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XPERITUS NEWSTRACK

Xperitus Insurance Brokers Pvt. Ltd. is an IRDAI-licensed composite insurance broker that specializes in providing clients with bespoke insurance and risk management solutions. With several decades of experience in the insurance industry, we have consolidated our in-depth understanding of the industry with our technological capabilities to provide 24x7 protection that goes beyond the policy document.

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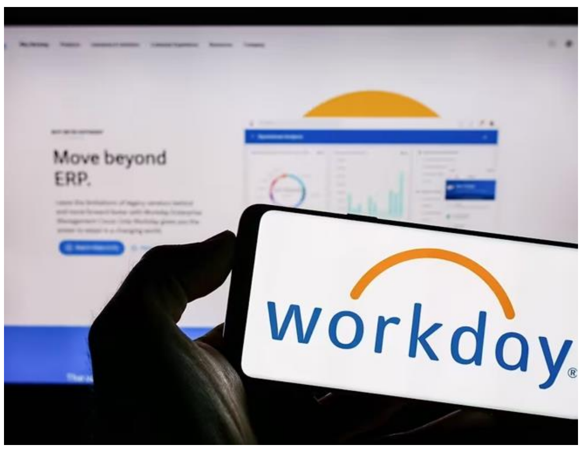
CURRENT NEWS



Asia:A new marine insurance risk outlook for 2026

Risks related to the environment, manpower, technology, economics, geopolitics, cargo and supply chain will be very relevant challenges for the maritime business in Asia during 2026, according to new insights by QBE Asia.
The 14-page "QBE Marine Insurance Risk Outlook for Asia 2026" released by QBE Asia in April 2026 highlighted the growing complexity of the maritime risk environment, as geopolitical developments, cyber risk, and extreme weather continue to shape operational and loss considerations across the sector.

Source: Asia Insurance Review

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Who is liable when artificial intelligence makes mistakes?

After Derek Mobley was rejected from more than one hundred jobs on Workday's platform, the jobseeker sued the human resources software company, claiming that its algorithms had discriminated against him on the basis of his age. In response, Workday has argued that it is not liable for decisions that stem from the preferences of companies that use its software. But a court has ruled that Mobley's case — which includes others who also believe Workday discriminated against them — can proceed.

Source: Financial Times

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Health insurance covers about 47% in rural and 44% in urban India:Govt Survey

The Indian government's survey findings have shown the estimated average out-of-pocket medical expenditure per hospitalization case (excluding childbirth) during the last 365 days was about ₹34,064 (₹31,484 in rural and ₹38,688 in urban), while the median out-of-pocket medical expenditure was about ₹11,285 (₹10,500 in rural and ₹12,400 in urban).

Source: Asia Insurance Review

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A promise lost in fine print

India's health insurance sector is often seen as a growth story—more policies, more lives covered, more capital. But beneath the glitter, the original promise seems broken: illnesses are now segmented, priced, and traded for profit alone.

Source: The Hindu

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CURRENT NEWS

India's health coverage expands rapidly, insurance reaches nearly half the population: Govt

A Ministry of Statistics and Programme Implementation survey shows health insurance coverage in India rose sharply from 2017–18 to 2025, alongside detailed data on medical expenses, hospitalisation costs, and rising non-communicable diseases across age groups

Source: Telangana Today

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Preventive healthcare and insurance gain focus as lifestyle diseases rise in India

According to the ministry of health and family welfare, nearly 63 per cent of deaths in India are attributed to non-communicable diseases such as cancer, cardiovascular ailments, chronic respiratory conditions and diabetes. These conditions, often linked to lifestyle choices, poor diets, chronic stress, genetic predispositions and environmental factors, don't just affect individual wellness, they also impact productivity, families and our nation's economic growth.

