The relationship dividend: Rewiring India's insurance growth engine

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India’s insurance market is fast approaching an inflection point where distribution scale will no longer set winners apart. Insurers that architect trust-led engagement across the policy lifecycle will unlock compounding value across channels, partners, and the broader ecosystem. **Himadri Ganguly, Mrinmoy Biswas** and **Rahul Deshpande** unpack how building a next-generation ‘relationship operating system’ can empower insurers to transform each interaction with the customer.

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Foreword

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If data becomes more portable, journeys become more hybrid, and trust becomes more measurable, what is the insurer's unfair advantage in winning and retaining customers?

This is not a hypothetical question. India's insurance market is at an inflection point where distribution advantage is no longer just about reach. It is about who can convert, retain, and grow relationships profitably in a world moving towards higher transparency, rising scrutiny, and increasing digital customer expectations.

Yet, the industry's reflexes remain stuck in an older playbook. For two decades, growth has been treated as a distribution problem: add more agents, sign more banks, buy more leads, push more campaigns. The result? India's overall insurance penetration has stalled at 3.7%,[1] even as the regulator intensifies its push for 'Insurance for All by 2047'. Insurers spend heavily to acquire customers but often fail to build relationships strong enough to keep them.

In fact, distribution reach usually takes precedence over owning relationships. Today, the ownership of the customer relationship is fragmented across channels, each with its own economics and gravitating pulse. Agents offer proximity and build trust, but their relationship ownership is personal and not institutional, making it fragile and hard to scale. Bancassurance delivers volume, but the bank retains the primary relationship, leaving the insurer one step away from the customer it underwrites. Brokers bring reach and sophistication, but their growing dominance over customer data and decision-making is steadily shifting the balance of power away from insurers. Web aggregators have industrialised access but have commoditised the product into a price comparison, stripping insurers of both margin and meaning. And direct channels, while offering the highest control and the greatest opportunity for owning relationships, have struggled to achieve the scale needed to move the needle. Each channel, in other words, presents a distinct economic trade-off between growth volume on one side and margin, control, and relationship depth on the other.

Our report focuses on reframing the growth agenda. It argues that the next winning insurer will not be the one with the biggest distribution footprint but the one that builds a scalable relationship operating system (ROS) powered by AI and agentic AI, keeping the 'human firmly in the loop'. This will ensure that every interaction is grounded in trust across the policy lifecycle and can be transformed into a compounding growth loop across channels and partners, driving value realisation across the entire ecosystem. This strategic framework, meant to navigate these trade-offs, maps where relationship ownership resides today, where it is migrating to, and how insurers can reclaim it without sacrificing the reach that the intermediaries provide.

Our actionable blueprint to operationalise such an ROS is tailored to India's unique regulatory landscape, young demographic profile and hybrid channel reality. In this new paradigm, growth would not have to be bought through distribution spend, but rather earned through trust, orchestrated through technology, and sustained across the lifecycle.

It is this shift that makes the present moment so pivotal. As insurers reimagine how they build and nurture customer relationships, we hope this report provides both the clarity to navigate the change and the conviction to seize the opportunities ahead.

1 PIB release

01

From distribution scale to relationship advantage

India is the world's youngest insurance market. With a median age of 28.4 years[2] and over 600 million citizens aged between 18 and 35,[3] the future of the country's insurance industry will be decided by a generation that has grown up on personalised digital experiences. These consumers expect relevance, immediacy, and transparency.

Yet, the insurance industry offers them a profoundly disconnected experience. According to our research across motor, health, and retail life products, most policyholders experience a 'won-and-done' lifecycle. They buy a policy, hear little until renewal, and then default to price comparison because value has not been continuously reinforced.

Growth can be achieved when distribution and marketing are converted from episodic selling into lifecycle relationship economics. This requires moving beyond acquisition funnels—often driven by price—to continuous value reinforcement, treating onboarding, claims, endorsements, renewal windows, and lapsation signals as interconnected value moments rather than disconnected workflows.

It means measuring what truly drives loyalty and not simply tracking clicks. It also requires industrialising content and communication so that relevance can be delivered consistently across languages, channels, and partners. This becomes more imperative when we look at the forces reshaping the insurance market.

