve product relevance, and enhance claims outcomes.

But trust must be earned. Brokers must uphold the highest standards—avoiding mis-selling, disclosing fees, and investing in continuous professional development. Regulators can reinforce this through disclosure norms, fit-and-proper criteria, and mandatory education—just as the FCA, European Insurance and Occupational Pensions Authority (EIOPA), and NAIC do. A robust code of conduct, backed by enforcement and peer accountability, would further strengthen the profession's credibility.

India's 60 million MSMEs and 90% of the informal workforce remain largely uninsured—segments brokers are uniquely positioned to serve. With its deep pool of actuarial, engineering, and analytics talent, India has the potential to ensure its future and become a global hub for risk advisory, climate risk modeling, and regional reinsurance.

Empowered by progressive regulation, brokers can drive this transformation. If India aspires to lead the global insurance economy, it must empower its brokers with licenses, trust, tools, and the freedom to advise.

Realizing this vision requires more than domestic reform—it demands global alignment, where Indian brokers meet international standards and help define them.

Why Indian Insurance Brokers Must Think Beyond Borders

India's insurance sector stands at a strategic inflection point. As the country positions itself to become a global insurance and reinsurance hub, one critical lever remains underpowered: the insurance broker. To lead globally and serve locally, Indian brokers must evolve—professionally, ethically, and technologically.

Trust is the currency of insurance—and brokers are its stewards. Earning that trust demands a shift from transactional selling to fiduciary advisory. Brokers must adopt a client-first mindset, moving beyond commission-based models to deliver fee-based services such as risk audits, ESG consulting, and claims advocacy. In advanced markets, transparent fee disclosure is not optional—it is a regulatory baseline and a marker of professional integrity. India must catch up.

The sector also faces a widening capability gap. As risk becomes more multidimensional—spanning climate volatility, cyber threats, health shocks, and geopolitical instability—brokers must deepen their technical fluency. Indian certifications remain essential, but global credentials like the UK's Chartered Insurance Institute (CII) , USA's Chartered Property Casualty Underwriter (CPCU), and Australian and New Zealand Institute of Insurance and Finance (ANZIIF) offer international benchmarking, cross-border credibility, and access to specialized expertise. These qualifications don't replace Indian standards—they elevate them.

Governance must evolve in lockstep. Brokers should align with global norms on fit-and-proper criteria, compensation transparency, and data privacy—anchored in India's DPDP Act and harmonized with frameworks like the EU's General Data Protection Regulation (GDPR). Regulators can reinforce this through mandatory continuing education, ethical oversight, and licensing standards, drawing from models such as the UK's FCA, the EU's EIOPA, and the U.S. NAIC.

Technology is no longer a differentiator—it is the baseline. Brokers must leverage Insurtech, AI, and advanced analytics to enhance client engagement, risk modeling, and claims support. Designing embedded and parametric products in collaboration with Fintechs, Agri-techs, and health platforms will be essential to staying relevant in a digital-first economy.

As the IRDAI transitions toward a principle-based regulatory regime, brokers have a rare opportunity to comply and lead. New mandates on data governance, cyber preparedness, and innovation sandboxes create space for more agile, tech-enabled, globally aligned intermediaries. While international certifications are not yet mandatory, IRDAI should consider formally recognizing them to raise the bar for professional excellence and global competitiveness.

Finally, Indian brokers must engage globally. Joining international networks, participating in reinsurance forums, and forming joint ventures with foreign brokers will bring expertise and open doors for exporting India's own. With its deep pool of actuarial, engineering, and analytics talent, India is uniquely positioned to become a global hub for climate risk modeling, parametric product design, and cross-border risk advisory.

Empowered by progressive regulation, brokers can drive this transformation. If India aspires to lead the global insurance economy, it must empower its brokers with licenses, trust, tools, and the freedom to advise.

To lead globally, Indian brokers must think globally —embracing the standards, tools, and ethics that define the best in the business. The future of Indian insurance will not be built on transactions but on trust, talent, and transformation.

Yet, for Indian brokers to truly operate globally, the domestic regulatory framework must evolve to reflect their strategic value—transforming them from transactional agents into empowered fiduciary advisors.

Why India's Insurance Brokers Deserve Regulatory Distinction

India's insurance sector is at a turning point, with a structural shift driven by rising regulatory expectations and increasingly complex risk environments. Yet, amidst this change, one of its most strategic actors—the insurance broker—stands as a beacon of potential. Globally, brokers are recognized as fiduciary advisors, risk architects, and client advocates. In India, they are still treated as transactional agents—a misalignment that stifles innovation, limits reach, and weakens the sector's resilience. But with the right regulatory changes, their potential to transform the sector is immense.

As insurers face mounting pressure to deliver data-driven, client-centric solutions, brokers are uniquely positioned to fill capability gaps across the value chain. By investing in specialized talent, offering advisory services beyond policy placement, and partnering with academic institutions and InsurTechs, brokers can help insurers navigate emerging risks and deliver more responsive protection. Their contribution is not peripheral but foundational to a modern, inclusive insurance ecosystem.

Yet, the current regulatory architecture fails to reward this value. Despite their fiduciary duty to serve the insured, brokers are treated on par with corporate agents—entities representing insurers, not clients. This parity is not just inequitable; it is structurally flawed. Brokers are expected to compare products across insurers, assess client-specific risks, and provide post-sale support. Corporate agents operate within a single insurer's portfolio. Treating both as equals in commission and compliance undermines the broker's ability to invest in infrastructure, expand into underserved markets, and deliver high-value advisory services.

The compensation model compounds the problem. Under IRDAI regulations, brokers and corporate agents receive similar commissions despite differing responsibilities. Brokers are also prohibited from charging clients separately for advisory services. Their income is tied solely to premium placement—even when they provide complex services such as reinsurance structuring, pension risk transfer, or enterprise risk management. This regulatory blind spot limits broker revenue and deprives clients of sophisticated solutions that could enhance their resilience.

Structural barriers further constrain innovation. Brokers are prohibited from co-developing insurance products with insurers or reinsurers, preventing them from crafting bespoke solutions for emerging risks like cyber threats, climate volatility, or pandemic-related business interruption. The Digital Personal Data Protection (DPDP) Act introduces new compliance obligations but lacks operational clarity for brokers—hampering the adoption of AI-based underwriting, automated claims processing, and other digital innovations.

Geographic expansion is commercially unviable. There are no regulatory incentives for brokers to enter Tier 2/3 cities or rural markets, where premium volumes are low, and compliance costs high. As a result, vast segments of the population remain uninsured—despite brokers being ideally positioned to serve them.

Finally, the licensing regime fails to recognize specialization. Whether a firm focuses on retail, reinsurance, or corporate risk, the framework treats all brokers uniformly—ignoring the need for domain-specific oversight and support. This one-size-fits-all approach discourages technical depth and limits the sector's ability to respond to increasingly nuanced risk profiles.

India must urgently modernize its regulatory framework if it is serious about building a globally competitive insurance economy. Brokers are not agents of insurers—they are advocates for the insured. Recognizing this distinction is not just a matter of fairness but a strategic imperative. A reformed regime should enable differentiated licensing, fee-based advisory models, product co-creation, and targeted incentives for geographic expansion. It should also align with global best practices on governance, ethics, and digital integration.

Empowered brokers can help India close its protection gap, deepen financial inclusion, and build systemic resilience. But to do so, they need more than licenses—trust, tools, and the freedom to advise.

To truly harness their potential, India must move beyond regulatory recognition and toward strategic empowerment—where brokers are licensed and enabled to lead.

Empowering Brokers to Lead the Insurance Transformation

India's vast protection gap—where millions remain uninsured or underinsured—is not just a market failure but a systemic vulnerability. Closing it requires more than expanding coverage—it demands reimagining the role of insurance brokers as frontline architects of financial resilience, inclusion, and innovation.

To unlock this potential, India must modernize its regulatory framework. Brokers must be empowered to operate as true advisors. Fee-based consulting for risk audits, ESG advisory, and claims advocacy should be permitted under transparent norms that protect consumers while enabling brokers to monetize their expertise and invest in deeper engagement.

Targeted incentives are essential. Brokers serving underserved segments—rural households, MSMEs, and low-income groups—should benefit from higher commission caps, tax credits, or public-private outreach subsidies. These mechanisms would make last-mile engagement commercially viable and socially impactful.

Innovation must be democratized. The IRDAI's Regulatory Sandbox should be expanded to allow broker-led product co-creation. This would unlock tailored solutions for emerging risks—cyber, climate, gig economy exposures—that traditional models often overlook.

Digital compliance must be clarified. The Digital Personal Data Protection (DPDP) Act introduces essential safeguards, but brokers need clear operational guidance to adopt secure, scalable technologies. Without it, they risk falling behind digital-first players in customer experience and operational efficiency.

India's brokers are not just intermediaries but catalysts for financial inclusion, risk literacy, and systemic resilience. But to realize this potential, the rules must evolve. A modernized framework should recognize brokers as fiduciary professionals, enable differentiated licensing, and support innovation through regulatory flexibility.

Yet reform alone is not enough. India's insurance sector now needs a shared mission—a collective commitment to closing the protection gap and building a system that serves every citizen. This requires all stakeholders to come together and work towards a common goal.

