

4 Winning strategies for embedded insurance in India



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Introduction

Imagine purchasing a new smartphone online. As you proceed to checkout, you're seamlessly offered insurance coverage to protect your device against accidental damage or theft. With a simple click, you add this protection to your purchase, ensuring peace of mind without the need to search for separate insurance policies. With just one click, insurance becomes an easy "add-on," eliminating the need for tedious paperwork and separate payments.

Embedded insurance refers to the seamless integration of insurance products or services into the purchase journey of non-insurance offerings.

This model allows consumers to acquire insurance coverage directly at the point of sale, without the need for separate transactions. By bundling insurance with products and services in real-time—such as through travel, health, and delivery apps—insurance becomes more accessible to a broader audience.

Why embedded insurance?

Embedded insurance offers a win-win situation by streamlining the insurance purchasing process for both consumers and providers.

For customers, it simplifies acquiring coverage by bundling it with the main product purchase, tailored to their specific needs through data analytics. For insurance companies, it reduces customer acquisition costs, as the insurance is automatically included with a product the customer already intends to buy, eliminating the need for extensive marketing efforts. This collaborative approach benefits merchants and insurers.

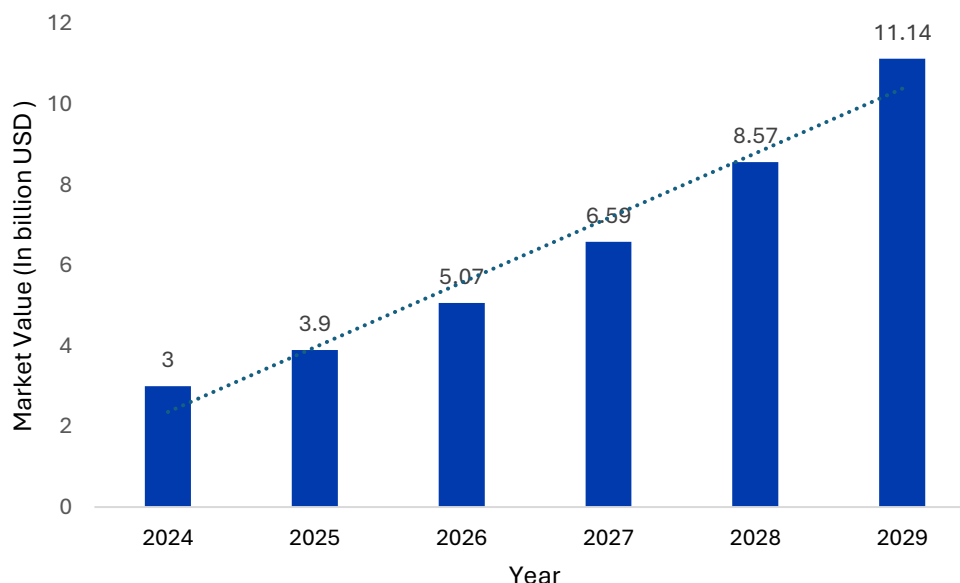
This approach not only enhances convenience for consumers but also opens new revenue streams for businesses and insurers.

Market dynamics

Growth potential and market size

The embedded insurance market in India is valued at **approximately US \$3 billion in 2024 and is expected to grow at a CAGR of 30% over the next five years.**⁰