Source: Telegraph India

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Insurance carriers quietly back away from covering AI outputs

Several major insurance carriers have begun to back away from providing cybersecurity and other insurance to companies using AI to run internal processes, insiders say. While there's no standard response to customer use of AI in the insurance market, many carriers are now quietly declining to write policies for claims related to AI-generated outputs in cybersecurity and errors and omissions(E&O) coverage, these observers say. Other insurance carriers are jacking up prices to cover AI-related claims, they say.

Source: CSO

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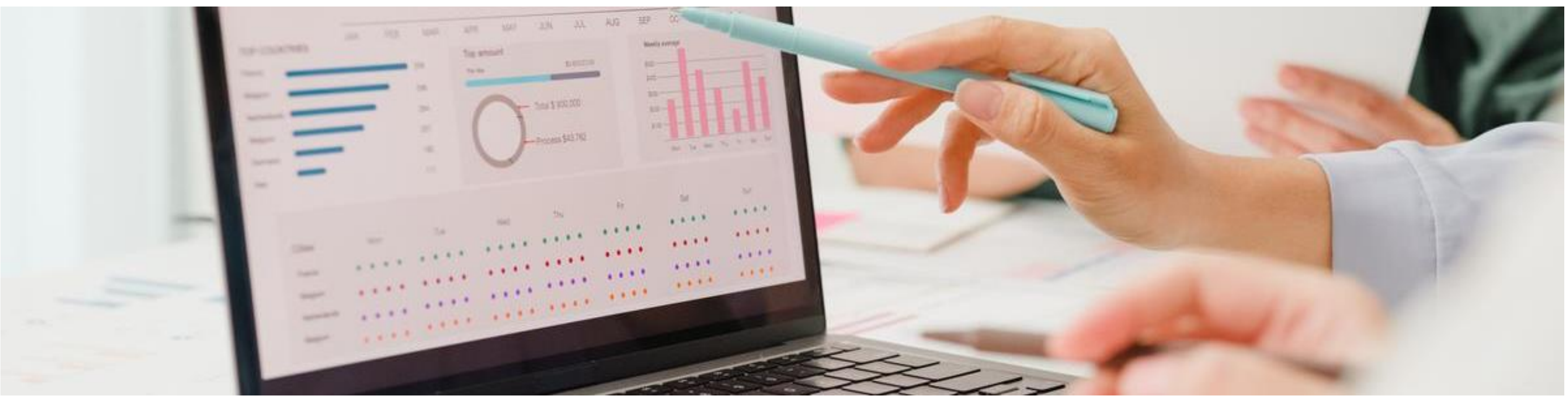

'Managing general agents' can reshape insurance sector

They can leverage localised language capabilities and community-level engagement to expand outreach in Tier 2 and 3 cities and rural markets where insurance adoption remains relatively limited

Source: The Hindu

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INSURANCE BLOGS

India’s GIFT City finance hub grants first family office permit

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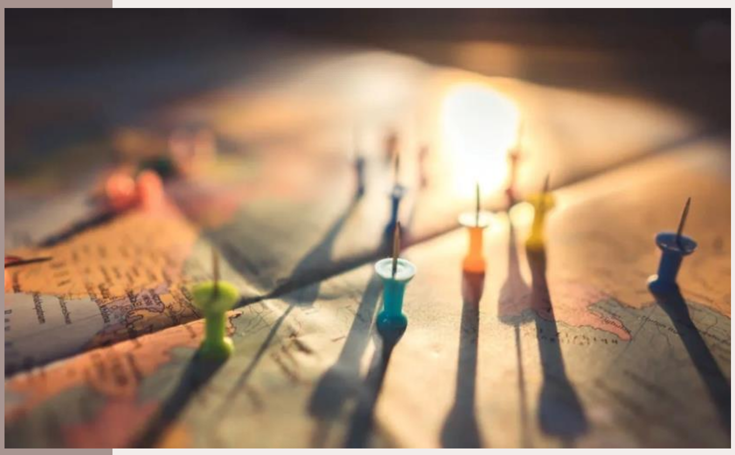

