



The Actuary India

Magazine of the Institute of Actuaries of India

March 2026

Medical Inflation

Measuring Medical Inflation in India

Microfinance

Bridging yet another gap – “Suraksha” that matters the most



Actuarial Work

The Human Side of Actuarial Work

Liability Valuation

t^vx:n: The Architecture of Liability



Hello readers,

I'd like to start this month's editorial note by welcoming Kapil Aggarwal to the Editorial Board. He brings with him extensive life insurance experience and enthusiasm to bring more content through TAI to the actuarial community. Do look out for the series on [Architecture of Liabilities](#) by Kapil - featuring a conversation between a senior actuary and curious actuarial analyst unpacking different methods of liability valuation.

Moving from life insurance to health insurance which is now becoming a concern across the world as medical costs rise - Joanne Buckle, Rachin Aggarwal and Heena Arora – co-authored a [paper that introduces the concept of a data-driven index and statistics](#). They explain how the index can help several stakeholders in the health-care ecosystem manage and control costs.

This month we've got a truly rounded set of articles covering the 3 main pillars of insurance – life, health and – non-life. Anjani Choudhary adds to her previous series on microinsurance by throwing light on the [concept of microfinance](#). She emphasises on the need and importance of financial inclusion and how we all need to work towards achieving it across the country.

On the lighter non-technical front of the magazine:

- Bani Dhir contributed an interesting write-up that reminds us all to [always be actuaries, but human first](#)
- We have managed to introduce a new format (it's my personal favourite) to the puzzles section – it's a [jigsaw puzzle](#). Please do try it out!
- A very topical [humour comic](#) on a landmark regulatory change in the Indian landscape
- A compilation of [news](#) from the Indian insurance industry news including launch of new products during the past couple of months.

As always we appreciate new contributions and we would like to thank all the authors who helped to make this March edition possible! We hope you enjoy these new articles.

While we are working on editing the April edition of the magazine, we encourage all of our readers to send over some new articles, thoughts or suggestions which you may have for the upcoming TAI editions!

Ekta Mehta
Editor, The Actuary India
Magazine of the Institute of Actuaries of India

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Features

Bridging yet another gap – “Suraksha” that matters the most

Having covered micro insurance in detail previously, **Anjani Choudhary** explores the need and development of microfinance as an ecosystem to uplift the country, including the involvement of different stakeholders of our financial ecosystem.



Introduction

Microfinance has emerged as a powerful tool in addressing the financial needs of the unbanked and underserved population in India. But merely connecting individuals to a bank account or providing them with a micro-credit is hardly enough. The impact of microfinance lies in enabling the people to move out of poverty and climb the ladder of prosperity by ensuring that these services are actively used to generate livelihoods thereby increasing productivity and stable source of income generation. Towards this, there still exists a significant gap in the microfinance sector that needs to be bridged to unlock further opportunities for financial inclusion.

Financial Inclusion and the Four Pillars of Financial Products

Financial inclusion (discussed in more detail at [All for one, one for all](#)) means individuals and businesses have equal access to useful and affordable financial products and services that offer real solutions to their problems – transactions, payments, savings, credit, and insurance – delivered in a responsible and sustainable way. Savings, credit, insurance, and pension are the four wheels of the financial product vehicle that needs to function smoothly in the journey of microfinance to reach the final financial inclusion destination. The two banking wheels of financial product which include credit and savings provides easy and quick access to money immediately to meet the potential financial needs while the insurance wheel, which is usually considered as a stepney, acts as a mechanism to stay resilient in times of unfortunate and unforeseen events. The fourth wheel, pension, serves as a long-term security at the time of retirement.

The Role of Insurance in Microfinance

Insurance for the low-income segment, commonly referred to as [microinsurance](#), has remained a largely untapped area of microfinance. This is where the micro-credit wave in insurance is awaited. By understanding and accepting that insurance is a part of microfinance, a powerful tool can be co-created to protect the vulnerable and provide them with the security they deserve. Insurance is a crucial service for bridging the vital protection gap.

Understanding the Protection Gap

What is the protection gap? Why is it necessary to bridge this gap? How can we bridge this gap?

Protection gap refers to the difference between the actual coverage that people have via insurance as against the coverage they need to have to adequately protect themselves and their assets. It is a concern that affects individuals, families, and even businesses. However, instead of dwelling on the problem, it is important to focus on finding ways to bridge this protection gap. It is important to bridge this gap to create resilient societies and uplift the economy from financial distress. If the gap increases, poor will become poorer as most of their savings will be used up to meet the financial shocks arising out of an unfortunate unexpected event like death in the family, treatment of a medical condition, loss of asset due to natural calamities like flood or earthquake, and loss of crop due to excess rainfall or heat etc.

Causes of the Insurance Protection Gap in India

Despite the efforts made to bridge this gap, there still exists a significant divide in access to insurance. Approximately 83% of protection needs of the Indian population remain unmet, surmounting to 14.5 times of the average annual household income. This gap can be attributed to some basic factors, such as lack of awareness about insurance products, limited distribution channels, and affordability issues. Many people in low-income communities are unaware of the benefits of insurance or how it can protect them from risks such as health emergencies, natural disasters, or crop failures. Therefore, educating and raising awareness about micro insurance is crucial to ensure that more individuals and families can benefit from its protection. There is a need to holistically tackle this issue by ways of simple customer-centric product design, aim to reduce the transaction and operational costs, understanding the behavioural patterns and capitalising from technological advancements.

The A⁶ Approach to Bridging the Protection Gap

The gap can be bridged with “The A Power 6 (A⁶) Approach” – Awareness, Acceptance, Affordability, Availability and Assistance.

Awareness

To bridge the protection gap, it is important to speak about it and be “vocal” using different mediums. Awareness and literacy are terms used widely in the industry. However, the “how” to spread awareness and make people more financially literate is still a missing piece. The awareness or literacy starts with talking to people and listening to their stories on their risk behaviour. By simply asking them about their day-to-day life and leading them to what risks they face and how they are managing it, can be starting point of spreading awareness. This can be done in groups or as a workshop through story-telling sessions, through playing simple games and sharing examples. This is an ongoing process as human memory has a use-it-or-lose-it quality which makes it important for our brain to be reminded of the learnings on a regular basis.

Acceptance

Once people are aware and can relate to their existing financial protection gap, they tend to enter the acceptance stage. Cultural factors also play a role in the low protection gap. In India, there is a strong emphasis on family support and community ties. This cultural norm often acts as a safety net for individuals, reducing their reliance on formal insurance. The belief that family and community will provide financial assistance during times of need discourages individuals from seeking additional coverage. The “Acceptance” stage is a cognitive stage where the shift in the mindset takes place to act upon and decide on a plan of action. This behavioural aspect of acceptance makes the customer quantify the decision in financial terms where the ease of mental accounting without financial pinch enables them to transact on their decision.

Affordability and Adaptability

Based on the customer’s feedback and need-analysis of the design, the insurance manufacturers need to co-create a product that is acceptable to the customers and affordable by them. The products developed need to be scalable operationally and sustainable in its own way to create a social impact and not developed to meet social obligations of the sector. A culmination of mindset and cultural shift from mere obligation to a sense of responsibility will enable the need-based products to be upscaled. For many individuals and families, the cost of insurance can be a barrier to obtaining adequate coverage. By working with insurance manufacturers, more flexible payment plans can be created. Additionally, encouraging the development of innovative insurance products that cater to the unique needs of different demographics enables adapting to the customer’s needs. Hence, the adaptability stage serves as a link between the product design and willingness to buy the product. Once the product is ready and affordability is ensured, it means that the customer has the ability to pay. The final transactional transition from ability-to-buy to willingness-to-buy, closes the stages of affordability.

Availability

Collaboration between insurance manufacturers, institutional players, policy makers, education institutes, co-operative societies, non-profit organisation, and other such intermediaries working with the masses is crucial in bridging the protection gap. By working together, these entities can pool resources and expertise to create targeted initiatives that address specific gaps in coverage. With collaboration comes accessibility and availability.

Innovative approaches such as mobile technology and partnerships with local community organizations have shown promising results in expanding the reach of microinsurance. By utilizing these channels effectively, the gap between those who have access to insurance and those who do not can be significantly reduced. Most of the Indian economy is built on society and trust. Leveraging the trust built by multiple institutions can help make the insurance product more accessible and available. It will help create new distribution channels, thereby creating a new marketplace. Ultimately, bridging the protection gap requires a collective effort and a commitment to ensuring that everyone has access to the insurance coverage they need. By educating individuals, making insurance more accessible and affordable, and fostering collaboration, we can make significant progress in closing this gap. We should work together to protect ourselves, our loved ones, and our assets from unforeseen risks.