Policymakers and regulators must lead by creating an enabling environment that rewards innovation, recognizes the advisory value, and supports outreach to underserved communities. This means rethinking outdated commission structures, embracing fee-based models, and clarifying digital compliance. It means trusting brokers as intermediaries and partners in public policy.

Insurers must evolve, too. They must see brokers not merely as distribution channels but as strategic collaborators in product design, customer education, and claims support. By co-creating inclusive, need-based products and sharing data responsibly, insurers can help brokers reach deeper into the fabric of Indian society.

Brokers themselves must rise to the occasion. They must embrace their role as risk advisors, invest in digital capabilities, and extend their reach to the last mile. They must build trust through transactions and long-term relationships rooted in transparency and service.

Brokers themselves must rise to the occasion. They must embrace their role as risk advisors, invest in digital capabilities, and extend their reach to the last mile. They must build trust through transactions and long-term relationships rooted in transparency and service.

This is not just a policy imperative—it is a moral one. In a country where a single illness can push a family into poverty, where a failed monsoon can devastate a farmer's livelihood, and where millions remain uninsured, the stakes are too high for half-measures.

Let us move from reform to responsibility—from fragmented efforts to a unified mission. The protection gap will not close itself. But with empowered brokers and collective resolve, India can build an insurance ecosystem that protects every life, secures every future, and leaves no one behind.

The Evolving Role of Insurance Brokers in Tackling Climate Risks

Prof Pratik Priyadarshi
Chairperson, Insurance Business Management Programme
Birla Institute of Management Technology (BIMTECH)

Why this matters

Climate change is no longer a distant threat—it is a present-day reality that is reshaping how individuals, businesses, and governments operate. With rising frequencies of extreme weather events, regulatory transitions, and market shifts, the associated risks are more immediate and complex than ever before.

This evolving risk landscape necessitates the involvement of strategic intermediaries who can bridge the gap between risk exposure and risk management.

Thus, insurance brokers are emerging as critical partners—not just intermediaries, but strategic advisors helping stakeholders navigate, prepare for, and mitigate climate-related risks.

Understanding the types of Climate Risks

1.Physical Risks- Tangible Climate Impacts

These risks result from direct environmental changes:

- Acute events: floods, cyclones, wildfires, and other severe weather occurrences.
- Chronic changes: long-term phenomena such as sea level rise, prolonged droughts, and glacier melt.

2. Transition Risks - Economic and Regulatory Transformation

As global economies shift towards more sustainable models, transition risks arise from:

- Regulatory developments (e.g., carbon taxes, emissions limits),
- Technological disruptions,
- Evolving investor expectations,
- Reputational concerns tied to environmental compliance.

How Insurance Brokers are contributing to Climate Risk Mitigation

1. Risk Identification and Assessment

Brokers assist businesses in identifying, understanding, and evaluating their exposure to climate-related risks.

This involves:

- Climate mapping and geospatial analysis,
- Scenario planning and loss forecasting,
- Integration of risk assessments into broader enterprise risk management frameworks.

To cite an example, a logistics company in Chennai partnered with a broker to assess sea level threats, leading to both insurance coverage and physical infrastructure enhancements.

2. Designing Tailored Insurance Solutions

Brokers develop insurance structures that reflect the unique climate exposures of clients, such as:

- Parametric insurance that triggers payouts based on pre-defined events (e.g., rainfall levels),
- Comprehensive multi-peril policies,
- Green energy project insurance,
- Access to catastrophe bonds and reinsurance.

Case: Brokers introduced a rainfall-indexed policy in Rajasthan, enabling farmers to receive timely financial support during drought conditions

3. Enabling Effective Risk Transfer

Brokers help shift the financial burden of climate events to insurers, ensuring businesses maintain liquidity and recover quickly post-disaster.

Example: A cyclone-prone hotel chain relied on broker-assisted business interruption coverage, which enabled rapid post-event recovery.

3. Promoting Long Term-Resilience and Risk Reduction

Beyond risk transfer, brokers now advise clients on preventative strategies, including:

- Infrastructure adaptation (e.g., elevated structures, flood barriers),
- Business Continuity Planning, as was visible in the Covid 19 scenario
- Collaboration with engineers and risk experts

Example: A Mumbai-based developer implemented flood resilience measures based on broker recommendations, reducing both claims and premium costs

4.Supporting ESG Integration and Climate Disclosures

With regulatory and investor focus on sustainability, brokers are supporting:

- Compliance with frameworks like the Task Force on Climate related Financial Disclosures (TCFD) and SEBI's Business Responsibility and Sustainability Reporting (BRSR)
- Stress testing under climate scenarios,
- Insurance alignment with ESG performance targets.

Example: An energy company improved investor confidence and regulatory readiness after engaging brokers to ensure ESG-aligned insurance coverage.

5. Advocacy, Innovation and Capacity Building

Modern brokers play a critical role in:

- Advocating for innovative products (e.g., drought-indexed insurance, Nat Cat Insurance covers),
- Facilitating public-private partnerships,
- Providing client training on climate literacy and risk mitigation.

Example: In Odisha, brokers helped introduce a mobile-based flood insurance program for coastal communities, enhancing local resilience and reducing reliance on emergency relief.

The impact of climate change on risk landscapes is undeniable. Insurance brokers are uniquely positioned at the intersection of risk understanding, insurance capacity, and strategic advisory. Their expanded role—from assessing exposure to designing innovative financial instruments and enabling resilience—is increasingly critical to climate adaptation and mitigation efforts.

As climate risks become more prominent and multifaceted, the role of insurance brokers is transforming. They are no longer limited to policy placement but are vital partners in identifying vulnerabilities, crafting adaptive strategies, and building long-term resilience. Their interdisciplinary expertise in risk, insurance markets, and regulatory frameworks positions them as crucial stakeholders in the global response to climate change.

As we advance, empowering brokers to continue in this role will be essential in supportinga more sustainable and secure future for businesses and communities alike.
Hence, to effectively manage future uncertainties, academic and professional institutions must recognize and integrate the strategic value of insurance brokers in climate resilience planning and education.

This shift in focus—from reactive to proactive risk management—is key to sustainable resilience.

Sharad Mathur

Managing Director & CEO.

Universal Sompo General Insurance
Suraksha, Hamesha Aapke Saath

Vision 2047 calls for "Insurance for All" — How do you define this vision from a consumer, industry, and nation-building perspective?

The “Insurance for All” vision under Vision 2047 is a transformative goal aimed at making insurance universally accessible, affordable, and impactful by the 100th year of India’s independence. Let’s break down its meaning from three key perspectives:

Consumer Perspective:

The “Insurance for All” vision under Vision 2047 is a transformative goal aimed at making insurance universally accessible, affordable, and impactful by the 100th year of India’s independence. Let’s break down its meaning from three key perspectives:

- **Accessibility**: Insurance products should be available in urban and rural areas alike, in local languages, through digital and physical channels.
- **Affordability**: Premiums must be designed keeping in mind diverse income levels, especially for low-income and informal sector populations.
- **Awareness & Literacy**: Consumers must understand what they are buying. Simplified policies, transparency in terms, and financial literacy campaigns are essential.
- **Trust & Service:** Quick claim settlements, grievance redressal mechanisms, and fair practices will foster trust and increased adoption.

Industry Perspective:

- **Market Expansion:** Moving beyond Tier-1 cities to rural and semi-urban India with tailored products (e.g., microinsurance, parametric insurance).
- **Technology Integration:** Use of AI, digital KYC etc. to streamline policy issuance, claims, and fraud detection.
- **Regulatory Support:** Simplified licensing, sandboxing innovative products, and encouraging InsurTechs.
- **Talent Development:** Build a workforce equipped to cater to the evolving digital-first insurance market.

Nation-Building Perspective:

- **Social Security Net:** Universal health and life coverage can drastically reduce out-of-pocket expenses and prevent poverty due to crises.
- **Disaster Resilience**: Insurance buffers for agriculture, climate risks, and SMEs reduce the economic impact of natural calamities.
- **Formalization of the Economy:** As insurance coverage grows, more people and businesses enter the formal economy, boosting tax revenue and regulation.
- **Capital Formation:** The insurance sector acts as a major institutional investor in infrastructure and long-term national projects.

To conclude, "Insurance for All" by 2047 is not merely about coverage—it's about empowering individuals, driving industry innovation, and strengthening national resilience. Achieving this vision will require collaboration between government, private sector, civil society, and regulators.

As we approach the centenary of India's independence, what specific role do you see Universal Sompo playing in strengthening India's insurance architecture?

As India approaches its centenary of independence in 2047, Universal Sompo is well-positioned to play a pivotal role in strengthening the nation's insurance architecture. As a joint venture combining Indian public sector banks and a Japan origin global insurer, Universal Sompo brings both local relevance and global expertise. Here's how its role can be defined across key areas:

Expanding Insurance Penetration:

- **Leverage Bancassurance Strength**: With ties to major Indian banks like Indian Bank, Indian Overseas Bank, Karnataka Bank, and various other cooperative, small finance and regional rural banks, Universal Sompo can drive insurance inclusion through an already trusted and widespread network.
- **Targeting Underserved Markets:** By offering microinsurance, crop insurance, and MSME-targeted products, especially in Tier-2/3 cities and rural areas.
- **Multilingual, Regional Focus:** Customizing offerings in regional languages to make products more relatable and understandable to local communities.