Projected growth of embedded insurance in India

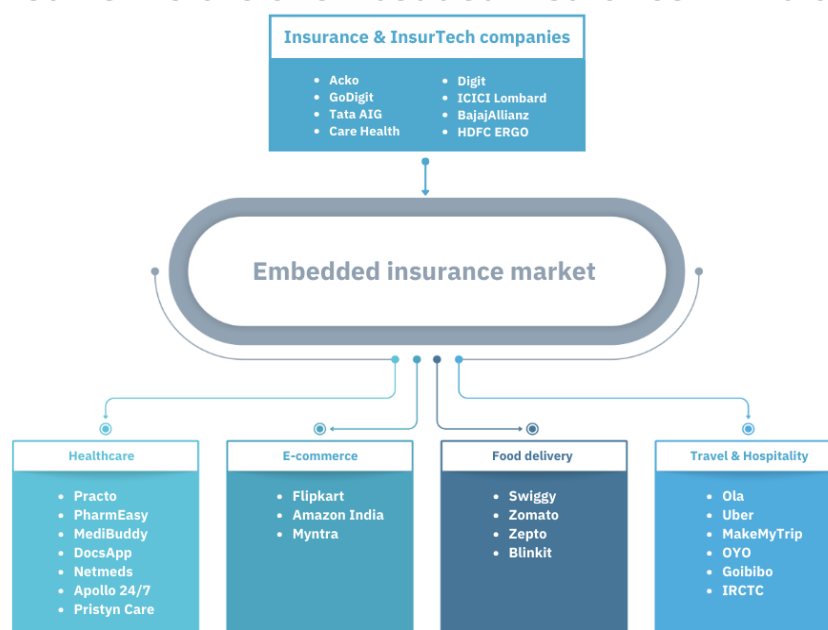


Source-Twimbit analysis

Market landscape

The embedded insurance market landscape in India is characterized by a dynamic integration of traditional insurance providers and innovative InsurTech companies. These entities collaborate to offer integrated insurance solutions across key sectors such as healthcare, e-commerce, food delivery, and travel & hospitality, facilitating seamless insurance solutions embedded within everyday services.

Current state of embedded insurance in India



*Companies are selected based on service, popularity and market size

3 Key growth drivers

1. Digital-native consumers:

As of January 2024, India boasts over **751 million active internet customers, accounting for 52.4% of the population** ¹. This substantial digital populace, predominantly comprising millennials and Gen Z. They prefer quick and easy insurance options that fit right into their daily activities, like booking a trip or shopping online.

2. Ecosystem expansion:

The proliferation of e-commerce platforms, fintech services, and digital healthcare providers in India has unlocked vast opportunities for embedding insurance into consumer journeys. Collaborations across industries are targeting previously untapped segments. Notably, the embedded finance industry in India, encompassing embedded insurance, is projected to grow by **46%, reaching US \$21billion~ by 2029.** ²

3. Cost and speed advantages:

By integrating insurance directly into existing purchase processes, customer **acquisition costs drop by up to 30%** ³, reducing the need for expensive marketing efforts. Customers also benefit, **saving 10-20%** ⁴ **on premiums** when insurance is bundled with services like travel or electronics. The **purchase process is now up to 70%** ⁵ **faster**, allowing customers to secure coverage with just a few clicks. **Even claims processing has seen a 50%** ⁶ **reduction in turnaround time**, thanks to streamlined procedures and real-time data utilization.



3 Powerful forces propelling revenue growth in India's embedded insurance market

1. Rising middle-class income:

The burgeoning middle class, now comprising over 432 million individuals. The Union Budget 2025 introduced significant income tax reforms, enhancing disposable incomes and increasing the capacity to invest in insurance products.

2. Growing customer demand for digital payments

In the fiscal year 2022-2023, **over 70% of insurance premiums were paid online, reflecting a significant shift towards digital transactions.** ¹¹ Insurers are leveraging digital platforms to offer frictionless purchase experiences, personalized policies, and efficient claims processing, thereby attracting a broader customer base.

3. Regulatory support from IRDAI:

The Insurance Regulatory and Development Authority of India (IRDAI) has been instrumental in fostering digital insurance innovations. Notable initiatives include:

Regulatory Sandbox Regulations, 2025: Establishing a framework for insurers to pilot innovative products and services in a controlled environment, thereby encouraging experimentation and rapid deployment of digital insurance solutions. ¹³

Maintenance of Information by the Regulated Entities and Sharing of Information by the Authority Regulations, 2025: Requiring insurers to adopt electronic record-keeping with robust security measures, facilitating efficient data management and fostering consumer trust in digital insurance platforms.

Issuance of e-Insurance Policies Regulations, 2022: Mandating the electronic issuance of all insurance policies to streamline policy management and improve consumer accessibility. ¹²

4 Winning strategies of embedded insurance

#1 OLA and InsureMO

India's ride-hailing industry is growing rapidly, driven by urbanization and rising demand for convenience. However, safety concerns, high accident rates, and gaps in passenger protection create uncertainty for riders. Traditional insurance models struggle to keep up, leaving a critical need for reliable coverage. InsureMO is at the forefront of addressing this challenge.

Challenge:

In India, high road accident rates posed significant safety concerns for passengers using ride-hailing services like OLA. Traditional insurance models were cumbersome and inaccessible, leaving a gap in passenger protection and safety assurance.