> Insurers face a structural challenge where the customer's primary relationship often resides with the distributor. In today's hyper personalised, AI-driven environment, insurers can establish direct, highly personalised engagement with customers, strengthening their own brand connection. Insurers that successfully execute this engagement strategy are likely to unlock significantly higher value. This is driven by improved customer retention, deeper relationships, and enhanced cross-sell and upsell opportunities.
>
> – **Abhijit Gulanikar**
> President—Operations and IT, SBI Life Insurance Co. Ltd.

2 Hindustan Times, India population 1.45bn, to be twice China's in 2085

3 The Times of India, Is India's rapidly growing youth population a dividend or disaster?

Forces reshaping the insurance market

IRDAI's major digital initiatives—Public Insurance Repository (PIR) and Bima Sugam—are not merely regulatory milestones. They are structural forces that could fundamentally reshape the basis of competition in Indian insurance. Together, they represent the maturing of a new set of rails built on transparency, interoperability, and consent-based data sharing. These rails will steadily dismantle the traditional moats insurers have relied upon. When policy data becomes portable, customer inertia ceases to be a retention strategy.

When product comparison becomes frictionless, distribution access is no longer a competitive advantage. And when consent-based data enables real-time underwriting and personalised engagement, insurers that win will not be those with the widest reach but ones that compete with speed, transparency, relevance, service quality, and trust.

In short, these developments do not simply change the rules of the game. They change what the game is about. Shifting the battleground from who can access the customer first to who can serve them best.

Going forward, several structural shifts will reshape the Indian insurance landscape:

a. Lifecycle engagement is the hidden driver of profitable growth.

Control over distribution as a core competency, the long-standing logic of distribution arbitrage, is poised to lose relevance as Bima Sugam and PIR democratise the ecosystem. Trust and customer experience will emerge as two definitive pillars of differentiation. In future, the metric that matters most will be customer lifetime value (CLTV), driven by better retention and cross-selling. Insurers that shift focus from acquisition to sustained engagement across the policy lifecycle will unlock disproportionate value.

b. Hybrid distribution is the only scalable path in India.

No single channel–digital, agent, or bancassurance–can serve India's diversity of geography, demography, and digital readiness alone. The future belongs to insurers that can orchestrate seamless, context-aware journeys across physical and digital touchpoints.

c. As digital public infrastructure (DPI) expands, differentiation shifts from access to experience.

With India's DPI democratising data access and reducing entry barriers, the competitive moat is no longer who can reach the customer first but who can deliver a more trusted, personalised, and frictionless experience once they arrive.

d. Distribution economics will be reshaped by trust and compliance visibility.

As regulatory scrutiny intensifies and customers grow more informed, the cost of acquiring and retaining a customer will increasingly be shaped by how transparently and compliantly an insurer operates. Trust will cease to be a brand attribute and become a measurable, auditable, and differentiated economic variable.

As compliance visibility intensifies and customer expectations rise, distribution economics will be fundamentally reshaped by how transparently and reliably an insurer operates. The moments that matter most such as claims journeys, service interactions, and grievance resolution will be the moments where trust is either built or broken. Insurers that redesign these touchpoints as trust-building opportunities will unlock a measurable cascade of business outcomes such as higher renewal rates and stronger claims satisfaction.

Over time, the compounding effect will be even more powerful. Trust-led engagement lowers customer acquisition costs, reduces price sensitivity at renewal, and shifts the customer's decision from 'who is cheapest?' to 'who do I believe in?' In this emerging landscape, trust is a hard economic variable that will increasingly separate insurers who compound value from those who perpetually pay to replace it. The challenge is that most insurers will never see the moment trust breaks. There is no dramatic departure, just a slow, quiet drift that surfaces only when the renewal notice goes unanswered.

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Where the churn happens

The deeper truth the industry has been slow to confront is that customers don't churn at renewal; they churn in the silence before it.

In FY 2024–25, approximately 86 lakh individual life insurance policies lapsed across India, erasing INR 8.7 lakh crore in sum assured.[4] Coverage that families believed they had was wiped out not by a conscious decision at renewal, but by months of disengagement that preceded it. Estimates show that persistency tends to drop sharply between the first and second renewal windows, with some insurers losing a significant share of their policyholders at this single inflection point. Even among the best-performing insurers, barely half of the customers remain on the books in the first few years. They churn not because they find a better product, but because no one gives them a reason to stay.