Product Innovation and Customization:

- **Need-Based Products:** Develop sector-specific insurance (e.g, for agri-value chains, gig economy workers, or climate-sensitive sectors).
- **Health & Wellness Ecosystems:** With rising health awareness post-COVID, Universal Sompo would continue to innovate beyond traditional health insurance by integrating wellness, telemedicine, and preventive care.
- **Cyber and Digital Risk Insurance:** As digital transactions increase, products addressing cyber risks for individuals and SMEs are crucial.

Digital Enablement and Technology Adoption:

- **Simplified Customer Journeys:** Use AI-driven chatbots, claim bots, and intuitive mobile apps to improve onboarding, renewals, and claims.
- **Partnerships with InsurTechs:** Collaborate with tech startups to bring speed, efficiency, and scalability to product design and distribution.
- **Data-Driven Risk Assessment:** Utilize predictive analytics for better underwriting, fraud detection, and personalized premiums.

Building Consumer Trust and Literacy

- **Financial Literacy Campaigns:** Especially for first-time buyers, explaining insurance concepts in simple terms using community engagement and digital content.
- **Transparent Claims Processes:** Maintain high claim settlement ratios and reduce turnaround times to build confidence and credibility.
- **Grievance Redressal:** Strengthen feedback loops and customer care for timely dispute resolution.

Supporting National Priorities

- **Ayushman Bharat & PMFBY Synergy**: Collaborate with government schemes to strengthen implementation and last-mile delivery.
- **Sustainable Insurance:** Promote ESG-aligned insurance practices by encouraging coverage for green energy, climate resilience, and responsible business conduct.
- **Disaster Risk Financing:** Partner with local governments and municipal bodies for risk-pooling mechanisms to mitigate the impact of natural disasters.

So, Universal Sompo has the strategic partnerships, distribution strength, and innovation potential to be a vital contributor to India's "Insurance for All" journey by 2047.

By acting as a bridge between financial institutions, technology, and underserved populations, the company can help shape an inclusive, digital, and resilient insurance ecosystem for India's future.

How is your company leveraging technology and partnerships (including insurtechs and brokers) to increase insurance reach and improve claim experience?

At Universal Sompo, we recognize that technology and strategic partnerships are key enablers in achieving our vision of inclusive insurance and exceptional customer service. Here's how we're integrating both to deepen market penetration and deliver a seamless claims experience:

Technology-Driven Outreach and Distribution

Digital Onboarding & Policy Issuance

- Use of AI-enabled digital platforms and mobile apps to simplify product discovery, quotation, and instant policy issuance.
- Paperless KYC and e-signatures enable zero-touch customer journeys, especially for motor, health, and travel products.

API Integration with Partners

- We've established robust API frameworks to integrate with brokers, web aggregators, banks, and digital platforms, ensuring real-time issuance and renewal capabilities.
- These integrations also allow partners to customize and cross-sell products relevant to their customer base.

Partnering with InsurTechs & Brokers for Innovation

InsurTech Collaborations

- Working with emerging InsurTech startups to pilot innovative solutions in telematics, IoT-based health monitoring, and smart underwriting.

- For instance, usage-based motor insurance and digital wellness platforms for health customers are being explored

Broker Ecosystem Enablement

- Empowering brokers with white-label portals, co-branded tools, and analytics dashboards to better serve niche customer segments like MSMEs or rural markets.
- Enabling brokers to initiate remote inspections and digital claim intimation, cutting down time and manual effort

Enhancing the Claims Experience

AI-Powered Claims Processing

- AI/ML algorithms are used to auto-triage and fast-track low-complexity claims (e.g, motor damages) with minimal human intervention.
- Image-based damage assessment tools allow customers to upload photos via mobile app, enabling instant claim estimations.

Remote Survey & IoT

- For motor and property claims, we're deploying drones and remote assessment tools to inspect damages where physical surveys are delayed or impractical.
- IoT sensors in commercial insurance help in early risk detection and preventive maintenance, reducing both claim volume and severity.

TAT Reduction & Transparency

- Real-time claim tracking via mobile apps and SMS updates.
- Initiatives have helped us reduce average claim settlement turnaround times, boosting customer satisfaction and retention.

Inclusive Innovation for Last-Mile Access:

- Partnering with regional microfinance institutions and rural cooperatives, we're piloting microinsurance and sachet products for low-income households.
- Mobile-first, vernacular-enabled platforms help in bridging the digital and literacy divide in rural segments.

Our approach is centered on customer-first innovation, using technology, data, and partnerships to simplify access, personalize coverage, and make insurance a dependable financial safety net for every Indian. As we scale further, we remain committed to building a resilient, inclusive, and digitally empowered insurance ecosystem.

In a future where AI, IoT, and predictive analytics redefine risk, how will the fundamentals of underwriting and product design evolve, in your view?

In a future shaped by AI, IoT, and predictive analytics, the fundamentals of underwriting and product design in insurance will undergo a profound shift—from reactive and generalized approaches to proactive, personalized, and continuously adaptive models. Here's how we see this evolution:

Underwriting: From Static Risk Assessment to Dynamic Risk Intelligence

Current Paradigm:

- Relies on historical data, standardized rating models, and fixed parameters (age, location, asset value, etc.).
- Risk is assessed at a single point in time, often during policy issuance or renewal.

Future Evolution:

- Real-Time Data Streams: IoT devices (in cars, homes, wearables) provide ongoing, granular data on behavior, usage, and environment.
- Predictive Underwriting: AI models will assess likelihood of future events (illness, accidents, fraud) rather than just past trends.
- Behavior-Based Pricing: Risk scores will evolve dynamically, rewarding safe behavior (e.g, cautious driving, regular health monitoring) with real-time premium adjustments.

Example: A health insurance could adjust coverage or discounts monthly based on wearable data like activity levels, heart rate trends, or sleep quality.

Product Design: From Standardized Products to Personalized & Modular Solutions

Current Paradigm:

- Uniform policy structures targeting broad customer segments.
- Add-ons or riders offer limited customization.

Future Evolution:

- Hyper-Personalization: AI will design policies around individual risk profiles and life goals, not generic demographics.
- Modular Products: Customers will mix and match micro-covers (e.g, cyber insurance, gadget protection, dengue cover) to create bespoke protection plans.
- Event-Triggered Coverage: Parametric or on-demand insurance will become common, automatically activating coverage based on triggers like weather alerts, travel plans, or medical indicators.

Example: A gig worker might receive real-time accident coverage only during working hours, activated via geolocation and app data.

Evolving Role of Underwriters: From Manual Judgment to AI-Augmented Decision-Making

- Underwriters will transition from file-based assessments to data scientists and risk strategists, working alongside AI tools to monitor, tweak, and optimize portfolios.
- Focus will shift to managing model risk, bias mitigation, regulatory alignment, and interpreting complex data patterns for strategic decisions.

Continuous Risk Engagement & Feedback Loops

- Insurers will move from “insure and forget” to “monitor, predict, prevent, and update.”
- Risk management will be ongoing, through nudges, alerts, and interventions enabled by connected devices and behavioral insights.

Example: A home insurer could reduce premiums for a customer who installs smart smoke detectors, monitors humidity levels, and follows risk mitigation tips provided via app.

Ethical & Regulatory Considerations

- With increased personalization and data use comes the need for transparent algorithms, data privacy, and fairness in pricing.
- Regulators will play a crucial role in defining what constitutes ethical underwriting and preventing algorithmic discrimination.

To sum up, the future of underwriting and product design will be marked by:

- Proactive prevention over post-event compensation
- Individualized coverage over pooled-risk pricing
- Real-time adaptation over annual policy cycles

Insurers who embrace this evolution, combining data science, ethical design, and human empathy, will lead the next wave of trust-driven, tech-enabled insurance.

What new or emerging risks do you believe the general insurance industry is not yet fully prepared for — and how should we gear up?

That’s a timely question, the general insurance industry stands at a crossroads where traditional models are being challenged by unprecedented, emerging risks that are fast-moving, complex, and often uninsurable by conventional standards.
Here are five key emerging risks the industry is not yet fully prepared for, along with strategic actions to gear up:

Cybersecurity & Digital Infrastructure Risk

- Cyberattacks are increasingly sophisticated (e.g, AI-powered phishing, ransomware-as-a-service).
- SMEs and individuals are exposed, yet underinsured.

- Systemic cyber risk could impact entire supply chains or critical infrastructure (e.g, banking, healthcare).

What to do:

- Develop modular, scalable cyber insurance for MSMEs and individuals.
- Create cyber risk pools to spread catastrophic digital risk.
- Collaborate with cybersecurity firms for continuous risk monitoring and risk scoring.

Climate Change & Environmental Volatility

- Traditional actuarial models based on historical weather data are no longer reliable.
- India is vulnerable to floods, heatwaves, rising sea levels, and crop losses.
- Low insurance penetration in climate-sensitive sectors like agriculture and real estate.

What to do:

- Integrate climate modeling and satellite data into underwriting.
- Promote parametric insurance for faster payouts based on triggers (e.g, rainfall, wind speed).
- Partner with governments for public-private disaster risk financing frameworks.

Pandemic & Health System Stress

- COVID-19 exposed gaps in health insurance design and claim readiness.
- Future pandemics may involve antimicrobial resistance, mental health crises, or long-tail post-viral syndromes

What to do:

- Design flexible health covers that adapt to new medical realities (e.g, long COVID, home-based care).
- Use AI to predict health system strain and adjust underwriting accordingly.
- Integrate telehealth, diagnostics, and wellness into health insurance ecosystems.