Assistance

Despite the product being accessible and affordable, there is a possibility that the product remains unused due to lack of assistance on how to start using the product. To overcome the challenges of low usage, successful models in the microfinance sector have emphasized two key features: high-touch approaches and hand-holding support. The “Assistance” stage involves a dedicated field officer who spends quality time with the potential customer to handhold on the usage of the product. Digitisation has enabled the penetration of the product and the information about the product to some extent. However, the adoption of technologies requires a supportive ecosystem, including suppliers and customers who are also part of the digital finance infrastructure. To close the protection gap, a human touch is required as it makes the process of understanding and using the product easy and enhances the reliability quotient and increases the trustworthiness of the product. With human touch, a closure is achieved. This hands-on approach allows for a deeper understanding of the customer's needs and helps insurance manufacturers tailor financial solutions accordingly.

The Future of Microinsurance in India

The insurance wheel of the microfinance vehicle is expected to emerge as the next big opportunity in India given the IRDAI's efforts to provide insurance for all by 2047. By providing risk mitigation solutions to micro-entrepreneurs, insurance can further enhance financial security and resilience among vulnerable populations.

Insurance not only provides protection but also acts as a savings tool. By participating in insurance schemes, individuals in the low segment can start building a financial cushion for themselves and their families. This can enable them to break free from the cycle of poverty and work towards a brighter future. Furthermore, insurance contributes to economic development. By providing coverage to small businesses and entrepreneurs in the low segment, we can foster an environment conducive to growth and innovation. Insurance can protect their investments and provide them with the confidence to take risks and expand their operations. This, in turn, can lead to job creation and economic empowerment within these communities. Insurance for the low segment holds immense potential to uplift vulnerable communities and provide them with the security they deserve. By making insurance products affordable and tailored to their needs, we can enable financial inclusion and promote economic development. It is crucial that we harness this power and work towards creating a more equitable society for all.

Conclusion

In conclusion, while there has been progress in bridging the gap in access to insurance, there is still work to be done. Bridging the gap in insurance requires a multi-faceted approach that addresses the challenges of low usage, collateral constraints, and limited market access. By focusing on raising awareness, expanding distribution channels, and ensuring affordability, we can encourage more individuals and families to avail themselves of insurance and bridge this gap effectively. Insurance has the potential to bring financial security and peace of mind to those who need it the most, and it is our collective responsibility to ensure that this gap is closed. High-touch approaches and customized products are among the key strategies that can unlock opportunities for financial inclusion. Furthermore, government support, technological advancements, and the expansion of simple insurance products can contribute to building a more inclusive and dynamic microfinance sector. By working together, we can create an enabling environment where microfinance thrives and empowers individuals to build a better future.

About the author(s)



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Anjani Choudhary, a Fellow of the Institute and Faculty of Actuaries (UK) and the Institute of Actuaries of India, brings over six years of expertise in life and health insurance and reinsurance. She specializes in inclusive insurance and behavioural science, driving innovation in life insurance product development.



Microinsurance has the power to turn uncertainty into opportunity.

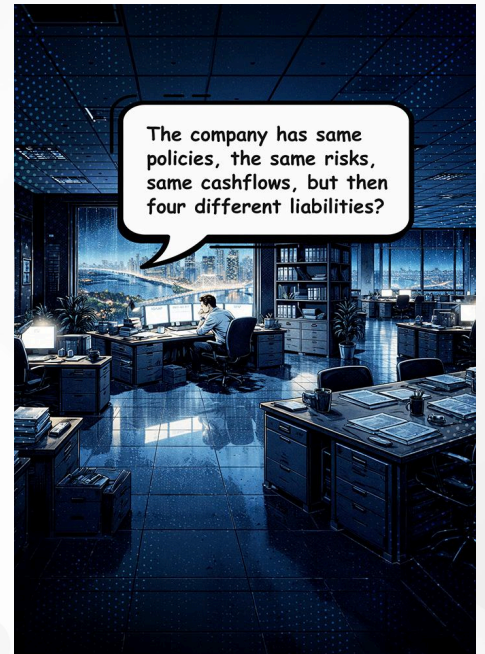
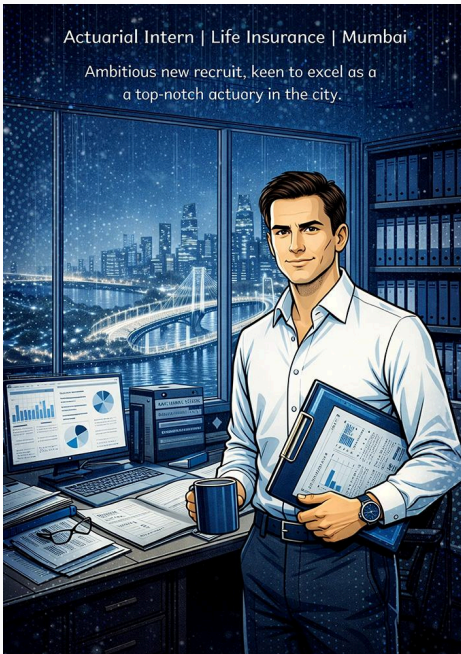
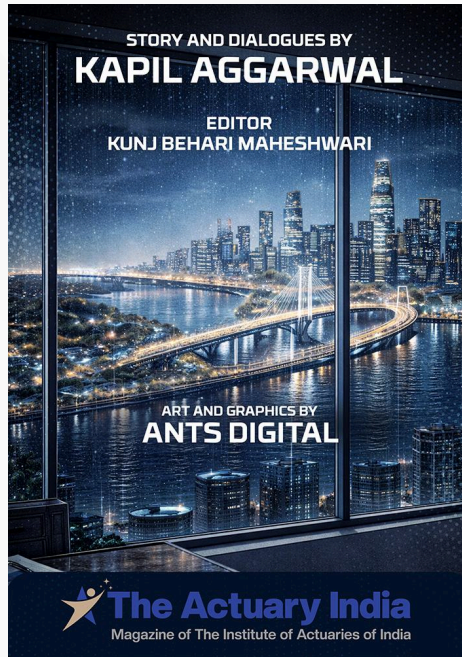
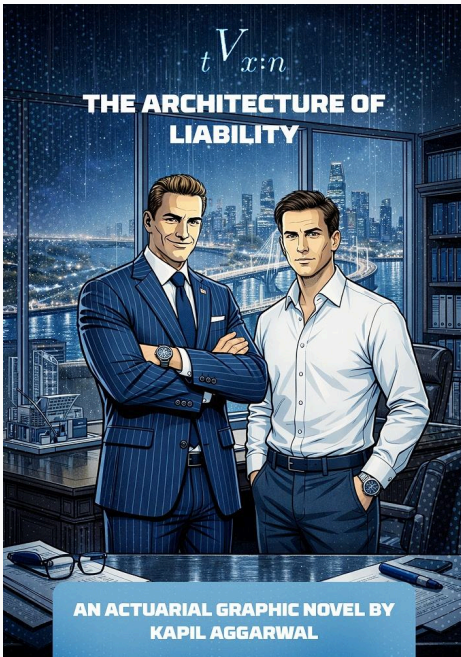