> For decades, the insurance industry competed on distribution, on who could reach the customer first. But that advantage no longer decides who wins, because the customer now holds the power to compare, switch, and walk away. What distinguishes insurers now is experience and in a category people rarely use, the experience is the product. It's the only thing the customer actually feels between buying and renewing, which is why silence is so costly. You cannot stay quiet for eleven months and expect loyalty in the twelfth. A customer who stops hearing from you has already started to leave, long before the renewal lapses. An elevated customer experience across the policy lifecycle is the industry's growth engine.
>
> – **Ruchika Varma**
> Industry expert

4 NDTV Profit, Most Indians Are Buying A Lot Of Life Insurance, But Almost No Protection — Here's What Is Changing

Globally, a significant share of insurance customers churn after just one negative experience, and post-pandemic, customer loyalty to insurers has reportedly declined. Yet satisfied customers tend to renew policies at dramatically higher rates than dissatisfied ones, proving that the churn equation is overwhelmingly an engagement equation.

The insurance lifecycle, as it operates today, is structurally silent: a policy is sold, a premium is collected, and the next meaningful contact is a renewal notice, or worse, a lapse notification. Retention is 3–5× more cost-effective than acquisition, yet the industry continues to pour disproportionate resources into the front of the funnel while neglecting the quiet middle where trust erodes and loyalty dies.

Silent lifecycle leakage, therefore, is the biggest challenge to value realisation in Indian insurance across motor, health, and retail life products. The symptoms are well-documented: a 'won-and-done' customer experience that breeds indifference, claims journeys that damage trust instead of deepening it, grievance processes that become the only touchpoint a policyholder remembers, and a punishing reacquisition tax paid to win back customers who should never have lapsed in the first place. These are not isolated pain points; they are interconnected failures of the same underlying problem: the absence of a sustained engagement architecture across the full policy lifecycle.

This silent lifecycle is not merely a service deficiency; it constitutes a strategic revenue leak that:

- Pushes price-sensitive young consumers back to web aggregators (IRDAI reports 32 certified web aggregators and 22 active aggregators generating INR 83.43 crore premium and 3,31,498 policies in FY 2024–25)[5]
- Increases the reacquisition tax, i.e. the cost of buying back the same customer repeatedly
- Strengthens intermediary dependence (brokers control 40.08%[6] of general insurance premium).

It's important to note that lifecycle leakage does not manifest uniformly. It takes different forms, follows different triggers, and demands different interventions depending on the product line as each category operates with its own distinct relationship dynamics.

Insurance categories

Motor insurance is overwhelmingly price-comparison driven, where the customer relationship is often reduced to an annual race to the lowest premium on an aggregator screen.

Health insurance is more trust- and claims-led where the relationship is tested not at renewal, but in the anxiety of a hospital admission, where a single poor experience can permanently fracture loyalty.

Life insurance is persistency and advisory-led, where the quality of ongoing guidance determines whether a policy is sustained or surrendered.

SME and commercial lines are partner and broker-led, with relationship ownership sitting entirely outside the insurer's walls.

Embedded insurance, bundled into purchases, platforms, or ecosystems is fundamentally context-led, where relevance at the moment of need defines whether the product is even noticed.

These are structurally different relationship architectures, each with its own leakage points, its own trust dynamics, and its own path to value realisation. Any strategy that treats insurance as a single, uniform market will misdiagnose the problem and misspend on the solution.

5 IRDAI Annual Report 2024-2025
6 Ibid.

The next decade of insurance growth in India will not be won by the insurer with the largest distribution footprint, but by the one that owns the customer relationship beyond the point of sale. AI and modern MarTech provide the foundation for a relationship operating system that converts every customer interaction, from onboarding to claims and renewal, into a compounding engine of trust, growth, and lifetime value.

– **Amit Roy**
Partner and Leader–Insurance and Allied Businesses, PwC India

A relationship operating system (ROS), therefore, cannot be a one-size-fits-all blueprint. It must be modular enough to adapt to these ground realities while orchestrating trust, engagement, and lifecycle value differently for each category while maintaining a unified architecture underneath.

The business consequences of the absence of such an engagement architecture are, however, both predictable and punishing. When lifecycle engagement is weak, every other growth lever becomes more expensive and less effective.