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Gig Economy and Unstructured Workforce Risks

- India's informal and gig workforce lacks income protection, health cover, or accident insurance.
- Traditional employment-linked products don't fit freelance, platform-based workers.

What to do:

- Create micro, on-demand insurance (pay-as-you-go) tied to work hours or tasks.
- Partner with gig platforms (e.g, ride-share, food delivery) to embed coverage.
- Offer portable benefit models that move with the worker, not the employer.

AI/Algorithmic Liability and Deepfake Risk

- As AI becomes more autonomous (e.g, in finance, healthcare, driving), liability becomes blurred.
- Deepfakes can lead to reputation loss, fraud, or social unrest, which are hard to quantify or underwrite.

What to do:

- Explore AI liability insurance for companies using or deploying algorithms.
- Create early frameworks for deepfake-related reputation and IP protection.
- Work with regulators on legal definitions and liabilities around AI-driven harm.

What new or emerging risks do you believe the general insurance industry is not yet fully prepared for — and how should we gear up?

The rapid urbanization and infrastructure expansion in India present both opportunities and challenges for the insurance sector. In this evolving landscape, parametric insurance and usage-based products are poised to play a transformative role by addressing speed, scale, personalization, and insurability gaps that traditional insurance models struggle with.

Here's how each will become increasingly relevant and essential in India's future:

Parametric Insurance: Speed, Certainty, and Simplicity in High-Risk Environments

What It Is:
Parametric insurance pays a pre-agreed amount based on the occurrence of a triggering event (e.g, rainfall level, earthquake intensity), rather than requiring proof of loss.

Why It Matters in Urbanizing India:

- **Climate Volatility in Cities**: Urban floods, heatwaves, and cyclonic storms are rising in frequency. Parametric models can offer quick payouts to municipalities, small businesses, and households based on measurable triggers (e.g, mm of rainfall).
- **Infrastructure Resilience:** Infrastructure projects (e.g, metros, highways, smart cities) can be insured against construction delays or natural disaster risks using weather or seismic indices.
- **Agriculture-Urban Interface:** Expanding peri-urban zones still rely on weather-sensitive agriculture. Parametric products can plug gaps left by traditional crop insurance

Use Cases:

- Flood-triggered insurance for urban dwellers and SMEs.
- Solar or wind energy projects insured via weather-linked triggers.
- Smart city infrastructure contracts with delay-triggered clauses.

Usage-Based Insurance (UBI): Personalization in a Congested, Mobile India

What It Is:
Insurance premiums are based on how much or how safely a user drives or operates a device, tracked via telematics, apps, or IoT sensors.

Why It Matters Now:

- **Urban Mobility Shift:** As vehicle ownership rises in cities, UBI offers fair pricing for low-mileage drivers, especially among urban youth or elderly populations.
- **Fleet Management & Commercial Vehicles:** Logistics, cab aggregators, and last-mile delivery firms can benefit from pay-as-you-drive models that encourage safe driving and reduce premiums.
- **Smart Infrastructure Integration:** As smart cities evolve, UBI can integrate with citywide traffic, accident, or pollution data to fine-tune risk models.

Use Cases:

- App-based motor insurance for urban drivers (pay-per-km, pay-how-you-drive).
- Commercial UBI for logistics and e-commerce delivery fleets.
- Electric vehicle (EV) insurance tailored to usage patterns, battery health, and charging habits.

Rural and semi-urban segments remain under-penetrated — how do you plan to go beyond traditional channels and make insurance truly inclusive?

Despite progress, a large portion of rural and semi-urban India still lacks adequate insurance coverage. To bridge this gap, we must move beyond conventional branch-based models and embrace a mix of digital innovation, local partnerships, and community-based outreach.

First, we're leveraging mobile-first platforms and AI-driven tools to make insurance accessible even in remote areas. With rising smartphone penetration, even in villages, our aim is to offer products that can be bought, serviced, and claimed digitally with minimal friction.

Second, we're strengthening partnerships with rural banks, cooperative societies, and fintechs that already have grassroots-level presence. These partnerships help us build trust in communities where awareness is still low.

Third, financial literacy is key. We're investing in insurance education campaigns through local languages and culturally relevant content to demystify insurance products and show their real-life benefits.

True inclusivity isn't just about distribution, it's about designing simple, affordable products that meet real rural needs, whether it's crop insurance, health micro-covers, or livestock protection. It's also about simplifying claims, so people feel the system works for them, not against them.

What are your thoughts on the role of brokers as risk advisors in a fast-changing world where traditional models may not suffice?

In today's dynamic risk landscape, driven by climate change, cyber threats, pandemics, and evolving regulations, the role of brokers has evolved far beyond transactional intermediaries. They are now critical strategic partners who help clients understand, anticipate, and mitigate risk, not just insure it.

Modern brokers must act as risk advisors with deep sectoral expertise and data-driven insights. This means moving beyond standard product placement to offer bespoke risk solutions, scenario planning, and even ESG-related advice. Clients are increasingly looking for guidance on resilience, not just indemnity.

Moreover, with digital transformation accelerating across industries, brokers must integrate technology and analytics into their advisory approach. Tools like risk modeling, predictive analytics, and real-time monitoring are becoming essential in crafting effective coverage strategies.

In short, the broker of the future isn't just a conduit for policy issuance, they're a trusted advisor, combining human insight with digital intelligence to help businesses navigate complexity with confidence. Their role has never been more important.

How do you view the current and future contribution of brokers in shaping customer-centric product innovation and expanding market access?

Brokers are no longer just intermediaries; they're frontline voices of the clients. Their proximity to client needs across industries, geographies, and risk profiles puts them in a influential position to drive customer-centric product innovation.

Today, brokers are helping insurers identify coverage gaps, demand for flexible or modular policies, and expectations around digital servicing. By channeling these insights back to insurers, they become key collaborators in the co-creation of tailored solutions, whether for emerging risks like cyber and climate or for underserved sectors like MSMEs and gig workers.

Looking ahead, their role in expanding market access will be even more critical. Brokers often operate in areas where traditional distribution models don't work, rural regions, informal economies, or niche verticals. They build trust, navigate regulatory nuances, and often educate first-time buyers, something technology alone can't always achieve.

In the future, successful brokers will combine tech-savvy data analysis with human insight to match the right solutions to the right customers, faster. Their evolution into risk advisors and innovation catalysts is essential in making insurance both inclusive and responsive.

Can you share some specific initiatives that Universal Sompo is taking or planning to take to deepen collaboration with the broking fraternity?

Universal Sompo is actively strengthening its collaboration with the broking fraternity through several strategic initiatives aimed at enhancing distribution channels, improving service efficiency, and expanding market reach.

Universal Sompo has launched a mobile application for its distribution channel, enabling real-time policy issuance for motor, health insurance products etc, thereby enhancing accessibility and efficiency.

The company employs AI-driven automation for motor claims intimation and survey deputation within few minutes, along with paperless claims settlement processes, reducing turnaround times and improving customer satisfaction.

Universal Sompo conducts educational workshops and community outreach programs to raise awareness about the importance of insurance planning and risk mitigation, targeting underserved regions.

As digital journeys become more dominant, do you believe brokers will retain their advisory edge, or will they need to reimagine their value proposition?

Digital transformation is unquestionably redefining how insurance is distributed and consumed, but it doesn't eliminate the need for brokers. In fact, it raises the bar for the kind of value brokers must bring to stay relevant.

Brokers will retain their advisory edge, but only if they reimagine their role beyond product placement. Today's clients want clarity, customization, and speed, and they often navigate complex risks that digital portals alone can't fully address. That's where brokers, equipped with the right tools and insights, can differentiate themselves.

The future broker is not just a middleman, they're a tech-enabled risk advisor. They must embrace analytics, scenario modeling, and digital tools to offer proactive, data-backed guidance, whether it's for Corporates buying Fire insurance, SMEs buying cyber insurance or families comparing health plans.

Moreover, brokers can play a key role in bridging the digital divide, serving customers in rural or underbanked segments where trust, education, and human interaction are still essential.

In short, digital is not a threat, it's an opportunity. Brokers who evolve with it can deliver a hybrid experience that combines digital efficiency with human empathy and expertise. That will be their competitive edge in the years ahead.

What is your opinion on embedding insurance in ecosystems (health, mobility, commerce, MSMEs) and how can brokers be an integral part of such ecosystems?

Embedding insurance into broader ecosystems, like health, mobility, commerce, and MSMEs, is not just the future of distribution; it's the future of relevance. Customers today don't want to buy insurance, they want to solve problems, whether it's protecting their health, safeguarding their deliveries, or securing their fleet. Embedding allows insurance to become invisible but invaluable, offered at the right moment, in the right context.

For example:

- In health ecosystems, embedding insurance into telemedicine or pharmacy platforms can enable real-time health cover enrollment or OPD benefits.

- In mobility, ride-share or EV platforms can seamlessly integrate usage-based motor or accident insurance.
- For MSMEs, embedding insurance in digital bookkeeping, e-commerce, or lending platforms can help micro-businesses access protection they'd otherwise overlook.