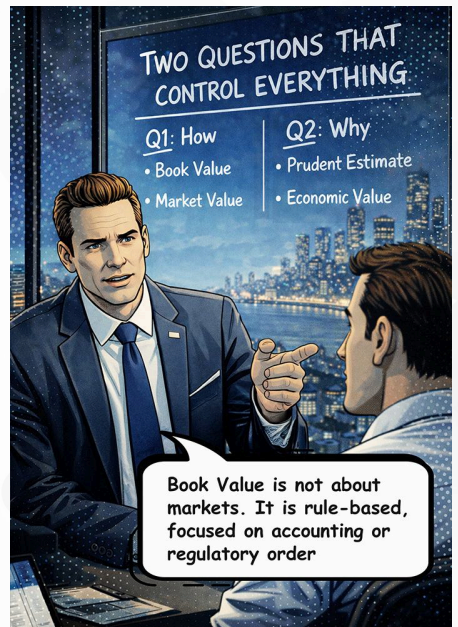
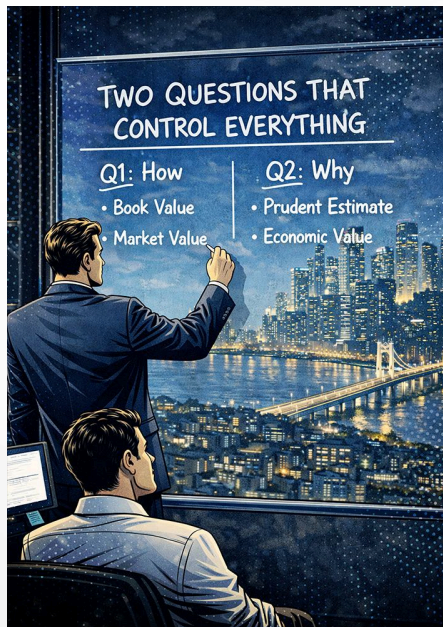
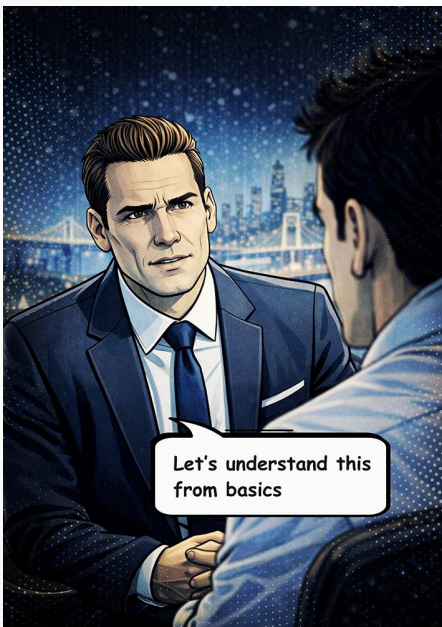
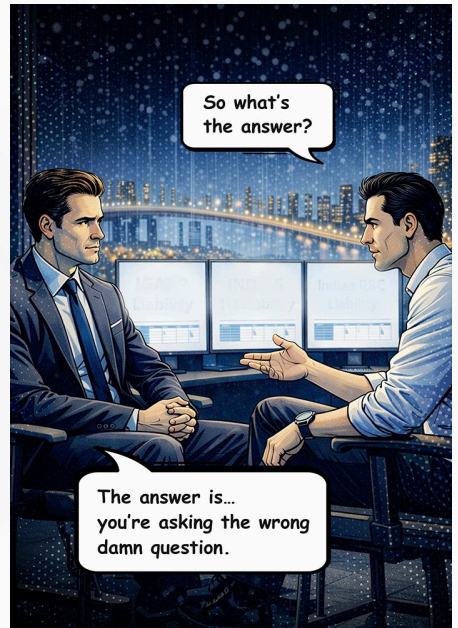
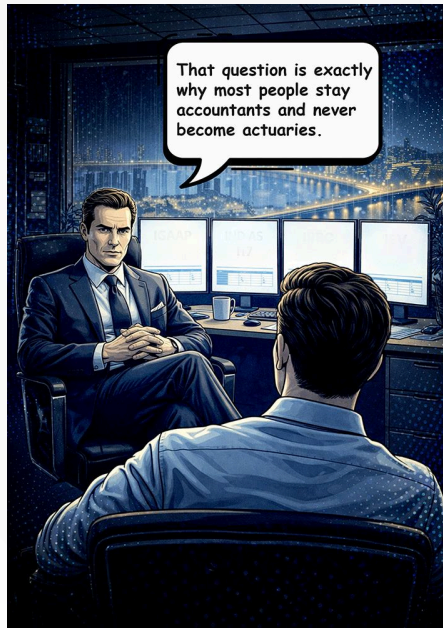
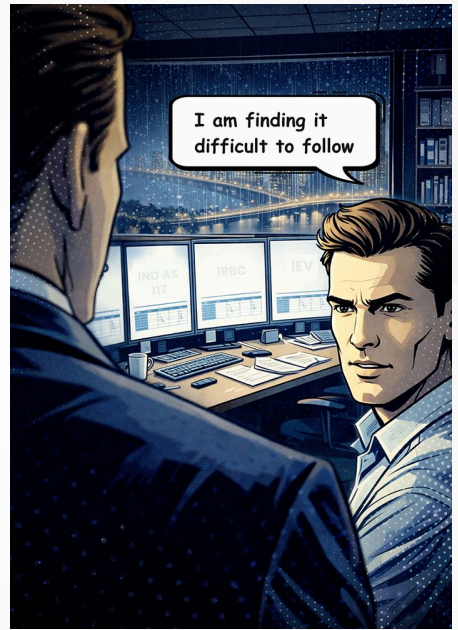
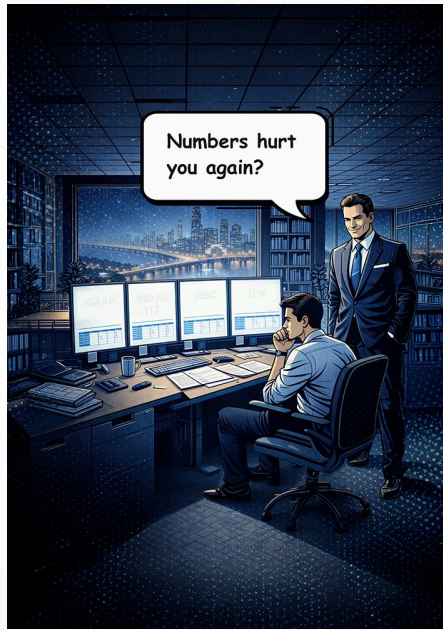
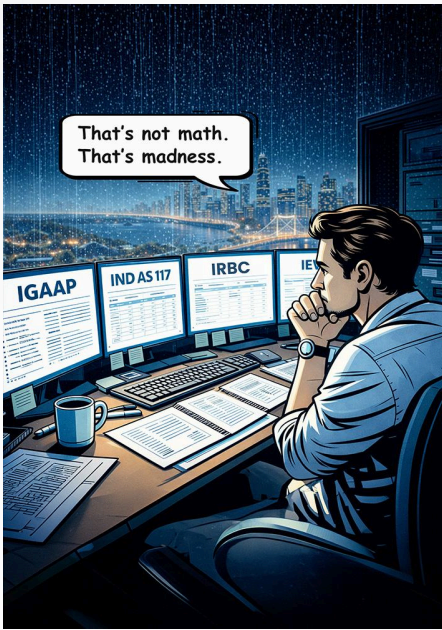
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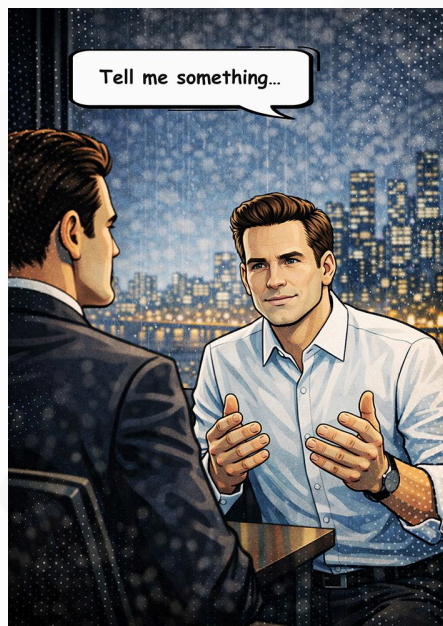
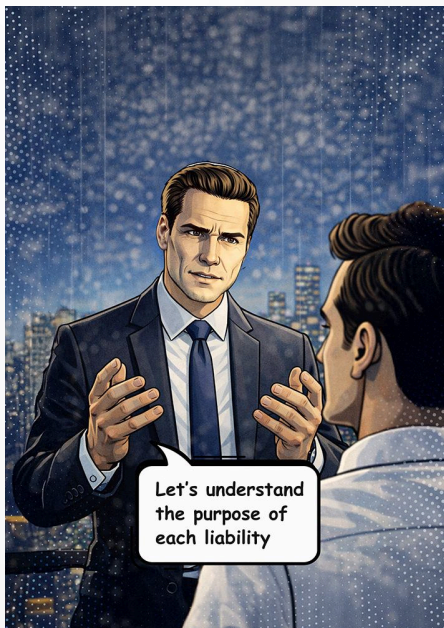
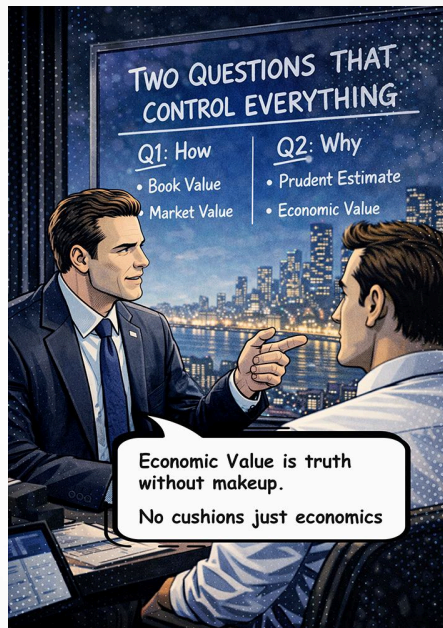
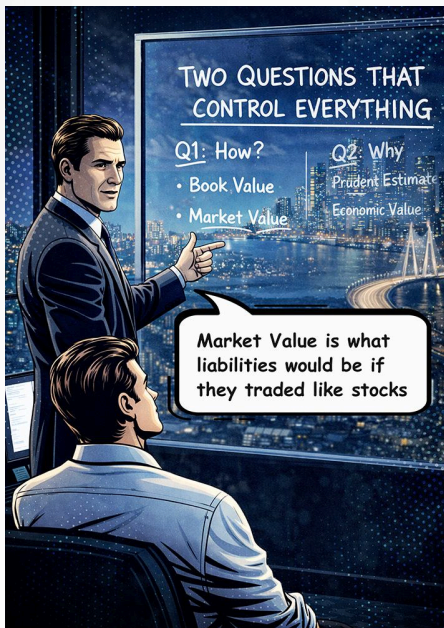
A story-driven journey that explains why the same insurance promises produce different liabilities across different valuation worlds.