The cracks start to show across the value chain:

- Lead generation spending escalates as insurers are forced to constantly refill a leaking funnel.
- Dependency on aggregators deepens while ceding pricing power and customer ownership to platforms that commoditise the relationship.
- Renewal behaviour turns price-led rather than trust-led, trapping insurers in a cycle of discounting pressure that erodes margins without building loyalty.
- And across it all, customer lifetime value, the one metric that should compound over time, shrinks steadily.

In short, the absence of a relationship architecture does not just leave value on the table. It actively destroys it, turning what should be a compounding asset into a recurring cost. Thus, the case for a relationship-led growth agenda is a direct, measurable response to the economics of leakage that silently shape every insurer's profit and loss (P&L).

Leakage is only the financial symptom of a deeper structural fault: the steady erosion of trust. Every unanswered query, every opaque claim status, every renewal that arrives as a cold transaction rather than a continuation of a relationship accumulates into a macro-credibility problem for the industry. And what was once dismissed as a soft, sentimental concern has now hardened into a regulatory and parliamentary reckoning. Parliamentary-referenced reporting reveals that claim non-processing and non-disposal remains the leading complaint driver against insurers, a fact now discussed in the Rajya Sabha.[7]

Simultaneously, IRDAI's proposed PIR explicitly intends to reduce information asymmetry and strengthen consumer confidence through consent-driven data infrastructure covering the entire policy lifecycle. For young digital natives, who are accustomed to real-time tracking of food delivery orders and other digital transactions, the opacity for a health claim journey is not merely frustrating but could also drive them towards ending the relationship with the insurers.

The instinctive industry response to this trust deficit has been to reach for the most familiar lever in the modern playbook: digital transformation. Indian insurers universally declare ambitions to 'go digital', yet IRDAI data is unequivocal: online sales contributed only 0.87% of life individual new business premium in FY 2024–25 (up marginally from 0.65% in FY 2023–24).[8]

A pure direct-to-consumer (D2C) digital model is not the near-term answer for an industry where products require explanation, trust requires human reinforcement, and regulatory servicing obligations span decades.

But if D2C digital is not the answer, the prevailing alternative leaning harder on intermediate distribution quietly creates a problem of its own. In general insurance, brokers contributed 40.08% of premium, followed by direct sales at 23.65% and individual agents at 19.96%.[9] Intermediaries increasingly own the customer relationship and data, leaving insurers as commodity manufacturers rather than relationship owners.

The question every insurance board must answer is: What would it take to make your insurer consistently present, trusted, and valuable across the policy year, so you don't have to buy the same customer twice?

The way forward lies in adopting a unified operating architecture that connects the entire customer lifecycle, from first awareness through decades of policy servicing and can operate seamlessly in both agent-augmented and fully autonomous modes.

7 The Economic Times, Insurance complaints rising: Top 5 reasons policyholders reported to IRDAI against insurers
8 IRDAI Annual Report 2024-2025
9 Ibid.

Our take

03

Relationship operating system: A new growth architecture

Before delving into the contours of this unified architecture, it is worth pausing to confront the ground reality. Most Indian insurers today are not starting with a clean slate. They are navigating structural and operational gaps that limit the value they can derive from investments in digital transformation, AI, and customer experience (CX).

These challenges include:

Siloed customer data

Customer data today lives fragmented across CRM platforms, policy master systems, call logs, BI systems, and multiple cloud storages. The result is the absence of a unified customer view, leading to disjointed targeting, duplicated outreach, and an inconsistent customer experience across touchpoints.

Opportunity

The opportunity lies in creating a single source of truth for all CX initiatives through data unification, which is typically enabled by a real-time customer data platform.

Fragmented MarTech ecosystem

Many insurers still operate on legacy, siloed systems with limited integration, minimal real-time automation, and weak AI capabilities. This translates into slow campaign execution, poor personalisation, incessant and uncoordinated customer communications, high operating costs, weak ROI visibility, and ultimately poor customer experience.

Opportunity

The opportunity lies in moving to a single, unified, scalable, cloud-native marketing platform with modern analytics that can serve as the connective tissue across the engagement stack.