But for this to succeed at scale, brokers must evolve into ecosystem enablers. They bring three key capabilities to the table:

1. **Risk expertise** – guiding ecosystem players on how to structure meaningful coverage for users.
2. **Product innovation** – co-creating embedded offerings that are simple, relevant, and compliant.
3. **Distribution know-how** – helping integrate insurance into existing user journeys without friction.

Brokers can also play a vital role in servicing and claims support, ensuring the end-customer experience remains trustworthy and smooth.

So yes, embedded insurance is reshaping the game, and brokers, if they embrace this shift, can become architects of embedded value, not just intermediaries.

With regulatory reforms pushing for deeper penetration and transparency, how do you foresee regulator–insurer–broker synergy evolving by 2047?

By 2047, as India reaches its centenary of independence, I believe the regulator–insurer–broker synergy will be far more collaborative, tech-driven, and purpose-aligned than it is today.

Like the IRDAI has already signalled a shift from being just a regulator to becoming an enabler of innovation and inclusion. Their push for simplified products, open architecture, sandbox environments, and digital infrastructure lays the foundation for deeper insurance penetration.

Insurers, on their part, will need to move from compliance to co-creation, working proactively with regulator and intermediaries to design customer-first solutions, whether for climate risk, cyber protection, or inclusive health coverage.

Brokers, in this future landscape, will play a strategic integrator role. They'll be essential in:

- Translating ground-level insights into meaningful product design.
- Using AI and data to improve risk advice and product fit.
- Driving last-mile awareness and trust, especially in underinsured segments.

By 2047, I envision a digitally connected, data-transparent ecosystem where:

- Regulator provides real-time oversight and adaptive policy frameworks.
- Insurers innovate responsibly with customer-centricity at the core.
- Brokers act as the bridge between ecosystems and insurance, powered by tech but anchored in human insight.

The synergy among all three stakeholders won't just be operational, it will be mission-driven, aimed at building a financially secure, risk-resilient India.

From your vantage point, what should be the three key priorities for the general insurance sector in the next decade?

1. Deepening Financial Inclusion and Market Penetration

Despite growth, large segments, especially in rural and semi-urban areas, remain underinsured. The sector must prioritize innovative distribution models, partnerships with fintechs and local institutions, and affordable, tailored products that meet diverse customer needs. Financial literacy and trust-building campaigns will be key to expanding the insurance footprint.

2. Accelerating Digital Transformation and Data-Driven Decision Making

Digital technologies, AI, and analytics are no longer optional, they're core to improving underwriting accuracy, claims efficiency, and customer experience. The sector should invest in end-to-end digitization, from policy issuance to claims settlement, while ensuring cybersecurity and data privacy are robustly managed

3. Building Resilience Against Emerging and Climate Risks

With increasing exposure to climate change, cyber threats, and pandemics, the general insurance sector must develop new risk models, create innovative products that address evolving risks, and foster collaboration with regulators, governments, and industries. Promoting sustainability-linked insurance solutions will also be critical.

Finally, what is your personal leadership philosophy for steering a future-ready insurance company, and what legacy would you like to build by 2047?

My leadership philosophy centres around conscious leadership, leading with empathy, transparency, and a deep sense of purpose beyond just business metrics. In an industry like insurance, where trust and security are paramount, it's vital to build a culture that empowers stakeholders, prioritizes customer-centricity, and embraces innovation fearlessly.

To steer a future-ready insurance company, I believe in:

- **Fostering Agility:** Encouraging a mindset that's adaptable and open to change, enabling the organization to swiftly respond to evolving risks and customer needs.
- **Championing Inclusivity:** Making insurance accessible and relevant to all segments of society, especially the underserved, by driving inclusive products and distribution.
- **Leveraging Technology Thoughtfully:** Using technology not just for efficiency but to enhance human connection and personalized experiences

By 2047, I want to build a legacy of an organization that's not only a market leader but also a trusted partner in people's lives, one that champions resilience, sustainability, and shared prosperity. A company that helped shape an insurance ecosystem where no one is left behind, and where innovation and integrity go hand in hand.

Preparing Insurance Professionals for a Tech-Driven Future

Ramkumar Krishnamoorthy

Executive Vice President &
Chief of L&D and Channel
Administration,
SBI Life Insurance

The Changing Face of Insurance Advisory

The insurance landscape is undergoing one of its most significant transformations in decades. From manual, paper-based operations to a data-powered, digital ecosystem — the industry is undergoing a transformation shaped by algorithms and evolving customer needs. In this new environment, insurance professionals are no longer just product explainers—they are strategic partners, digital translators, and lifelong guides who help customers navigate complexity with clarity.

Amid these changes, the core values of the profession—trust, empathy, and advice rooted in human understanding—remain constant. But how they are delivered is being reshaped by technology. This evolution calls for a re-examination of how professionals engage, learn, and serve in an increasingly digital-first world

From Sourcing to Claims: Tech Across the Insurance Journey

Tech at the Frontline: Lead Generation and Outreach
From the very first touchpoint—be it WhatsApp campaigns tailored to specific customer segments, IVR systems responding to product interest, or app-generated prompts—technology has become integral to lead generation. These digital channels are no longer support tools; they are central to customer engagement.

Seamless Onboarding Through eKYC and Biometrics
Once a customer shows interest, Aadhaar-enabled eKYC (or emerging CKYC) ensures quick, secure onboarding. Biometric validation enhances both safety and accessibility, especially in rural and semi-urban regions where paperwork and logistics often delay the process.

Smart Dashboards for Personalized Need Analysis
Real-time dashboards empower Insurers with a 360-degree view—merging customer data, financial insights, and behavioural patterns. Instead of generic pitches, advisors can now tailor recommendations based on life stage, income, and digital activity—making the sales approach more relevant.

Instant Issuance Through Digital Proposals
Proposal submissions have become faster and smarter. Integrated APIs, digital forms with validation logic, and underwriting automation have turned policy issuance into a near-instant process. Digital signatures ensure smooth compliance, eliminating paperwork delays.

Customer Servicing Reimagined
Post-issuance servicing has entered a new era. From paying premiums to updating nominees, customers can handle most transactions through intuitive mobile apps or 24/7 chatbots—offering both control and convenience at their fingertips.

Technology-Driven Claims, Backed by Compassion
The claims process—often emotionally charged—has been transformed by AI tools that validate documents and speed up decisions.

The Human + Digital Balance: The Future of Insurance
While automation has streamlined the insurance journey from sourcing to settlement, the human touch remains at its core. It is this combination of digital precision and personal empathy that sustains trust—and defines the true value of insurance.

The Expanding Role of Brokers in a Digital Age

As the world changes, so too does the role of the broker. Today's customers expect mobile-first experiences, real-time updates, and self-service capabilities. In response, brokers have now got to evolve from facilitators into navigators—decoding data, interpreting digital tools, and offering clarity. Trust and empathy, once defining traits of face-to-face interactions, remain as essential as ever—even when engagements shift to digital mediums. But this digital transformation isn't just limited to how brokers engage—it reshapes the entire insurance value chain, from the very first customer interaction to final claim settlement.

Building the Future-Ready Professional: What It Takes

As insurance transforms, so must the professional. Today's brokers/advisors need a multidimensional skillset that blends tech fluency, domain depth, ethical clarity, and communication excellence. Familiarity with CRMs, digital proposal tools, video KYC, and dashboards is now essential. A tech-enabled advisor can offer faster, personalized, and compliant service—from generating proposals to tailoring plans based on real-time data.

Staying Ahead Functionally
Professionals must stay updated on regulations, tax rules, and Insurtech innovations—including embedded insurance, wellness-linked covers, and telematics-based pricing. Understanding product fit based on customer lifestyle is now a core skill.

Behavioural Agility and simplified communication
Success today depends on adaptability, empathy, and ethical decision-making. Advisors must balance data insights with human judgment—ensuring that technology supports, not replaces, trust and fairness. In a complex world, professionals who can communicate simply and culturally will stand out. Explaining products in everyday language—whether on call, chat, or in-person—ensures clients make informed decisions, not confused transactions.

Technology Trends and the Urgency for Upskilling

As technology transforms every stage of the insurance value chain—from outreach to claims—it also raises the bar for professional capabilities. To keep pace, insurance professionals must not only adopt new tools but also acquire new skills to stay relevant in this evolving landscape.

The World Economic Forum reports that 44% of core skills for workers will be disrupted by 2028, driven by advancements in AI, automation, and data analytics. At the same time, more than 75% of companies are expected to adopt technologies like big data, cloud computing, and AI within the next five years.

These twin forces of rapid tech adoption and skill obsolescence create a pressing need for insurance professionals to reskill and upskill continuously. For mid-career professionals especially, this shift can be daunting. But targeted, practical training—delivered through modern tools and formats—is emerging as a reliable pathway to bridge the readiness gap and empower brokers to remain confident in a changing world.

Evolution of Training: From Calendar-Based to Continuous Learning

But reskilling can't wait for annual calendars anymore. As skill demands evolve rapidly, the way professionals learn must evolve too—becoming continuous, contextual, and tech-enabled. Today's insurance learning is modular, mobile-first, and designed for professionals on the go. Microlearning, digital flashcards, and scenario-based practice ensure knowledge is absorbed and applied in real situations.

AI as a Learning Companion

Artificial Intelligence has moved from being a training topic to becoming a training partner. AI-driven platforms assess inputs, offer real-time feedback, and suggest personalized content. For instance, if a broker struggles with explaining a rider, the system instantly pushes tips or refresher videos, enabling just-in-time learning.