Chapter 1









This flipbook brings together nine chapters that follow two actuaries as they break down how liability valuation really works across IGAAP, IND AS 117, IRBC and IEV. It's not a technical manual — it's a guided narrative that makes the logic behind every framework easier to understand. By the end, the different regimes stop feeling confusing, because the structure behind all of them becomes clear.

About the author(s)



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Kapil Aggarwal is a Qualified Actuary from IAI and a Mathematics (Hons) graduate from Hansraj College, University of Delhi. He brings over 15 years of actuarial experience across the Indian and international insurance markets, including Southeast Asia, the US, UK, and Japan. He is currently designated as Corporate Vice President at Axis Max Life Insurance Ltd. He also holds a degree in Law (LLB) and actively contributes to the actuarial profession through coaching and counselling aspiring actuaries, along with his association with the Actuaries India Magazine.



There's no single truth in finance — only perspectives that serve a purpose.



Resources

Measuring Medical Inflation in India

Medical costs in India are rising far faster than general inflation, intensifying financial pressure on the stakeholders involved. This paper by **Joanne Buckle, Rachin Aggarwal** and **Heena Arora** proposes a practical, data-driven framework for measuring medical inflation and demonstrates how a transparent index can support the healthcare ecosystem.



India's medical costs continue to rise significantly above general inflation. According to the latest market reports, the medical trend reached **12% in 2024** and is projected at **13% for 2025**, more than triple the general inflation rate of **4.2% observed in 2025**.¹ While the industry-wide incurred claim ratio (ICR) for health business saw a slight decrease from **88.2% to 87.0% for FY 2024–25**, public sector insurers continue to face extreme pressure with an **ICR of 100.6%**.² With out-of-pocket spending still accounting for **39.4%** of total health costs,³ these persistent financial strains have led to tough tariff negotiations, sudden hospital network withdrawals, and public disagreements over allegedly unjustified claim denials or excessive treatment charges.

This paper sets out a practical, data-led approach to measuring medical inflation, demonstrates how a credible inflation index can help reduce conflict between insurers and hospitals, and emphasizes the need for collaborative models among insurers, hospitals, and regulators as a foundation for successful implementation.

Defining Medical Inflation: Why the Framing Matters

Agreeing on a common definition of "medical inflation" is not merely a matter of wording; it is essential for meaningful discussion among regulators, insurers, hospitals, and consumer groups. In this paper, we define medical inflation as the year-on-year change in the total cost of providing a fixed set of clinically comparable healthcare services at a consistent level of quality. This approach clearly distinguishes price inflation from changes in utilisation and helps reduce disputes over whether rising costs are driven by greater use of services or higher pricing.

Strategic Importance of Ongoing Measurement for the Health Insurers

- **Pricing and reserving:** Even small errors in estimating medical inflation can significantly affect future profit margins in low-margin retail health insurance.
- **Product design and benefit structure:** In the absence of detailed, service-level, inflation insights, cost-control tools such as co-payments or room-rent limits may unintentionally harm customer experience and provoke resistance from providers.
- **Provider negotiations:** Clear escalation mechanisms linked to a mutually accepted national Medical Inflation Index (MII) can replace the current ad hoc and often contentious tariff negotiations.

Drivers and Data Requirements

Medical Inflation Drivers in Indian Market

Our multi-factor decomposition attributes overall inflation to four primary drivers:

- **Unit-cost pressures:** Shortages of specialised healthcare professionals, input cost inflation for hospitals, currency-linked increases in the cost of imported medical devices, volatility in drug prices due to supply-chain disruptions, and rising real-estate costs in tier-1 cities.
- **Utilisation intensity:** An ageing population, the growing prevalence of non-communicable diseases (NCDs), earlier and more frequent diagnostic interventions, and broader access to secondary and tertiary care.
- **Insurance-induced demand:** The ease of cashless treatment, lower out-of-pocket expenses for insured patients, and provider coding practices that may lead to higher utilisation and severity levels.
- **Regulatory and structural factors:** Changes in Goods and Services Tax (GST), revisions to price-controlled medicine lists, increasing adoption of telemedicine, and evolving product and regulatory requirements from IRDAI.

Data Foundation: What You Need to Get Started

A credible Medical Inflation Index requires the following core data elements:

- **Comprehensive claim-level data:** Claim adjudication outcomes, ICD-10 and procedure codes, date and time stamps, settlement amounts, and reasons for claim denials.
- **Exposure and policy details:** Age, gender, geographical location, benefit limits, and indicators of potential anti-selection such as waiting-period waivers or policy portability.
- **Provider classification:** National Accreditation Board for Hospitals & Healthcare Providers (NABH) accreditation level, ownership structure, single specialty versus multi-specialty status, teaching affiliation, and hospital occupancy rates.
- **External reference data:** Medical components of the Consumer Price Index (CPI), wholesale pharmaceutical price indices, wage inflation measures, and key macroeconomic indicators.
- **Governance and controls:** Clear audit trails, version control processes, data quality scorecards, and oversight by an independent technical committee.

Constructing the Index and Conflict Resolution

Constructing the Medical Inflation Index (MII)

We recommend a step-by-step approach:

- **Stage 1 – Directional index:** A high-level trend based on incurred claims provides an early warning signal for internal decision-making. This is particularly useful when clinical or billing codes are limited or inconsistent.
- **Stage 2 – Detailed blended index:** Breaking results down by policy segment and benefit type (such as inpatient, day care, OPD, and medicines) and combining them using rolling, weighted averages help reduce volatility and highlights cost pressure in specific benefit areas.
- **Stage 3 – Risk-adjusted index:** Statistical models such as generalised linear models (GLMs) or mixed-effects models adjust for changes in demographics, policy features, and provider mix. This produces a cleaner measure of underlying price inflation that can be used in formal escalation clauses.
- **Stage 4 – Provider-level sub-indices (advanced):** In settings with mature, high-quality data, inflation indices can be developed at the hospital-group level, enabling more precise contracting and performance-linked payment arrangements.

How an MII can Ease Insurer-Hospital Tensions

- **Data-backed tariff updates:** A jointly accepted inflation benchmark allows tariff discussions to be based on verifiable evidence rather than anecdotal claims of rising costs.
- **More predictable price increases:** Multi-year hospital network agreements can link price revisions to the index, reducing the need for contentious annual renegotiations.

- **Neutral reference for disputes:** When disagreements arise over "excessive billing" or "insufficient payment," an independent index offers an objective standard for assessing fairness.
- **Greater transparency and trust:** Sharing anonymised, aggregated inflation trends helps build public confidence and may reduce the need for regulatory intervention.

Forecasting, Challenges, and Conclusion

Forward-looking Projections: Anticipating What Comes Next

A historical index shows what has already happened, but effective planning depends on understanding what may lie ahead. We therefore complement past trends with scenario-based forecasts that incorporate:

- **Macroeconomic factors:** Economic growth, exchange rates, and commodity price movements.
- **Epidemiological trends:** Projected prevalence of conditions such as diabetes and patterns of antimicrobial resistance.
- **Behavioural responses:** The impact of changes in out-of-pocket limits or telemedicine reimbursement on patient and provider behaviour.
- **Regulatory changes:** Potential policy shifts, including expansions in drug price controls, GST revisions, and mandatory price caps on medical implants.

Practical Challenges and How to Address Them

- **Fragmented data:** Promote the use of standardised electronic claims and discharge summaries, supported by data-exchange APIs under NDHM/ABDM.
- **Inconsistent coding:** Introduce financial incentives to encourage accurate ICD and procedure coding by hospitals and third-party administrators (TPAs).
- **Differences across providers:** Break costs into common components such as operating theatre, diagnostics, and ICU charges to enable fair comparisons across diverse hospital models.
- **Structural disruptions:** Apply time-series intervention analysis to separate the impact of benefit design or policy changes that cause sudden shifts in the index.