Hype-driven adoption of agentic AI

Amid the surge of agentic AI conversations, insurers must cut through the noise and focus on where the technology actually moves the needle. The most tangible value today lies in proactive customer lifecycle and retention use cases, powered by a customer lifecycle agent.

Opportunity

The said agent monitors customer behaviour, policy status, and service signals; predicts lapse, dissatisfaction, or upgrade potential; chooses the right channel of engagement and launches hyper-personalised journeys.

Solving these challenges requires an architecture that treats the customer relationship itself as the core asset to be engineered, scaled, and compounded.

Relationship operating system

An ROS is a set of integrated capabilities designed to create measurable business outcomes by transforming every interaction from quote and onboarding to service, claims and renewals into a compounding growth loop across channels and partners. It represents the shift from episodic selling to lifecycle relationship economics, combining digital intelligence with human empathy. The true power of an ROS lies not in its individual components, but in how they interlock into a single, integrated business architecture.

Consider the chain in motion: customer intelligence captures the behavioural signals and lifecycle triggers that reveal what a policyholder needs, often before they know it themselves. These insights feed directly into experience orchestration, which choreographs the right intervention at the right moment in the journey.

Orchestration enables channel enablement or fluid channel handoffs into a digital prompt that escalates to an agent call, a bancassurance interaction that picks up where a mobile journey left off, thereby creating continuity where customers once experienced fragmentation. Personalisation and experimentation then sharpen every touchpoint, ensuring that each interaction feels relevant and intentional rather than broadcast. And underpinning it all, content operations provide the scalable backbone which adapts communication across languages, products, channels, and partner ecosystems without losing coherence. The result is an executable model to be deployed, measured, and compounded with the following five capability layers:

Five capability layers	What it delivers
Customer intelligence	Real-time customer and distributor intelligence from unified data
Experience orchestration	Turning onboarding and claims into trust-building moments
Channel enablement	Operating hybrid distribution at scale with seamless handoffs
Personalisation and experimentation	Measuring what drives loyalty, not just clicks
Content operations	Industrialising content across languages, channels, and partners

Detailed component architecture

Layer 1	Customer intelligence engine	Imperatives
	A strong relationship starts with knowing the customer. A real-time customer data platform (CDP) delivers: • 360° customer profiles by unifying policy, claims, customer relationship management (CRM), digital, and ecosystem data. • AI-driven insights to predict lapsation, claims propensity, and cross-sell opportunities. • Consent-first intelligence aligned with PIR and DPDP requirements. • Next-best-action recommendations that elevate distributors into trusted advisors. For digital-native customers, life-stage and behavioural signals can be translated into relationship-readiness scores, enabling timely and relevant engagement.	As PIR and Bima Sugam democratise customer data, advantage will shift from data access to data intelligence. Shared data will be table stakes; differentiation will come from combining it with proprietary insights, targeted use cases, and disciplined execution. Insurers should invest in a CDP-led decisioning engine that converts customer intelligence into measurable outcomes across claims, service, and engagement—delivering proactive, personalised experiences when they matter most.

Layer 2	Experience orchestration engine	Imperatives
	This layer transforms fragmented interactions into continuous, intelligent conversation through four interconnected building blocks: • Lifecycle journeys for renewals, wellness, and policy milestones. • Real-time triggers that drive proactive engagement across claims, endorsements, and service events. • Omnichannel orchestration across messaging apps, email, and advisor channels. • AI-powered moments of truth, turning critical moments such as claims into trust-building experiences.	The orchestration engine must convert every interaction into a connected customer journey. As products become comparable and data more accessible, claims experience and communication quality will emerge as key differentiators. Insurers that reimagine claims as a trust-building moment—rather than a transaction—can strengthen loyalty, improve persistency, and turn customer experience into a powerful growth engine.

Layer 3	Channel enablement engine	Imperatives
	This layer bridges digital intelligence with human engagement. Four capabilities anchor this link: • AI-powered agent copilots delivering customer insights, next-best actions, and compliance guidance. • Seamless digital-to-human handoffs that preserve customer context across channels. • Partner enablement platforms ensuring consistent experiences across banca, broker, and embedded ecosystems. • Journey intelligence identifying conversion leakage and optimisation opportunities in real time.	The real value lies not in enabling channels, but in embedding intelligence into every interaction. Insurers should adopt a modular, composable MarTech architecture where data, decisioning, and orchestration work as unified capabilities. This allows the same intelligence to power claims, renewals, and cross-sell journeys—accelerating time-to-value, improving distributor productivity, and delivering consistent customer experiences at scale.