LMS: The Learning Backbone

Learning Management Systems (LMS) offer structured, role-based skilling. A branch manager's curriculum differs from a field advisor's, with progress dashboards for learners and reporting tools for L&D teams to monitor completion and skill gaps.

Gamification Boosts Engagement

Gamified elements like leaderboards, weekly challenges, and digital badges have turned learning into a fun, competitive activity. What was once a compliance formality is now a motivational journey.

Social and Peer Learning

Virtual communities and forums allow professionals to share success stories & feedbacks. This fosters bottom-up learning that complements structured training and builds a participative culture.

Beyond the Organization: Curated External Learning

MOOCs, insurance portals, and cross-industry certifications now supplement in-house modules. Professionals can upskill in emerging areas like digital marketing, fintech, and data analytics.

The Result: A Dynamic, Evolving Learning Ecosystem

The shift from one-time events to continuous learning ecosystems has already started making the workforce more informed, confident, and future-ready—ready to adapt with the industry's pace.

The Hybrid Role: Insurance Professional as a Tech Educator

Continuous learning is one side of the coin; the other is empowerment—where professionals evolve into enablers & bridge the digital divide, handhold customers, and make technology feel simple, accessible, and human. While digital tools are transforming insurance, adoption remains uneven across India—especially in rural areas, among senior citizens, and economically weaker segments. Here, insurance professionals' step in not just as sellers, but as digital mentors and guides. Digital handholding isn't just about showing how to click a button. It involves patient, step-by-step support—from downloading app and uploading documents to interpreting app alerts. Often, the challenge isn't lack of access—it's fear of making a mistake.

Cultural Sensitivity and Human Touch Matter

For the elderly or vernacular-speaking clients, advisors become translators of both language and technology. Visual aids, simplified terms, and relatable explanations go a long way. Soft skills—like listening and empathy—are now as critical as product knowledge.

Debunking Myths, Adding Value

Professionals also clarify common misconceptions. They explain how online-only policies may lack customization and highlight the value of human advice in digital journeys, especially during claims or policy upgrades.

Ongoing Engagement Builds Trust

Digital support is not a one-time task. Advisors have to continue to remind clients about renewals, regulatory changes, and app-based services—sometimes stepping in when chatbots fall short. In this hybrid model, professionals who humanize digital tools and bridge confidence gaps are driving true transformation. They ensure that the digital revolution in insurance is inclusive, accessible, and empowering for all.

Ethics and Trust in the Age of AI

As digital tools gain power, so does the need for ethical clarity and transparency. Reports like McKinsey's Glass Half Full highlight concerns such as algorithmic bias and opacity. Regulators like IRDAI and frameworks like NITI Aayog's AI strategy emphasize fairness, consent, inclusivity, and responsible deployment.

Brokers, with their customer proximity and trusted role, must ensure technology serves people —not replaces empathy. They are uniquely positioned to uphold trust, ensure equitable outcomes, and champion human-centric, bias-free digital practices.

The Path Forward for an Evolving Profession

As we step into this future, what becomes crucial is a unified ecosystem that promotes continuous learning, ethical responsibility, and inclusive transformation. The way ahead calls for collaboration among insurers, learning providers, technology partners, and policy influencers to foster a digital environment that is both efficient and empathetic.

Structured skilling programs, strong communities of practice, accessible digital tools, and fair regulation are essential enablers. Professionals must be equipped not just with knowledge, but with support systems that allow them to thrive amid evolving customer needs, product innovations, and technological shifts.

The future of insurance isn't being written by one institution—it is being co-created by every professional who chooses to learn, adapt, and lead with purpose. The more we empower each stakeholder to be agile, accountable, and client-centric, the more resilient and future-proof the entire industry becomes.

The New-Age Broker: A Vision for Tomorrow

The broker of tomorrow is not just digitally enabled, but strategically essential. With dashboards, data insights, and AI-generated cues, they won't just sell policies—they'll help clients build resilient financial plans. Whether supporting a young entrepreneur or a retired couple, they will operate with agility, clarity, and compassion. They will be educators, advisors, and life planners rolled into one.

As Alvin Toffler once said, "The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn." That spirit of reinvention defines the new era of insurance broking.

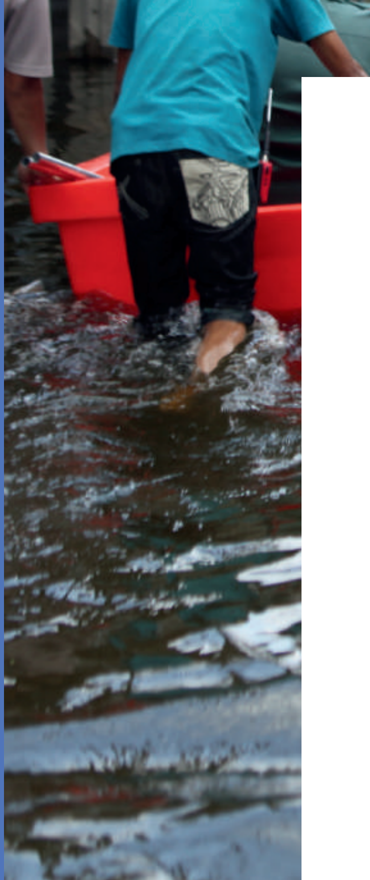
Conclusion: Rise, Reimagine, Redefine

This is not just a moment of transition—it is a defining opportunity. The changing contours of technology, customer behaviour, and regulatory expectations are challenging professionals to not merely keep pace, but to lead the way forward. By staying committed to learning, grounded in ethics, and driven by empathy, today's insurance professionals can help reshape the narrative of financial protection in the digital age.

Whether simplifying complex insurance choices for a first-time buyer, guiding a family through a claim, or enabling tech adoption for underserved clients, professionals have the power to make insurance not just accessible, but meaningful. It is through this commitment to excellence, inclusion, and foresight that the industry will remain not only resilient—but truly transformative.

The time to rise, reimagine, and redefine the future of insurance is now

Opinions expressed are personal and not representative of any organization I may be associated with



Monsoons & Flood Related Perils

P C James
Founder,
InsurEdge

The clause covering the above group of perils in the Standard Fire and Special Perils Policy has the following wording: Storm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, Flood and Inundation. None of the terms used in the clause have been defined in the policy. Normally these perils are termed as wind and water perils and they are often intertwined. Across the world there are various definitions. Broadly the terms that include flood perils can be explained as under:

Flood

The term "flood" means the temporary inundation, either partial or complete, of normally dry land with water, caused by: the overflowing of rivers, streams, channels, lakes, seas etc; heavy rainfall; storm surge, mudflow; the failure of water retaining structures (dams etc); groundwater welling up or even water backup in sewer systems. Flood is thus about water escaping its usual boundaries, or it may occur due to an accumulation of rainwater on water-saturated ground in an area-based flood. On top of rain saturation due to prolonged spells or heavy downpour, accumulation or surge of water can happen when dams are also opened up due to the risks they face owing to water surging into them. In urban areas, flood effects can be greatly increased when flood water rush along the streets.

Storm Surge

Storm surge arises from storm-force caused by onshore winds which "pile up" the water against a coast. This vast quantity of water gathered along the coastline can cause flood flow into large areas of normally dry land in the inland areas. The situation can be further aggravated by high waves. Storm surge is not to be confused with storm tide, which is defined as the water level rise due to the combination of storm surge and the astronomical tide. This rise in water level can cause severe flooding in coastal areas particularly when storm surge coincides with normal high tide.

Flash Floods

Flash floods are short, violent rainfalls over a small area which cause the level of smaller watercourses to rise considerably. Sudden floods, erosion etc. occur as a result. In areas where there are human habitations, the sewer system can often overflow, resulting in damage from water backing up and causing flood.

River Flooding

River flooding happens as the result of long spells of continuous rain which cause rivers to overflow their banks. This can leave thousands of square kilometres of land in the river plains under water for weeks. Floods can also occur in rivers when the flow rate exceeds the capacity of the river channel, particularly at bends.

Mudflow

Mudflow happens when loose soil on a slope can become so heavily saturated by intensive rain that a spontaneous slide of soil results. The wave of water and solids hurtle downhill and can be extremely destructive

Floods in India

Flood risk is a common cause of loss in India as the country is highly vulnerable to floods. Out of the total geographical area of 329 million hectares (mha), more than 40 mha are flood prone. Floods recur on a periodic basis especially in some parts of the country, and cause a huge amount of loss in terms of damage to livelihood systems, all types of property, infrastructure and public utilities. It is a cause for concern that flood related damages are showing an increasing trend. This can be attributed to many reasons including a steep increase in population, rapid urbanization, growing developmental and economic activities in flood prone areas coupled with global warming. Floods have also occurred in areas, which were earlier considered not flood prone.

In a nutshell, there are no quick fix towards regulatory compliance and the brokers by avoiding conflict of interest, ensuring that regular training for qualified persons, transparency of their licensing and advertising their services in good faith, ensuring that they are in the limits for the capital and net worth requirements, that they do not outsource any principle tasks and maintain their records accurately, having internal audits conducted by compliance officers, brokers can ensure compliance with the regulations.