A Staged Collaboration Model

- **Tier A – Industry (Insurance Information Bureau of India (IIB)-led):** Set up a national Medical Inflation Index with regional and benefit-level breakdowns, published half-yearly with a three-month reporting lag.
- **Tier B – Consortia:** Create voluntary data-sharing groups such as leading private insurers working with major hospital chains to assess more advanced, risk-adjusted indices and shared utilisation dashboards.
- **Tier C – Proprietary:** Individual insurers enhance the common index with their own underwriting factors and product-specific benefit triggers for internal forecasting and decision-making.

Conclusion: Moving From Conflict to Data-led Collaboration

Rising medical inflation and growing tension between insurers and hospitals risk weakening consumer trust and slowing the development of India's health insurance market. While a Medical Inflation Index is not a cure-all, a well-designed, transparent, and jointly governed index is a crucial step toward a collective understanding of costs, more informed negotiations, and long-term sustainability of the system. Collaboration between stakeholders across the healthcare value chain is required to develop, implement, and interpret medical inflation measures that are:

- **Technically sound:** Built on actuarial principles, rigorous statistical methods, and an understanding of local market dynamics.
- **Useful in practice:** Directly applicable to pricing, product design, capital planning, and provider engagement.
- **Aligned with regulation:** Supporting IRDAI's goals around solvency, consumer protection and data standardisation.

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About the author(s)



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With nearly 30 years of experience in private and government health systems, she specializes in medical insurance, product design, pricing, and business plan analysis for start-up health insurers in India, Southeast Asia, and the UK. Her expertise includes health M&A, solvency frameworks, capital modelling, risk assessment, reserving, reinsurance, and supporting regulatory applications. She has also worked on projects such as preventative care ROI modelling, provider reimbursement strategies, operational reviews, and expert witness cases related to health insurance and risk management.

About the author(s)



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Rachin has over 17 years of experience in health insurance actuarial consulting, product pricing, data analytics, and project management, working with companies in India, the UK, the US, and the Middle East. He specializes in end-to-end pricing and reserving models, actuarial cost modelling, business plan development, solvency-aligned projections, and benchmarking, including tool development and training. Rachin has led pricing assignments for retail, group, and top-up products, directed actuarial due diligence for M&A transactions, delivered large health data analytics projects, and developed value-based reimbursement models to align hospital incentives with insurer cost targets.

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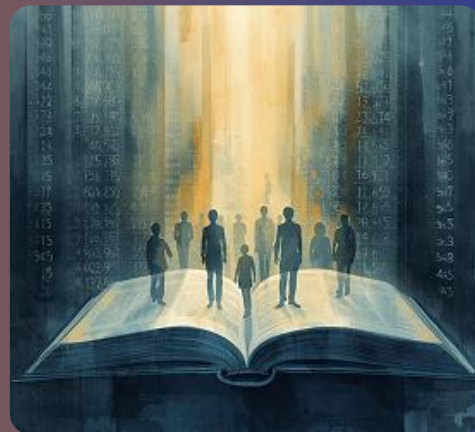


With over 12 years of experience in health insurance actuarial consulting across multiple international markets, this professional specializes in product pricing, data analytics, and project management. They have led pricing assignments for health insurers in India and the Middle East, applying advanced actuarial techniques to develop robust models and comprehensive reports. Their expertise includes reserving and experience analysis for insurers in India, the UK, and the Middle East, preparing statutory actuarial reports, and supporting regulatory submissions. Additionally, they have developed bids for US Medicare plans, conducted Fraud, Waste, and Abuse (FWA) analysis, and provided actionable actuarial insights to enhance compliance and financial accuracy.

Culture

The Human Side of Actuarial Work

In this heartwarming and enlightening thought piece, Bani reminds us actuaries about the humanitarian and benevolent angle of our profession.



Most people picture an actuary surrounded by spreadsheets, calculators, and silence. The truth is far messier - and far more human.



Early in my career I believed precision was everything. If the valuation model was perfect, the pension projection would be perfect. I spent nights chasing decimal places, convinced that one more hour of validation would make the work unassailable. Then came the day a client - a middle-aged woman - sat across from me after a long meeting. The numbers were correct to the last rupee. She looked at the report, then at me, and quietly said, "This is accurate, but I still can't sleep at night."



That sentence changed me more than any exam result ever did. I realized that actuarial work isn't just about being right; it's about helping people feel safe in an uncertain world. The spreadsheets matter, but the person reading them matters more.



Leadership in actuarial teams follows the same logic. Culture eats strategy for breakfast. I've seen teams with flawless processes and high attrition, and teams with imperfect workflows but near-zero voluntary turnover. The difference is rarely the tools - it's whether people feel seen, heard, and trusted.



Small rituals make the biggest difference. Weekly "Friday Wins" where we celebrate progress, not perfection. One-line thank-you notes after a tough valuation cycle. Regular 1:1s where the agenda is "How are you really doing?" rather than just "What's the status?" These moments compound. They turn colleagues into allies and pressure into purpose.



Mentoring follows the same principle. When a junior makes a mistake in a model, the instinct is to correct it fast. But the better move is to sit together, look at the error, and ask: "What did we learn here?" That single question builds confidence faster than any lecture. It tells the person: "You are more important than the mistake."



The human side isn't soft - it's strategic. Low attrition means knowledge stays, teams gel, and client trust deepens. High engagement means people bring discretionary effort during peak seasons. In a profession built on managing uncertainty, the greatest uncertainty is whether your team will show up as their best selves. Culture answers that question before any model does.



Actuaries don't just calculate risk. We help individuals, families, and organizations sleep better at night. That responsibility is deeply human. When we remember that, the numbers stop being the end goal and start being the means to something far more meaningful.

About the author(s)



Bani Dhir

Director
Mercer



Bani Dhir is a Director at Mercer with over 24 years of actuarial experience, specializing in pensions and health. When not decoding jargon, she's mentoring freshers or perfecting her pickle recipe.



The best actuaries don't just solve for numbers, they understand the people those numbers represent.

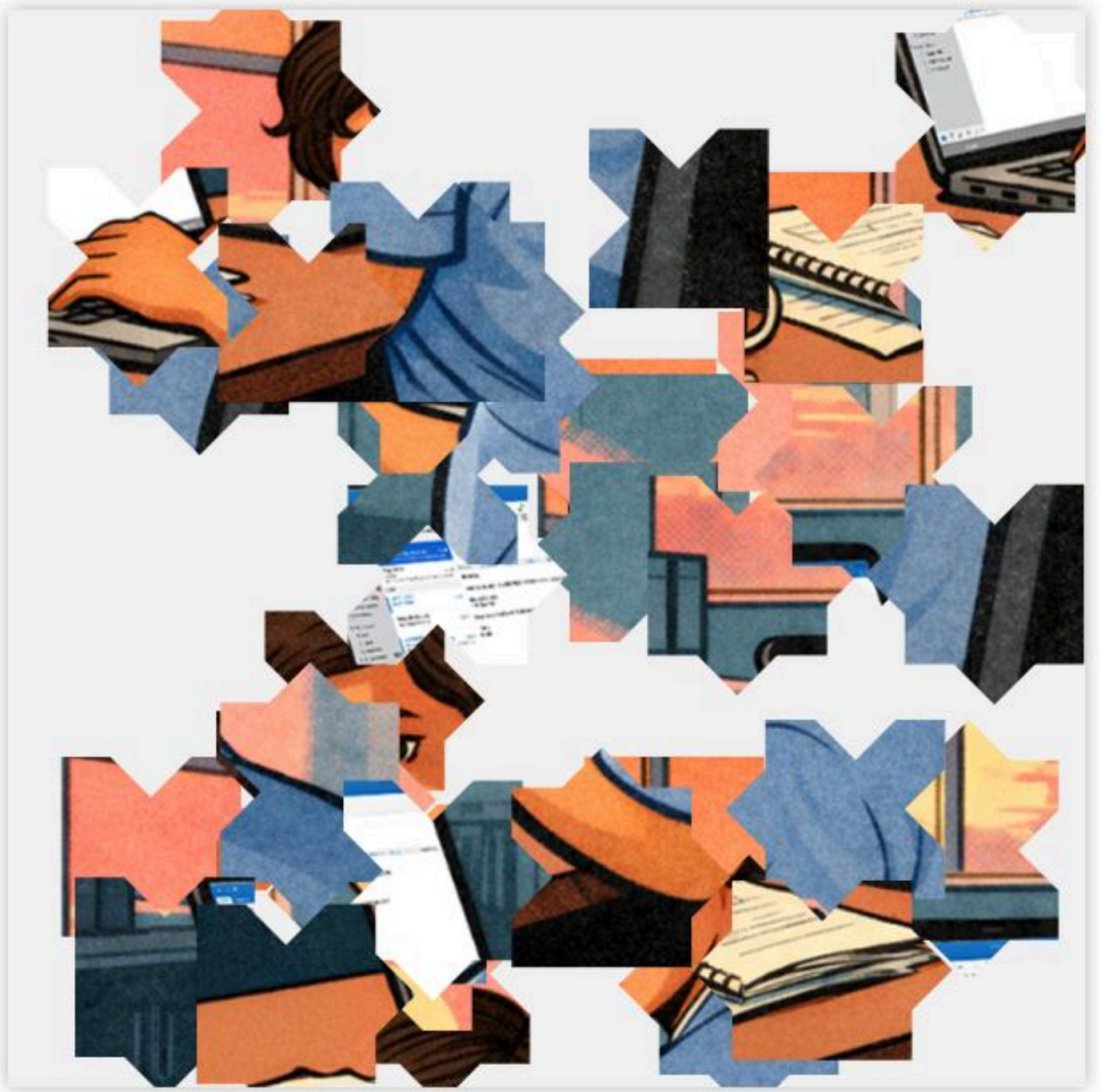
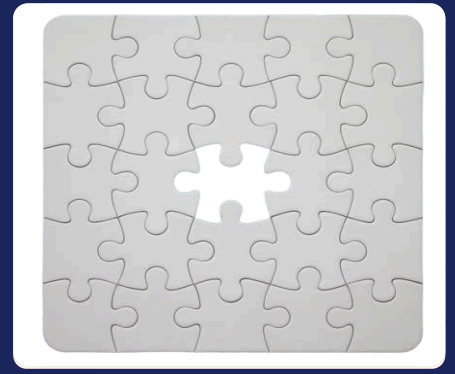