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With Low Penetration And High Potential, Insurance Is India's Biggest Financial Opportunity

As India's middle class grows, insurance is emerging as a critical tool to protect aspirations from unexpected financial shocks

India's strong economic growth is being driven by an aspirational middle class, rising asset ownership, and rapid digital innovation. A first home, a reliable car, quality healthcare, education for children, and the confidence to start a small business - these aspirations now define India's rapidly expanding middle class. Rising incomes, digital access, and economic growth have brought these goals within reach for millions. Yet one medical emergency, accident, climate shock, or business disruption can still undo years of hard-earned progress. This gap between aspiration and protection is where insurance becomes not just relevant, but essential.

For Indian households, progress today is deeply personal. It is reflected in better living conditions, improved healthcare choices, and the desire to secure a stable future for the next generation. As prosperity rises, consumers are becoming more conscious and informed. They are prioritising holistic wellbeing by focusing on both physical as well as mental health. Actively managing health through preventive care and opting for protection plan for financial preparedness is seen as a responsible way of living. Protection is no longer viewed only as a safety net, but as a foundation that enables confident decision-making and long-term planning.

As aspirations grow, the need to safeguard them becomes critical. Insurance plays a crucial role in safeguarding health, livelihood, businesses and assets, ensuring financial continuity in a complex economy. With India catering to world's youngest population and undergoing an expansion in investment across industry, India has an opportunity to embed insurance early as a core element of financial planning enabling individual resilience, enterprise confidence, enterprise confidence and sustained national growth in line with the vision of 'Aatma Nirbhar Bharat'.

From increasing awareness to stronger adoption
As per IRDAI's Annual Report FY 2024–25, overall insurance penetration stood at 3.7per cent of GDP, significantly lower than the global average of 7.3per cent. In the non-life segment, penetration remains at just 1per cent compared to the global average of 4.3per cent.

For an economy like India which is fastest growing, this gap highlights not a limitation but a significant headroom to grow.

The next phase of growth lies in moving consumers along the journey from awareness to access, and finally to sustained demand. This shift requires insurance to be simpler, more affordable, and meaningfully integrated into everyday financial decisions.

Global experiences offer useful perspective. Countries such as South Africa, Namibia, and Morocco demonstrate how insurance adoption can accelerate when products are simpler, more affordable, and embedded into everyday life. With South Africa now being a global benchmark with 11.5per cent of insurance penetration has seen digitally native insurers redesign the experience thereby lowering the cost through automation, enabling real-time underwriting and improving the efficiency of claims with data and AI. India is uniquely positioned to achieve this transition at scale. Unlike many emerging markets, it combines policy intent, digital public infrastructure, and a large, increasingly connected population—arriving simultaneously.

Digital momentum, anchored by policy Enablement
India is paving its own` way with policy enablement and digital innovation reinforcing each other. Insurers are leveraging data, analytics, and digital platforms to deliver faster underwriting, streamlined claims, and more personalised products. Health insurance platforms are expanding their role beyond hospitalisation to include preventive care, diagnostics, and chronic disease management.

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Long-term growth mainly will be driven by affordability, and this is where public policy plays a crucial role. The government's vision of "Insurance for All by 2047" signals a true commitment to building a comprehensive social security framework. Recent historical move of bringing GST on health insurance down to zero represents a significant inflection point, making coverage more affordable and encouraging more families to enter the protection net.

Government-led schemes have already demonstrated the power of scale and inclusion. Initiatives such as Pradhan Mantri Suraksha Bima Yojana (PMSBY), Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PMJAY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), and Pradhan Mantri Fasal Bima Yojana (PMFBY) have significantly expanded access to health, life, and crop insurance across the country. Beyond direct protection, these programmes create a ripple effect, attracting private investment, enabling infrastructure development, generating employment, and aligning education and skills with emerging needs - together contributing to broader economic growth.