Eighty per cent of the rainfall in India takes place during the monsoon months from June to September. The rivers in this season bring heavy sediment load from catchment areas. These, coupled with inadequate carrying capacity of rivers are responsible for causing floods, drainage congestion and erosion of river-banks. Cyclones, cyclonic circulations and cloud bursts cause flash floods and lead to disastrous losses. As some of the rivers causing damage in India originate in neighbouring countries, there is a further complexity added to the dimensions of the problem.

Urban Floods

Urban flooding is significantly different from rural flooding as urbanization leads to developed catchments, which increases the flood peaks from 1.8 to 8 times and flood volumes by up to 6 times. Consequently, flooding occurs very quickly due to faster flow times (in a matter of minutes). Urban areas are densely populated and people living in vulnerable areas suffer due to flooding, sometimes resulting in loss of life. Urban areas are also centres of concentrated economic activity with vital infrastructure which needs to be protected 24x7.

Increasing trend of urban flooding is a worldwide phenomenon and poses a great challenge to urban planners the world over. Problems associated with urban floods range from relatively localized incidents to major incidents, resulting in cities being inundated from hours to several days. Therefore, the impact can also be widespread, including temporary relocation of people, damage to civic amenities, major disruption of all economic activity and damage to property across the cities affected.

Buildings constructed in a floodplain needs proper regulations which should prescribe necessary elevation requirements. When major repair, reconstruction or improvement is made to older buildings, the structure must be updated to conform to new building codes and necessary elevation requirements. Proper elevations can ensure that premiums for flood risk can be substantially lower. Similarly, where stocks and machinery are stored or placed has a major role in causing losses. Invariably machinery and stock in basement, ground floors of vulnerable buildings including temporary structures, or in an open place, face high degrees of risk.

Flood Risk

Flood and inundation risks have moved into the centre stage in property underwriting across the world. Underwriting of flood risk is much more difficult than for any other major peril. Flood risk is dependent on many risk factors such as location (low lying areas), elevation (no peril for locations where flood waters will not reach), season (more risk in monsoon or cyclone seasons), durational (for how long), changed landscape due to construction such as roads, change in course of rivers, urbanization, concentration of people and urban activities near vulnerable locations such as coastal areas, blockage or narrowing of drains and channels, inadequacy of drainage, climate changes etc. In India all major cities as also, entire regions have faced flood losses and catastrophes. The actual elevation of the property or its misinterpretation by inches can vary the estimate of loss by two to three times. Many such factors play in the evaluation of flood risks, which can be devastating, if not properly risk managed.

Flood is an 'area risk' and whole geographic stretches or cities can be at risk. There are loss estimates produced by flood models which show that some locations have incredibly high loss ratios making properties in that area virtually uninsurable. Insurers seeking to insure flood must raise the overall quality of the data that they feed into their models. Underwriters must acquire the following layers of property data if they seek to underwrite flood risk successfully:

1. Exact street address and latitude/longitude coordinates
2. Elevation vis-à-vis nearby roads and water channels
3. Presence of rivers and water bodies in the area
4. Construction type
5. Property use: home, shop, office, apartment or commercial/industrial
6. Year built or year of major renovation

Water Damage Cover and Flood

There is a distinction between water damage and flood damage. Water damage happens in homes, offices and other properties through inside burst or flow and it can damage contents and furnishings, stocks, machinery etc, and it is expensive to organise clean up and repairs. In organisations such as offices, retail outlets, wholesalers and manufacturers, potential consequences of water damage include interruption to business, impact upon supply chains and damage to stock. Landlords may suffer financially from relocation or loss of tenants, in addition to building repairs.

The main difference between a flood claim and a water damage claim is where the water comes from. With flood damage, the water comes from a natural source and two or more properties are involved. It is normally an area loss due to heavy rains and/or rising waters. In water damage, the damage comes from inside the home, office, factory or any other structure but the neighbourhood will not be affected.

Internationally water damage cover is common. Insurers make a distinction between escape of water and flood. Escape of water is deemed damage caused by water which originates inside a premises or property, either from a burst pipe or leaking appliance. Conversely, insurers tend to categorise 'flood' as arising from external sources, whether natural or man-made.

Sources of Information for Determining Flood Risk

Underwriters would have to gather risk information from various sources such as the following when underwriting flood risks.

1. Elevation and slope of the site in relation to the general level of the area
2. Distance from rivers and water bodies
3. Site-specific data such as stream gaging records
4. Rainfall and cyclone records
5. Drainage capability of drains and watercourses in the area, especially in heavy deluge. Availability of pumps in case of need to discharge water.
6. Nearness to sea and risk emanating from high tides and possible tsunami
7. Nearness to dams and lakes, levees, check dams etc.
8. Pronenss to landslides which can fill the river in valley areas and create an unsustainable dam
9. Historic information – flood marks on buildings and other structures, areas flooded (discuss with long-time residents)
10. Newspaper accounts, diaries
11. Regional information, i.e., look at flood occurrences along similar streams in the area

Preventative measures

Flood risk must necessarily need preventive measures that need to be taken on a regular basis and especially before vulnerable seasons. In monsoon and other vulnerable seasons, basement, ground floors and similar areas must be secured and costly machines and high value stocks should not be kept in such locations. Temporary structures must be dismantled, stocks and materials in the open must be such that they will not be affected by normal or heavy rain and cyclone, overflow from neighbours and the road/public drainage. If the property is on a hill side, the slopes must be strengthened against landslide and mudslide. Roofs and other places where materials can fly off in wind must be secured. Similarly, neighbouring properties may be advised that their roofs and other materials may be secured to prevent them from flying in and destroying the insured property.

There must be no occasion for small and recurring losses owing to lack of cleaning and maintaining drains, water courses, leaks, seepage or overflow in the premises. These are in effect moral hazard losses and if they happen often can result in uninsurability or high rates and high deductibles.

Contingent Protection

In addition to permanent measures, there are also a number of contingent actions that can be planned well ahead of an actual flood season/emergency. These include the acquisition of flood shields to block off both doors and windows. Shields should be stored in a convenient location so that they can be rapidly deployed if and when needed. Use of sandbags and other temporary protection methods are also found to be common. This is especially useful when an emergency strike. Sandbags can be used at the entry points to prevent or reduce flooding. In addition, if there is a potential risk to personnel, high-value or any particularly vulnerable items, they should be relocated to higher floors. Developing an emergency plan ahead of an actual emergency will aid in identifying which items should be included in such a move, as well as the means for transporting them.

The Importance of Insurance Discipline

A KEY TO UNLOCKING TRUST AND CONFIDENCE

Venkat Patrudu
Co- Founder
Mad Over Insurance

As India's insurance industry races toward a projected ₹150 trillion valuation by 2025 (Source: IRDAI), the foundation for this growth is not just capital or products—but discipline. In an industry designed to safeguard lives, livelihoods, and businesses, insurance discipline becomes the bridge that connects trust, confidence, and sustainable growth.

Discipline in insurance is the unsung backbone that ensures adherence to ethical practices, robust processes, and regulatory frameworks. It is not merely about compliance; it is about building an ecosystem where every stakeholder—policyholders, insurers, brokers, and regulators—feels protected and empowered.

Why Insurance Discipline Matters

Think of insurance discipline as the sturdy scaffolding of a skyscraper—without it, the entire structure risks collapse. When insurers, brokers, and stakeholders uphold discipline, it fosters:

- Trust with customers.
- Financial stability for insurers.
- Confidence for regulators and investors.
- Long-term growth for the industry.

A PwC survey revealed that 70% of insurance customers value transparency and fairness (Source: PwC). Without discipline, transparency is compromised, leading to disputes, distrust, and churn.

Stakeholders and the Role of Discipline

1. Policyholders:
Discipline means clear policies, transparent terms, and timely claims settlement. For example, with the Indian health insurance sector growing at a

24% CAGR between 2020 and 2025 (Source: ASSOCHAM), ensuring disciplined claims processing is critical. A health insurance buyer expects swift claims handling, not bureaucratic delays.

2. Insurers:
Discipline in underwriting, pricing, and claims safeguards their financial health. A McKinsey report shows that insurers focusing on operational discipline can reduce costs by up to 20%. Avoiding adverse selection and improving claims ratios are key pillars of insurer sustainability.

3. Brokers:
As advisors and facilitators, disciplined brokers ensure clients receive the right coverage, at the right price, with clarity on inclusions and exclusions. The broking industry in India itself is set to grow at a 15% CAGR from 2020 to 2025 (Source: KPMG), making ethical and disciplined practices vital for sustained growth

4. Regulators (IRDAI):
Discipline is enforced through solvency norms, claim settlement mandates, and consumer protection rules. The Indian regulator's proactive stance has led to steady improvements in claim settlement ratios and complaint resolutions.

Global Comparisons: Discipline Drives Maturity

In mature markets like the U.S., U.K., and Europe, insurance operates with deeply ingrained discipline. Customers expect seamless service, instant claims decisions, and transparent pricing. In contrast, India's insurance penetration remains at around 4.2% of GDP, highlighting the trust deficit that discipline can address (Source: IRDAI).

A Swiss Re report projects that global insurance markets will grow at 3.5% CAGR from 2020 to 2025, with emerging markets like India being the growth drivers. But this growth must be underpinned by strong process discipline.

The Discipline of Claim Settlement: A Mirror of Trust

Claim settlement ratios are often a litmus test for insurer discipline. According to IRDAI, the life insurance claim settlement ratio in India stood at 96.52% in FY 2020-21, a significant metric that reflects both consumer trust and insurer discipline.