Puzzle

Jigsaw Puzzle

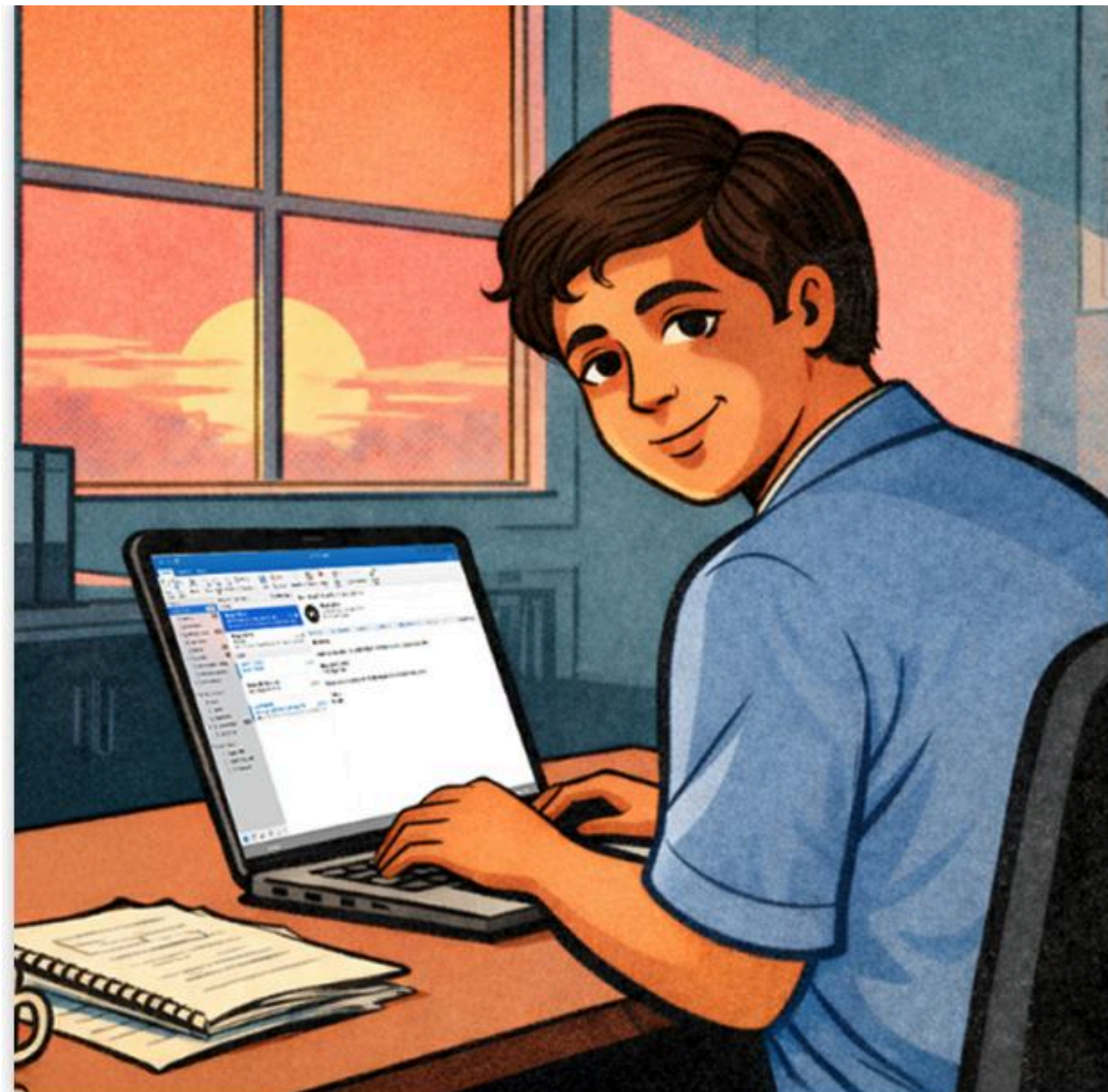
Actuarial Jigsaw

Solve this puzzle by rearranging the pieces to reveal the picture. Take your time and as many attempts as you want (most importantly, don't give up). These are no more trickier than developing replicating portfolios! Enjoy this brain teaser by the Puzzle master: **Kathan Jain**.



[New Puzzle](#)

[Click to Reveal Hint](#)



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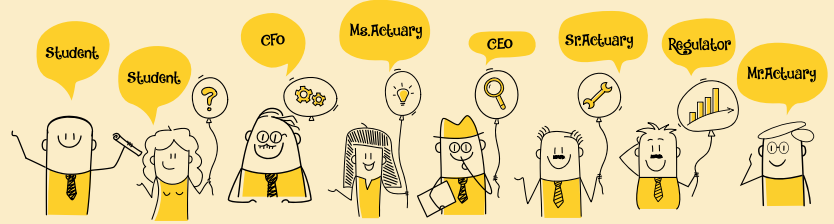
Kathan is a qualified actuary as well as a CERA and is a partner at Ankolekar & Co. He's obsessed with food and enjoys binge-watching & solving puzzles in his free time.

Humour

Humour

An actuary walks into \bar{A}

A light-hearted take on the hopes, aspirations, trials, tribulations and perhaps even foibles of everyday actuaries in their everyday lives.



Scope creep

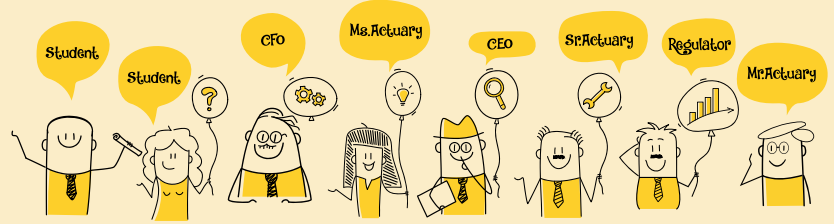
by B.M. Sampad



Humour

An actuary walks into \bar{A}

A light-hearted take on the hopes, aspirations, trials, tribulations and perhaps even foibles of everyday actuaries in their everyday lives.



Consultation feedback

by B.M. Sampad



"No, we will not be providing a formal submission - as don't want to upset the Authority! But, the councils should make a representation. And, the profession should provide feedback."

Newsflash

Industry Updates - A roundup of January 2026 news on Indian insurance sector

What's been happening in the insurance sector? **Vansh Bhatia** and **Purushottam Hamirwasia** are here to bring you the full update of January 2026.