A more secure measure of progress

Ultimately, a nation's progress cannot be measured by GDP growth or infrastructure alone. It is equally defined by the confidence its people have in their future—the assurance that a setback will not erase years of effort. Insurance provides that confidence. It transforms vulnerability into resilience and uncertainty into preparedness. As public policy, digital infrastructure, and private-sector innovation converge, insurance in India is moving from the margins to the mainstream of economic life. The opportunity ahead is not merely to grow premiums, but to build trust, relevance, and long-term participation.

India's insurance moment is here. The question is no longer whether the sector will grow, but whether it will grow fast enough and inclusively enough to protect the aspirations of a nation on the rise.

Source: BW Healthcare World

You are losing 12% of your health insurance value every year. Here is how to stop the bleed

India's healthcare costs are compounding at more than double the general inflation rate and most people only discover their coverage is inadequate when they are already in the hospital

Why 14% medical inflation is making your Rs 5 lakh health policy obsolete.

There are two inflations that quietly destroy household finances far more effectively than the one economists discuss most. Education inflation is one. Medical inflation is the other. And unlike education, where you can plan years ahead, a medical emergency arrives without announcement and presents a bill you have no time to negotiate.

India’s medical inflation has averaged 10 to 14 per cent annually over the past several years. General CPI inflation has run at 4 to 6 per cent over the same period. That gap roughly doubles the rate of general price rise compounds silently inside every health insurance policy you hold, eroding its real value year after year even while the premium you pay keeps rising.

What the Numbers Actually Show

The most reliable data on medical inflation does not come from government statistics. It comes from insurance companies, because they are the ones paying the claims and adjusting for actual cost trends.

ACKO Insurance data shows hospitalisation claims rose 12.8 per cent in FY24, with the average claim value climbing from Rs 62,548 to Rs 70,558 in a single year.

WTW and Milliman surveys of insurers peg medical inflation at 12 per cent in 2024, with peaks reaching 14 per cent in certain periods.

Looking ahead, Aon’s insurer survey projects medical inflation at 13 per cent for 2025 and 11.5 per cent for 2026. WTW estimates 13.2 per cent for 2025.

As per IRDAI industry wide data, health insurance claims surged by 21 per cent in FY25, while payouts grew by only 12.8 per cent indicating higher claim volumes but tighter settlements amid rising costs.

Even in the optimistic scenario, medical costs in India are expected to compound at 11 to 13 per cent annually through 2026 well above the global average of approximately 9.8 to 10 per cent.

To understand what this means in practice: a procedure that costs Rs 5 lakh today will cost approximately Rs 8.9 lakh in five years at 12 per cent medical inflation. At 14 per cent it reaches Rs 9.6 lakh. Your health insurance policy, if its sum insured has not kept pace, will cover a steadily shrinking fraction of that bill.

Why India’s Medical Inflation Is Structurally High

Several forces drive medical costs above general inflation persistently and they are not going away.

Technology adoption in hospitals raises both the quality and the cost of care simultaneously. An MRI or robotic surgery that was not available a decade ago is now standard and priced accordingly. Specialist consultation fees have risen sharply as demand has outpaced the supply of trained physicians.

Post-COVID, utilisation of health insurance jumped dramatically as deferred procedures were processed and awareness of chronic disease risks increased. The claims data shows this clearly; insurance companies saw utilisation surges that forced premium adjustments of 15 to 20 per cent in 2024 alone.

The chronic disease burden is a particularly important structural driver. Cancer treatment costs, cardiovascular interventions and diabetes management are increasingly common claims — and these are inherently expensive conditions to treat.

Care Health Insurance data shows that senior citizens now spend 17.4 per cent of their income on healthcare, a figure that will only grow as India’s population ages.

Source: Business Standard

The 'Real' Value of Your Rs 5 Lakh Sum Insured

The most dangerous aspect of medical inflation is not the rate itself, it is what it does to insurance coverage that appears adequate on paper but is not.