How Technology Enhances Insurance Discipline

Technology is now the enabler of discipline—making processes faster, fairer, and more reliable. Insurtech is no longer a buzzword but the driving force of transformation

- **Predictive Analytics:** AI-powered analytics help insurers assess risks with precision. An Accenture report highlights that predictive analytics can reduce claims frequency by 20%, leading to healthier portfolios and better pricing.
- **Automated Claims Settlement:** AI and machine learning streamline claims processing. Capgemini reports automated claims can reduce processing time by up to 80%, enhancing customer satisfaction and reducing operational errors.
- **Personalized Products:** With AI, insurers can offer hyper-personalized products based on usage and risk profiles. According to BCG, personalized insurance improves customer satisfaction by 30%

Process Dominance in the Digital Era

Insurtech and process automation are redefining the insurance landscape:

- **Digital Distribution:** No more paper forms. Digital platforms enable policy purchase, endorsements, and renewals seamlessly. EY states that digital distribution reduces costs by 40%, while offering 24/7 convenience to customers.

- **Automated Underwriting**: McKinsey finds that AI-driven underwriting cuts processing time by up to 90%, turning days of waiting into minutes

Best Practices to Strengthen Insurance Discipline

1. **Transparency:** Clear policy wording, upfront disclosure of exclusions, and easy-to-understand terms.
2. **Accountability:** Regular audits, adherence to regulatory guidelines, and proactive grievance redressal.
3. **Customer-Centricity:** Design policies and processes keeping customers at the center—not just compliance.

Safeguarding the Future

As India's insurance sector steps into an era of hypergrowth, discipline isn't just an operational mandate—it's a moral compass. It is the key to unlocking stakeholder trust, driving technological transformation, and ensuring that the promise of protection is not just sold but delivered—timely, fairly, and transparently.

In a world where risks are evolving faster than ever, the future of insurance belongs to those who combine the rigor of discipline with the power of technology.

General Insurance Penetration in India

The 1% of GDP Explained

Sundaram Varadan
UNISON Insurance Broking

India’s general insurance sector continues to lag behind global benchmarks, with penetration holding steady at just 1% of GDP as of FY2024–25, compared to a global average of 4% for non-life insurance. This 1% represents the total annual premiums collected by all general (non-life) insurers in the country, amounting to approximately ₹3.07 lakh crore in FY25

What Does This 1% Comprise?

India’s general insurance sector continues to lag behind global benchmarks, with penetration holding steady at just 1% of GDP as of FY2024–25, compared to a global average of 4% for non-life insurance. This 1% represents the total annual premiums collected by all general (non-life) insurers in the country, amounting to approximately ₹3.07 lakh crore in FY25

The 1% of GDP attributed to general insurance includes premiums from a range of segments and providers:

- **Public Sector General Insurers (PSGICs):** These state-run companies collected ₹1.06 lakh crore in premiums, capturing about 32.5% of the total general insurance market
- **Private General Insurers:** Private players have steadily increased their market share, now accounting for around 68% of the gross direct premium income (GDPI)
- **Standalone Health Insurers:** Companies specializing in health insurance have seen their share rise to over 10% of the general insurance market
- **Specialized Government Schemes:**
    - **Pradhan Mantri Fasal Bima Yojana (PMFBY):** The Agriculture Insurance Company (AIC) controls almost a third of the crop insurance market, with crop insurance premiums totaling ₹30,715 crore in FY2023–24.
-
    - **Employees' State Insurance Corporation (ESIC):** While ESIC is a significant government-backed health insurance scheme, its premium collections are typically not included in the standard general insurance industry metrics, as it operates under a distinct social security mandate.

Market Split: Government vs. Private and Schemes

Here's a breakdown of the general insurance market by segment and provider, based on the most recent data:

Segment/Provider	Share of Total Premiums (Approx.)	FY25 Premium (₹ lakh crore)
Public Sector General Insurers	32.5%	1.06
Private General Insurers	68%	2.01
Crop Insurance (AIC, PMFBY, etc.)	~10% (part of PSGICs/specialized)	0.31
ESIC (Statutory Health Insurance)	Not included in GI market total	—
Total General Insurance (All)	100%	3.07

- **Public Sector General Insurers:** New India Assurance leads with a 12.77% market share, followed by other state-run insurers

- **Private Sector:** ICICI Lombard is the largest private player with an 8.55% share.

- **Standalone Health:** Star Health and Allied Insurance leads with a 5.26% share

Role of Government Schemes

- **PMFBY and Crop Insurance:** Crop insurance, largely under PMFBY and managed by AIC, forms a significant chunk of specialized government insurance, though its share has slightly declined due to a drop in premium volume.

- **ESIC**: While ESIC is a major government health insurance provider, its operations are generally outside the commercial general insurance market and thus not reflected in the ₹3.07 lakh crore figure.

Key Insights

- The 1% of GDP general insurance penetration in India is split between public sector insurers (about one-third), private insurers (two-thirds), and a small but important segment of specialized government schemes, especially crop insurance under PMFBY.

- Despite growth, insurance penetration remains low, highlighting the need for greater awareness, product innovation, and digital transformation in the sector.

Sources Utilized

- Forbes, Secretariat, and Statista data on market share, premium volumes, and insurance penetration

In summary:

India's general insurance sector—at 1% of GDP—comprises a mix of state-run and private insurers, with significant contributions from government-backed schemes like PMFBY, though statutory social health insurance (ESIC) is typically not included in the standard industry metrics. The market is shifting towards private players, but public sector and specialized government insurance remain vital components of the landscape

Legal heirs cannot claim insurance benefits when driver's own recklessness causes accident

- Supreme Court Upholds Tort Law Principle

In a landmark ruling that reinforces fundamental legal principles, the Supreme Court has definitively held that the legal heirs of a driver who dies due to their own rash and negligent driving cannot claim compensation under the Motor Vehicles Act, 1988. The judgment in G Nagarathna vs. G Manjunatha clarifies a crucial aspect of insurance liability and upholds the age-old maxim that one cannot benefit from one's own wrongdoing.

The case originated from a tragic incident where N.S. Ravisha, while driving a Fiat Linea at high speed, lost control of the vehicle and met with a fatal accident. Following his death, his parents, wife, and son filed a compensation claim for ₹80 lakhs before the Motor Accident Claims Tribunal (MACT) in Arsikere, Karnataka.

The claimants argued that since Ravisha had borrowed the vehicle from its owner (Respondent No. 1), the insurance company should be liable for compensation under the vehicle's insurance policy. They contended that the distinction between owner and borrower should exempt them from the general principle barring compensation for one's own negligence.

Both the Motor Accident Claims Tribunal and the Karnataka High Court rejected the compensation claim. The Tribunal held that since Ravisha was the tortfeasor—the person responsible for the accident through his own negligence—his legal heirs could not claim compensation. This would amount to allowing them to benefit from his wrongful act.

The Karnataka High Court, on appeal, upheld the Tribunal's decision, relying on established Supreme Court precedents that consistently deny compensation in such circumstances.

The Supreme Court's bench examined two crucial precedents in reaching its decision. In Ningamma & Anr. vs. United India Insurance Co., the Court had established that when an accident occurs due to the deceased's own rash and negligent driving, legal representatives cannot receive compensation as this would allow them to gain from the deceased's wrongdoing.

Similarly, in Minu B. Mehta vs. Balkrishna Ramchandra, the Court had clarified that a person borrowing a vehicle essentially steps into the shoes of the owner. Consequently, the insurance company bears no liability for death or injury caused by the borrower's own negligence.

The judgment provides significant clarity for insurance companies. It establishes that insurers are not obligated to compensate legal heirs when the insured driver, or someone authorized to drive the insured vehicle, causes their own death through negligent driving. This applies regardless of whether the deceased was the vehicle owner or had borrowed it.

The Court emphasized that awarding compensation in such cases would set a dangerous precedent, potentially allowing individuals to derive financial gain from illegal activities. This would contradict fundamental tort law principles and public policy objectives.

This ruling has far-reaching implications for motor accident compensation claims. Legal heirs must now conclusively establish that the deceased was not at fault for the accident to succeed in their compensation claims. The burden of proof lies squarely on the claimants to demonstrate that external factors, rather than the deceased's negligence, caused the fatal accident.

The Supreme Court's judgment in G Nagarathna vs. G Manjunatha reaffirms a cornerstone principle of tort law: no one should profit from their own wrongdoing. While the human tragedy of such cases cannot be overlooked, the law must maintain its integrity by refusing to compensate for self-inflicted harm caused by negligence.

This ruling ensures that the Motor Vehicles Act's compensation provisions serve their intended purpose—protecting innocent victims of road accidents—rather than becoming a means for families to claim benefits from their loved one's reckless actions. As road safety remains a critical concern in India, this judgment reinforces both legal principles and social responsibility on our highways.

#Insurance Broker
Hai Toh Bharosa Hai

Editor : P.C. James
E-mail : Secretary@ibai.org

IBAI

INSURANCE BROKERS ASSOCIATION OF INDIA

MAHALAXMI INDUSTRIAL ESTATE, UNIT NO 319, DAVID S BARRETTO RD, GANDHI NAGAR, LOWER PAREL, MUMBAI, MAHARASHTRA 400013

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Secretary@ibai.org

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