01 News Report

07 January 2026

Life Insurance

Paid-up capital of life insurers up 7.2% in FY25

In 2024–25, the aggregate paid-up capital of the life insurance industry reached ₹39,714 crore, marking a 7.12% rise over the previous financial year. This growth was largely driven by a capital infusion of ₹1,600 crore into Tata AIA Life Insurance Company Limited, along with an additional ₹1,040 crore invested collectively by 12 life insurers in the sector. As a result, the overall increase in paid-up capital during the financial year amounted to ₹2,641 crore, according to the latest figures released by the Insurance Regulatory and Development Authority of India (IRDAI). During the same period, one private life insurer repurchased ₹70 crore worth of capital, while five private life insurers mobilized a combined ₹4,490 crore through Other Forms of Capital. By March 2025, the total outstanding amount raised under Other Forms of Capital by life insurers stood at ₹9,651 crore.

[Read more](#)



08 January 2026

Life Insurance

General Insurance

Bajaj Group completes acquisition of 23% stake in insurance ventures from Allianz

Bajaj Finserv, together with Bajaj Holdings & Investment Ltd and Jamnalal Sons Pvt Ltd, has completed the acquisition of 23% stake in its insurance subsidiaries — Bajaj General Insurance and Bajaj Life Insurance — from Allianz SE, for ₹12,190 crore and ₹9,200 crore respectively. The acquisition takes the ownership of the Bajaj Group in both insurance companies to 97% from 74%, giving Bajaj Finserv, complete control of the insurance companies with 75.01% stake, per a Bajaj Finserv statement. This transaction marks the end of Bajaj Finserv (the core investment company of the Bajaj Group) and Allianz SE's (the German multinational financial services company) 24-year joint venture in India. Bajaj Finserv said the transfer of Allianz's remaining 3% stake is expected to be completed over the next few months through a proposed buyback of shares by the insurance companies, subject to applicable law and necessary approvals.

[Read more](#)



17 January 2026

Life Insurance

General Insurance

Allianz announces India expansion, signs 3 JVs with Jio Financial Services

Allianz has announced a major expansion of its presence in India through strategic partnerships with Jio Financial Services, signing agreements to form three equally-owned joint ventures covering reinsurance, life insurance, and general (non-life) insurance businesses, marking a significant shift in its India strategy. The core deal formalises a 50:50 domestic reinsurance joint venture, which will combine Jio Financial's local market expertise and digital infrastructure with Allianz's global underwriting, risk pricing and reinsurance capabilities, and leverage its existing portfolios such as Allianz Re and Allianz Commercial to serve India's growing insurance market. Alongside this binding reinsurance JV, the companies have entered into non-binding agreements to explore similarly structured collaborations in the life and non-life insurance segments, signalling broader plans to offer holistic protection products in India. This strategic move comes after Allianz divested its stakes in its long-standing Bajaj Allianz insurance joint ventures earlier, ending that partnership to pursue fresh growth opportunities in the world's fourth-largest economy. The expanded joint venture framework aims to deliver innovative and customer-centric protection solutions, support sector growth and contribute to strengthening India's insurance ecosystem.

[Read more](#)



19 January 2026

Life Insurance

General Insurance

InsuranceDekho raises Rs. 38.57 crore amid corporate restructuring at CarDekho group

InsuranceDekho, a digital insurance distribution platform owned by the CarDekho Group, has raised about ₹38.57 crore through the sale of 1.37 million shares to investors including Goldman Sachs, TVS Capital Funds and Eytukan Holdings as part of a broader corporate restructuring within the group. The fundraising forms a component of a planned consolidation in which InsuranceDekho, RenewBuy (an insurtech platform), and Girnar Finserv will merge and eventually be integrated under Artivatic Data Labs, an AI-first insurance technology provider approved by the Competition Commission of India in late 2025. The combined entity aims to create a scalable "phygital" insurance distribution powerhouse by leveraging InsuranceDekho's broad online footprint, RenewBuy's extensive semi-urban and rural advisor network, and Artivatic's AI-driven underwriting and claims infrastructure. This consolidation could see the merged business managing a premium book of around ₹6,000 crore, significantly larger than the individual entities, and positioning it as one of India's leading insurance aggregators. Meanwhile, InsuranceDekho's growth trajectory includes pursuing a potential initial public offering (IPO) in the coming years, although the company reported a net loss in FY25 due to elevated costs even as revenue grew robustly.

[Read more](#)



24 January 2026

General Insurance

Air India gets \$125 million insurance payout after Ahmedabad crash

Air India has received a substantial insurance payout of around \$125 million (approximately ₹1,125 crore) from a consortium of global reinsurers and Indian insurers to cover the loss of the aircraft's hull and engines following the Ahmedabad crash of Flight AI 171 in June 2025, in which the Boeing 787 Dreamliner was destroyed shortly after takeoff. This initial settlement is part of a much larger insurance claim process tied to what is expected to become one of India's costliest aviation insurance events; industry estimates place the total potential claim liability — including passenger liability, third-party claims and personal accident payouts — at around \$475 million (roughly ₹3,900 crore). The \$125 million payment specifically addresses the physical loss of the aircraft and engines, with reinsurers completing this portion of the settlement while liability and compensation claims for victims' families are still being processed and may increase as claims are finalised. The high payout underscores the scale of financial risk within aviation insurance markets and reflects coordinated underwriting by international and domestic carriers to absorb the economic impact of the tragedy.

[Read more](#)



02 Industry Trends

05 January 2026

General Insurance

Travel Insurance takes off after the pandemic

Overseas travel insurance uptake among Indian travellers has risen sharply in the post-pandemic period, reflecting a significant shift in attitudes towards travel-related risk management. Data from the Insurance Regulatory and Development Authority of India show that in FY25, about 96.7 lakh lives were covered under 27.9 lakh overseas travel insurance policies, generating ₹1,267 crore in premium income, marking a substantial increase compared to pre-pandemic levels. Industry experts attribute this growth to heightened awareness of medical and logistical risks during international travel, especially after COVID-19 exposed gaps in preparedness. Medical treatment costs abroad, often five to eight times higher than in India, have emerged as a key driver of demand. Additionally, frequent flight disruptions, delays and geopolitical uncertainties have reinforced the need for comprehensive coverage. Leisure travellers account for the largest share of policy purchases, but demand has also grown among business travellers, students and long-term overseas visitors. Senior citizens, in particular, are increasingly opting for travel insurance as outbound travel in this age group rises, leading to higher demand for medical and emergency assistance benefits. Although travel insurance is not mandatory for all destinations, visa requirements in certain regions and greater risk awareness have accelerated adoption, indicating that travel insurance is increasingly being viewed as a necessity rather than an optional add-on.

[Read more](#)



05 January 2026

General Insurance

Record health insurance claims settled in FY25, average payout per claim declines

In FY25, Indian insurers settled a record number of health insurance claims, marking a significant improvement in claim settlement performance, even as the average payout per claim declined, according to regulatory and industry data. Insurers processed and finalized about 32.6 million claims, with the claims settlement ratio rising to roughly 87% from 83% in FY24, indicating better efficiency and fewer rejections, while pending claims also eased, reflecting faster turnaround times. Total claim payouts increased substantially to around ₹94,248 crore, up from approximately ₹83,493 crore in the previous year, driven largely by broader penetration of retail and group health policies. However, the average amount paid per claim dropped to around ₹28,910 from about ₹31,086, attributed to a larger share of lower-ticket claims as coverage expanded across a wider base of policyholders. Cashless treatment continued to dominate claims payments, accounting for roughly two-thirds of the total payouts, and regulators have pushed for improved transparency and faster settlements through stricter guidelines on timelines and oversight. Despite the strong performance in claim settlements, industry data also shows that policyholder grievances, especially related to claims disputes and delays, rose significantly, pointing to persistent operational challenges in the health insurance sector.

[Read more](#)

07 January 2026

General Insurance

Over 97% of bank accounts were insured at FY25 end

Nearly 97.6 % of bank accounts in India were insured at the end of FY25, according to the latest Reserve Bank of India data, showing a robust depositor protection framework under the Deposit Insurance and Credit Guarantee Corporation. As of March 2025, this coverage applied to almost all individual accounts across commercial and cooperative banks, although in terms of value, about 41.5 % of total deposits (₹100.12 lakh crore out of ₹241.08 lakh crore) were insured, reflecting that larger deposits often exceed the insurance limit. The DICGC provides coverage up to ₹5 lakh per depositor per bank, helping safeguard small and medium savers and enhancing confidence in the banking system. In FY25, the deposit insurance fund grew to around ₹2.29 lakh crore, up 15.2 % year-on-year, supported by premium collections and recoveries, while claims worth ₹476 crore were settled and ₹1,309 crore recovered. The high proportion of insured accounts by number indicates wide financial safety net penetration, even if the insured share by value remains lower due to larger high-value deposits. These developments demonstrate strengthening financial security measures and depositor protection, contributing to trust in India's formal banking system.