Layer 4	Personalisation and experimentation engine	Imperatives
	This layer makes every customer journey unique—adapting content, timing, channel, and tone in real time. • AI-driven personalisation based on customer behaviour, life stage, and preferences. • Continuous experimentation to optimise every customer interaction. • Relationship-centric measurement focused on engagement, loyalty, and product affinity—not just clicks. • Vernacular experiences tailored to India's diverse languages and cultures.	Personalisation must feel like care, not surveillance. The goal is not to use more customer data but to use it more responsibly and meaningfully. Effective personalisation is built on three principles—using data to help customers, not profile them, thus building trust; underlining benefits, guidance, and support that genuinely matter, thus delivering significant value; tailoring experiences to customers' linguistic, cultural, and life-stage realities, thus factoring in context. Insurers that win will be those that make customers feel understood, valued, and supported—not targeted.

Layer 5	Content operations engine	Imperatives
	This layer powers timely, relevant, and compliant communication at scale. • AI-powered content creation across products, journeys, channels, and languages. • Dynamic content assembly tailored to customer context and lifecycle stage. • Built-in compliance governance ensuring regulatory adherence by design. • Partner content syndication enabling agents, brokers, and bancassurance partners to deliver consistent experiences.	Insurers must move from scheduled communication to intent-driven engagement—connecting with customers when signals indicate a need, not when the calendar dictates—demonstrating precision empathy. Content should be designed to create value, not noise.

An ROS, therefore, comes alive through AI, its critical intelligence layer, the force multiplier that makes relationship-led growth possible at scale. It transforms data into foresight, journeys into adaptive experiences, and content into personalised engagement at scale. It enables insurers to:

- **Predict** risk, churn, and next-best actions.
- **Orchestrate** journeys dynamically across digital, human, and partner channels.
- **Personalise** experiences in real time.
- **Scale** compliant, multilingual content creation.

The outcomes compound across the value chain: lower acquisition costs, higher agent productivity, stronger retention, more empathetic claims experiences, and scalable ecosystem partnerships.

With Bima Sugam providing a unique foundation for building an ROS at population scale, insurers operating an ROS can:

- Access consented customer data to eliminate repetitive information collection
- Enable one-click policy portability while retaining relationship depth
- Integrate with an Account Aggregator (AA) for real-time financial needs assessment
- Deliver seamless claims settlement through pre-approved hospital networks
- Ensure UPI-based instant disbursements.

The question is no longer whether the infrastructure exists but how insurers choose to deploy it. Two distinct approaches can yield results:

- the first, with human insurance agents augmented by AI, preserving the relational depth of human advice while eliminating its inefficiencies; and
- the second, with a fully autonomous intelligent interface, extending relationship-grade engagement to segments and moments that human networks cannot economically reach.

Scenario A: Human agent-augmented ROS

AI equips agents with customer insights, next-best actions, compliance guidance, and real-time coaching, while continuously capturing interactions to build institutional memory and improve outcomes.

Outcome
Customers experience a seamless blend of digital convenience and human trust—receiving personalised, timely advice from agents empowered by AI.

Scenario B: Fully autonomous intelligent interface (Zero-agent ROS)

For digital-native customers, the ROS itself becomes the relationship owner. It continuously learns and adapts, delivering personalised advice, servicing, claims support, and proactive engagement through AI-powered conversations across web, app, and messaging.

Outcome
Customers experience an always-on, highly personalised relationship that combines the convenience of digital self-service with the intelligence and responsiveness of a trusted advisor.

04

Value realisation in the age of AI

Every gap in the relationship lifecycle carries a price and Indian insurers are paying it in full. The absence of an ROS imposes a measurable and compounding 'relationship tax' which is visible in lapsed policies, unproductive agents, bloated acquisition costs, and customers who leave not because they found something better, but because no one gave them a reason to stay.

"While Indian insurers have built impressive distribution muscle and improved service standards, the true differentiator continues to be our ability to transform one-time buyers into lifelong advocates. The industry must prioritise intelligent, ongoing engagement that anticipates needs and strengthens trust at every stage of the customer journey. This relationship-first approach is essential for driving loyalty and resilient growth in an increasingly competitive and transparent market."