A Rs 5 lakh health insurance policy purchased five years ago has the same nominal sum insured today. But at 12 per cent annual medical inflation, that Rs 5 lakh in purchasing power has eroded to effectively Rs 2.8 lakh in real terms relative to today's hospital costs. The policyholder does not see this erosion until the bill arrives.

India's insurance penetration means a large share of hospitalisations are still paid out of pocket. For those who do have insurance, coverage is often a base policy from an employer typically Rs 3 to 5 lakh that has not been reviewed in years.

The standard wisdom of maintaining a Rs 5 to 10 lakh sum insured, which was considered reasonable five years ago, is now functionally inadequate for any serious illness in a tier-1 city hospital. A cardiac procedure, cancer treatment cycle or ICU stay routinely generates bills of Rs 15 to 25 lakh or more.

The Solution: Base Policy + Super Top-Up

Solving the medical inflation problem requires thinking about health insurance the way you think about any inflation sensitive financial position not as a fixed nominal amount but as something that needs to grow faster than the underlying cost trend.

The minimum effective framework today for a family in a metro city involves **a base health policy of at least Rs 10 lakh, supplemented by a super top-up policy** that activates above the base deductible and extends coverage to Rs 50 to 75 lakh. Super top-up premiums are significantly cheaper than equivalent base cover and solve the tail risk problem of a catastrophic illness depleting both the base policy and savings simultaneously.

Restoration benefits where the sum insured is reinstated after a claim matter because medical emergencies do not follow policy year boundaries. Critical illness covers that pay a lump sum on diagnosis of cancer, heart attack or stroke address the income disruption that accompanies serious illness, not just the hospitalisation cost.

And **review frequency** matters. A health policy that is not reassessed every two to three years is almost certainly under-insured relative to current medical cost inflation.

The mathematics of compounding works in both directions. Medical inflation at 12 per cent doubles healthcare costs approximately every six years. A sum insured that is not growing either through enhanced cover or through adding top-up layers is a policy that becomes half as effective every six years in real terms.

The Bigger Picture

Medical inflation is the one financial risk most households chronically underestimate because it is invisible until it materialises. You do not receive a monthly statement showing your health coverage has lost 12 per cent of its real value this year. You only discover the gap when you are already inside a hospital, facing a bill that your policy will not fully cover.

Source: Financial Express

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KEY CONTACTS

Director & Principal Officer:

Girish Malik
Email: girish.m@xperitusinsure.com

Direct Insurance

Juzer F. Jawadwala
(Director)
Email: juzer.j@xperitusinsure.com

Reinsurance

Amol Shah
(Vice President: Reinsurance | Head: Gift City)
Email: amol.s@xperitusinsure.com

Director

Sudhir Gudal
(Promoter Director)
Email: sudhir.g@xperitusinsure.com

Claims

Priti Salvi
(Vice President)
Email: priti.s@xperitusinsure.com

BRANCHES

Registered / Head Office:
601, A Wing, Parekh Mahal,
Veer Nariman Road, Mumbai 400 020

Mumbai
1417, Dalamal Towers,
Free Press Marg, 211,
Nariman Point, Mumbai 400 021

Gujarat
427, Hiranandani Signature, GIFT SEZ,
GIFT City, Gandhinagar, Gujarat 382 355

New Delhi
29, Ground Floor, Omaxe Square, Jasola
District Centre, New Delhi 110 025

Jaipur
Ground Floor, Plot No. 4
GHA – 21, Housing
Board, Shastri Nagar, Jaipur 302 016,
Rajasthan

Pune
502, International Business Bay, Bhavani
Peth, Shankar Seth Road, Pune 411 002

Vadodara
29, First Floor, Panorama Complex,
R.C. Dutt Road, Vadodara 390 007

Ahmedabad
A-410, Titanium Business Park,
Makarba Underpass, Makarba,
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CONTACT

info@xperitusinsure.com
Tel:+91 2261899200