[Read more](#)

21 January 2026

Life Insurance

Early persistency weakens even as long-term policy retention improves at life insurers

India's private life insurers are witnessing rising stress in early-stage policy renewals, even as long-term retention trends remain stable. The 13th-month persistency ratio has weakened across key players, signalling challenges in newer business cohorts. At HDFC Life Insurance Company, the 13th-month persistency fell by around 200 basis points year-on-year, although the 61st-month ratio improved to 63%, reflecting resilience in older policies. Meanwhile, ICICI Prudential Life Insurance reported a sharper 540 basis point YoY decline in its 13th-month persistency, marking its third straight quarterly drop. Analysts caution that if early renewals continue to weaken, it could eventually affect long-term profitability, embedded value growth, and capital efficiency for insurers.

[Read more](#)



21 January 2026

Life Insurance

Life insurance: 37% payouts from early exit; RBI data

Many life insurance customers discontinue policies early due to unmet return expectations, affordability issues, or mis-selling, a concern repeatedly flagged by IRDAI. Recent data suggests a deeper systemic issue beyond mis-selling. RBI's Financial Stability Report 2025 shows life insurers' total payouts rose from ₹4 lakh crore in 2020–21 to ₹6.3 lakh crore in 2024–25. However, a growing share of payouts comes from surrenders and premature exits, indicating more policyholders are leaving early, often at a loss.

[Read more](#)



29 January 2026

General Insurance

Health and Motor dominance in GI

India's non-life insurance sector is projected to expand at a medium-term growth rate of about 8–11%, particularly under the "Insurance for All by 2047" vision which aims to simplify market access and expand distribution networks. Gross domestic premiums reached around ₹3.07 lakh crore in FY 25, growing at a ~10% CAGR since FY19, although growth moderated in FY 25 due to new accounting norms and slower commercial activity. Health and motor insurance remain the dominant segments, together accounting for about 71% of total premiums, with health insurance boosted by rising healthcare costs and greater awareness, and motor insurance supported by increased vehicle ownership and incomes. Other segments such as fire, marine and export credit insurance are also expected to contribute to broader growth as digital adoption and product customisation increase access. Operating efficiency has improved, with expense ratios falling, and underwriting practices are strengthening, potentially reducing loss ratios slightly in FY 26.

[Read more](#)



29 January 2026

Life Insurance

General Insurance

India's Insurance Distribution Shifts Towards Omnichannel Model

India's insurance distribution model is shifting from agent-led sales to a diversified omnichannel approach, including banks, brokers, and digital platforms. Industry premiums grew from ₹4.15 lakh crore in FY15 to ₹11.93 lakh crore in FY25, at an 11.1% CAGR. Growth has been driven by rising incomes, financialisation, regulatory reforms, product innovation, and wider distribution. While agents remain important, bancassurance and alternative channels—especially in non-life—are driving incremental growth amid rising demand for convenience and transparency.

[Read more](#)



03 New Product Launches

05 January 2026

Life Insurance

LIC Launches special campaign to revive lapsed life insurance policies

The Life Insurance Corporation of India (LIC) has launched a special revival drive from January 1 to March 2, 2026, to reinstate lapsed individual life policies. The initiative supports policyholders who missed premium payments due to difficult circumstances. Eligible policies can be revived within five years from the first unpaid premium, subject to terms and conditions. Only policies lapsed during the premium-paying term and not yet matured qualify under the scheme.

[Read more](#)



06 January 2026

Life Insurance

Shivalik Bank & PNB MetLife Partner for Insurance

PNB MetLife India Insurance has partnered with Shivalik Small Finance Bank to expand insurance access in semi-urban and rural India. Over one million of Shivalik Bank's customers will gain access to PNB MetLife's life insurance offerings, including savings, protection, and retirement plans. Shivalik operates 79 branches and 136 BC outlets across 11 states. The alliance aims to deepen insurance penetration in underserved communities.

[Read more](#)



08 January 2026

Life Insurance

Aviva Life Insurance launches Smart Vital: A first-of-its-kind fixed health benefit plan with wellness rewards

Aviva India has launched **Aviva Smart Vital**, a fixed health benefit plan combining critical illness cover with wellness-based rewards. The non-linked, pure risk plan offers a base sum insured of ₹10 lakh, expandable up to 2x via quarterly step-based Wellness Additions (2.5%–7.5%) tracked on the Wellness360 App. It pays a lump sum on first diagnosis of any of 49 covered critical illnesses, including cancer, stroke, and heart conditions. Higher cover options (₹15–20 lakh) include a complimentary Loop by CarePlix X Smart Ring, and payouts can be used freely unlike traditional Mediclaim reimbursements.

[Read more](#)



15 January 2026

General Insurance

Bajaj General Insurance Introduces Fetal Flourish - A Pioneering Fetal Health Insurance

Bajaj General Insurance has launched a new health insurance rider called Fetal Flourish, designed specifically to provide financial protection for fetal health care and advanced in-utero procedures that are usually not covered under traditional maternity insurance plans. The rider, priced at an affordable premium of ₹1,025, can be added to the insurer's existing health products such as "My Health Care Plan" and "Health Guard" and offers up to ₹2 lakh sum insured per maternity event for the first two events, subject to a nine-month waiting period and eligibility for women aged 18–45 years. It covers 16 specialised prenatal procedures essential for managing high-risk pregnancies and complex in-womb interventions, such as amniocentesis, chorionic villus sampling, fetal reduction, fetoscopic laser surgery and intrauterine transfusions, among others, helping families manage treatment costs during the most delicate stages of pregnancy. The launch addresses a long-standing gap in maternal and fetal care coverage in India, where many advanced treatments have historically been borne out-of-pocket, and reflects the insurer's effort to innovate in health insurance products tailored to evolving healthcare needs.

[Read more](#)



16 January 2026

Life Insurance

Canara HSBC Life Insurance launches Promise4Life

Canara HSBC Life Insurance Company Limited has introduced Promise4Life, a non-linked, participating individual life insurance savings plan focused on long-term financial security. The product is designed to help customers plan for retirement while also building a financial legacy for their families. It combines guaranteed income with cash bonuses, offering both stability and growth potential over time. The plan also provides life insurance coverage up to 100 years of age, ensuring extended protection. With rising life expectancy and evolving financial responsibilities, Promise4Life seeks to deliver sustained income and lifelong financial confidence.

[Read more](#)



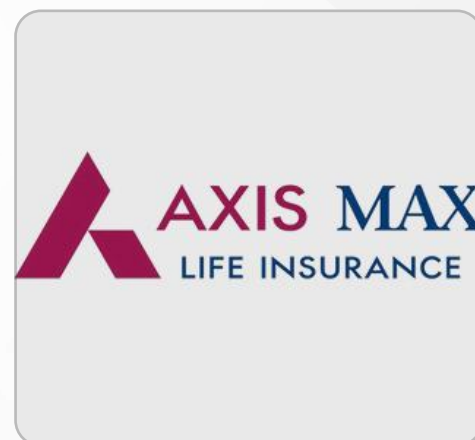
19 January 2026

Life Insurance

Axis Max Life launches BSE 500 value 50 index pension fund to bolster retirement savings

Axis Max Life Insurance Limited (formerly Max Life Insurance) has launched the Axis Max Life BSE 500 Value 50 Index Pension Fund, a passively managed equity fund aimed at strengthening retirement-focused investment options. The fund tracks the BSE 500 Value 50 Index and follows a value-oriented strategy by selecting attractively valued companies from the broader BSE 500 universe, with the objective of generating long-term capital appreciation. It is offered under the Axis Max Life Forever Young Pension Plan, a unit-linked, non-participating pension product designed for individuals seeking market-linked growth within a structured retirement framework. The product caters to investors with a relatively higher risk appetite who are looking to build a disciplined, long-term retirement corpus through diversified equity exposure. The New Fund Offer (NFO) will remain open from January 16, 2026, to February 3, 2026, during which units will be available at an initial Net Asset Value (NAV) of ₹10 per unit. The launch reflects rising investor interest in passive and value-based investment strategies as part of comprehensive retirement planning.

[Read more](#)



28 January 2026

Life Insurance

Bharti AXA Life Insurance launches deferred annuity "Swabhimaan Retirement" plan

Bharti AXA Life Insurance has launched ****Swabhimaan Retirement****, a non-linked, non-participating deferred annuity plan for early retirement planning. The plan offers lifelong annuity payouts—monthly, quarterly, half-yearly, or annually—with an option to continue payments for the surviving spouse. It includes an "Atmanirbhar" emergency withdrawal feature and a step-up payout every five years to help combat inflation. Swabhimaan Retirement aims to provide guaranteed income while aligning with evolving financial needs and life milestones.

[Read more](#)



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