– **Anusuya Ghosh**
Star Union Dai-ichi Life Insurance Company Limited.

The business case for ROS: Potential benefits

Customer acquisition cost (CAC) reduction

Indian life insurers spend a significant amount of first-year premium on acquisition. An ROS that improves persistency directly reduces the need to reacquire lost customers. By retaining existing customers more effectively, insurers can substantially lower their reacquisition spending over time, leading to meaningful cost savings.

Renewal/persistency improvement

Global evidence demonstrates that proactive lifecycle communication during the silent mid-policy period significantly improves renewal rates.

Cross-sell revenue uplift

Insurers deploying always-on lifecycle engagement report improvement in cross-sell and upsell conversion compared to campaign-only approaches. By engaging customers consistently throughout their lifecycle, insurers can unlock significant incremental revenue through additional premiums from cross-sold and upsold products across their active customer base.

Distributor productivity improvement

AI-augmented agents equipped with next-best-action recommendations, pre-call intelligence, and automated administrative tasks demonstrate higher productivity gains in global deployments.

Total addressable value boost

For top Indian insurers, a fully deployed ROS can unlock exponential value through the combined effects of reduced reacquisition, improved persistency, incremental cross-sell, and enhanced distributor productivity.

ROS implementation roadmap

We recommend a staged maturity progression:

Stage 1 (Months 0–6)	Stage 2 (Months 6–12)	Stage 3 (Months 12–18)	Stage 4 (Months 18–24)
Foundation	**Scale**	**Intelligence**	**Ecosystem**
• Unified customer data platform deployment • Basic journey orchestration for top three lifecycle moments (onboarding, mid-term engagement, renewal) • Agent intelligence pilot for 500 top-performing agents	• Full multichannel orchestration across social media, apps, SMS, email, and agent channels • Personalisation engine activation with regional content • Experimentation framework for continuous optimisation	• Predictive model deployment (lapsation, cross-sell, claims propensity) • Generative AI content factory for communication at scale • Autonomous interface pilot for digital-native segment	• Partner enablement (banca, broker, embedded insurance) • DPI integration (Bima Sugam, PIR, account aggregator) • Fully autonomous ROS for zero-agent segment

Across these stages, three patterns stand out where AI implementation could lead to measurable business outcomes:

01

Proactive, intent-based journey orchestration across the lifecycle is outperforming standalone personalisation. AI-driven orchestration across acquisition, onboarding, engagement, service, and renewal is delivering a higher ROI than isolated product- or channel-level recommendations. For example, life insurers using AI to time renewal conversations at the right moment and through the right channel can expect higher persistency than from reactive, incessant nudges.

02

Claims automation delivers measurable wins. NLP combined with document AI and workflow automation is simultaneously reducing turnaround time and cost. Health insurers, for instance, can auto-resolve low-complexity claims, freeing human adjusters to focus on high-value, complex cases.

03

The real value driver is the operating model and architecture, not the technology itself. Organisations that integrate and scale modular MarTech stacks, drive outcome-based customer journeys, and build product-centric teams will be the ones that consistently convert AI investments into business outcomes. Distributor productivity, for example, improves when AI insights flow directly into agent apps and call scripts and not into dashboards that no one acts on.

Value realisation scorecard

A relationship-led growth model is only as credible as its ability to be measured. Strategy must be accountable and the CDOs, CSOs, and CMOs must be tasked with operationalising this shift. The critical question, however, is whether the ROS can demonstrably outperform the acquisition-led model it seeks to replace.

To that end, a **value realisation scorecard** could be instituted which constitutes a practical measurement framework designed to make the relationship agenda tangible, trackable, and explicitly tied to the metrics that matter most across the C-suite. Crucially, the scorecard reframes how leadership measures growth in a relationship-led model, moving beyond vanity metrics and aggregate volumes to the indicators that reveal whether lifecycle engagement is genuinely translating into economic value.

CAC by channel

Exposing the true cost of acquisition across agents, banks, aggregators, and direct distribution, and revealing where relationship depth subsidises growth and where it doesn't.

Quote-to-issuance leakage

Quantifying the value lost between intent and conversion, and diagnosing where friction, trust deficits, or poor orchestration are silently killing growth.

Renewal by engagement level

Measuring whether customers who are actively engaged across the lifecycle renew at structurally higher rates than those who experience only transactional touchpoints.

Re-acquisition cost

Making visible the hidden tax insurers pay to win back customers they failed to retain and benchmark it against the cost of proactive retention.

Distributor productivity

Tracking not just policies sold, but relationship outcomes per distributor, persistency, cross-sell, and complaint incidence to distinguish volume from value.

Complaint reduction

Measuring whether engagement-led interventions are pre-empting grievances before they escalate, rather than merely resolving them after they surface.

Claims communication quality

Assessing whether claims interactions are building trust or eroding it, using responsiveness, transparency, and satisfaction as leading indicators.

Cross-sell openness

Gauging customer willingness to deepen the relationship, as a proxy for trust, relevance, and the quality of lifecycle engagement.

Lifecycle engagement effectiveness

The meta-metric that ties it all together: measuring the breadth, depth, and frequency of meaningful interactions across the full policy year, and correlating them to retention, growth, and lifetime value.

Together, these metrics redefine what performance means in a relationship-led model. For the CDO, the scorecard provides a data architecture roadmap. For the CSO, it reframes distribution effectiveness beyond volume. For the CMO, it connects engagement investment to commercial outcomes. And for the CEO, it offers a single lens to assess whether the organisation is building compounding relationships or simply buying replaceable transactions.

05

How we can help

The shift from acquisition-led to relationship-led growth is a structural transformation that rewires strategy, technology, operations, distribution, and culture. It cannot be achieved through incremental optimisation in silos by deploying a digital layer here, a retention campaign there, and an isolated AI pilot elsewhere.

What it demands instead is a well-coordinated, end-to-end transformation. Insurers need a partner who can help move them beyond fragmented channel and campaign interventions to a fully integrated, relationship-led growth architecture and, critically, execute it at scale.

PwC India as a partner of choice

PwC India is uniquely positioned to be that partner. Our combination of strategic depth, operational capability, and industry relationships can help architect and deliver a relationship operating system that rests on the convergence of six capabilities that this transformation demands:

Growth strategy and value case

We help insurers build the economic argument for relationship-led growth, quantifying the cost of lifecycle leakage and modelling the returns from engagement-led retention, cross-sell, and lifetime value.

Lifecycle journey transformation

We redesign end-to-end customer journeys, from onboarding through servicing, claims, and renewal by embedding engagement triggers and trust-building moments where insurers currently go dark.

Hybrid distribution operating models

We architect distribution models that orchestrate seamlessly across agents, banks, brokers, aggregators, and direct channels balancing reach with relationship depth, and volume with margin and control.

Customer intelligence and AI enablement

We build the data and AI foundations that power an ROS, from churn prediction and next-best-action to agentic AI that automates orchestration while keeping the human in the loop where it matters most.

Content and communication operations

We design and operationalise scalable content engines that deliver compliant, personalised communication across languages, products, channels, and partner ecosystems at speed and without sacrificing coherence.

Trust, governance, and compliance by design

We embed trust and regulatory alignment into the operating model from the ground up, not as an afterthought or a compliance overlay, but as a structural advantage that strengthens every customer interaction and every partner relationship.

Insurers that will lead India's next chapter of growth will be those that move decisively from intent to architecture, from campaigns to systems, from transactions to compounding relationships, and from aspiration to a measurable scorecard of value realisation. Ultimately, this shift is not about technology or scale alone; it is about trust. In a market as vast and diverse as India, trust cannot be episodic or selective. It must be inclusive, continuous, and deeply human. The ROS enables exactly this: ensuring that every interaction, for every customer, becomes a moment to build confidence, relevance, and belonging. And in doing so, it transforms growth from a race for reach into a discipline of relationships where trust is not just embedded and sustained but also scaled.

Notes

About PwC

We help you build trust so you can boldly reinvent

At PwC, we help clients build trust and reinvent so they can turn complexity into competitive advantage. We're a tech-forward, people-empowered network with more than 364,000 people in 136 countries and 137 territories. Across audit and assurance, tax and legal, deals and consulting, we help clients build, accelerate, and sustain momentum. Find out more at www.pwc.com.

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