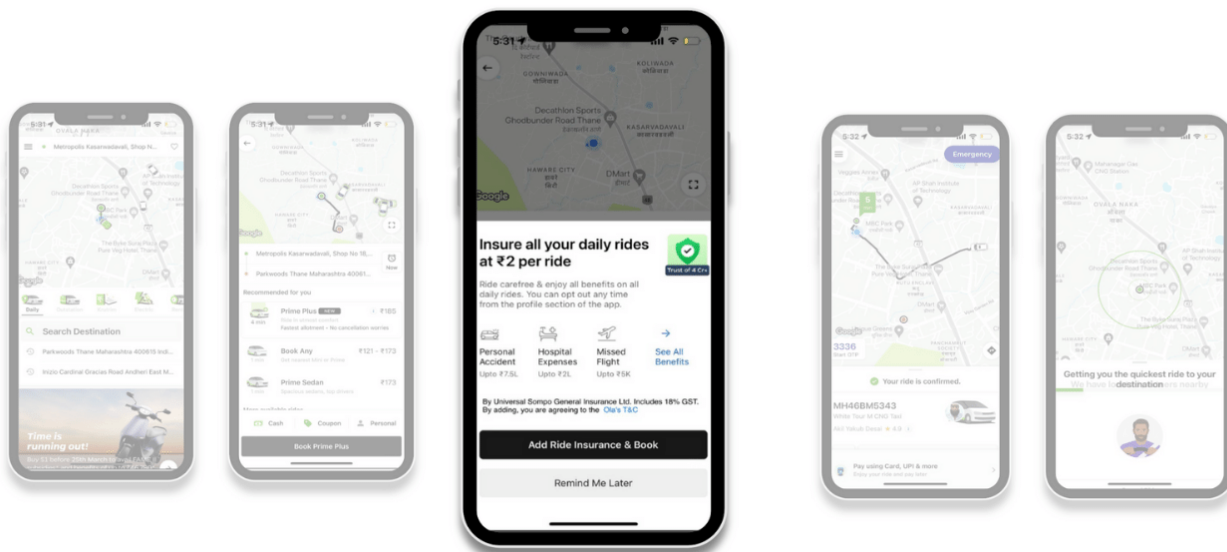
Solution:

OLA collaborated with InsureMO to seamlessly integrate a comprehensive ride insurance solution into its platform. This partnership enabled OLA to offer personalized, real-time insurance coverage for passengers, enhancing safety and peace of mind during rides.

- **Real-time coverage:** Instant insurance activation for each ride, covering accidents, medical emergencies, and trip disruptions.
- **Seamless integration:** Insurance options embedded directly into the OLA app, ensuring a smooth customer experience without disrupting the booking process.
- **Affordability:** Cost-effective premiums tailored to different ride types, making insurance accessible to all customers.

Remarkably, this was made affordable for all:

- **US \$0.02 for intra-city rides.**¹⁴
- **US \$0.12 for longer rides**, such as OLA rentals or outstation trips.



Source– InsureMO

Outcome:

- **Widespread adoption:** Ola has facilitated the issuance of **20 million in-trip micro-insurance policies**¹⁵ every month since launching the program in April 2018. Millions of OLA customers opted for the insurance, demonstrating strong demand and trust in the added safety measures.
- **Enhanced brand trust:** By prioritizing passenger safety, OLA strengthened its reputation as a responsible and customer-centric brand.
- **Increased customer base:** In 2024, Ola had approximately **28.6 million monthly active customers** (MAUs) in India. This figure reflects a competitive landscape where **Ola holds a 34% market share** in the ride-hailing sector, trailing behind Uber, which leads **with 50% market share**.¹⁶

Lessons learned:

OLA partnership with InsureMO highlights the importance of integrating innovative solutions directly into existing systems. By offering affordable and effective insurance, OLA demonstrated that safety enhancements need not be costly, encouraging widespread adoption and enhancing customer loyalty.

#2 ACKO & Amazon

India's e-commerce sector, valued at approximately **\$88.6 billion in 2022**, is **projected to grow at a compound annual growth rate (CAGR) of 19.6% from 2023 to 2030**.¹⁷ However, this rapid expansion brings challenges such as product damages, delivery mishaps, and return hassles, leading to financial losses and customer dissatisfaction. Traditional insurance models struggle to address these fast-paced issues, leaving a gap in the customer experience.



Source-Amazon.com

Challenge

How could insurance be made faster, simpler, and more accessible to address the unique pain points of product damages and delivery issues, with inadequate traditional insurance in online shopping ecosystem?

Solution

ACKO, India's first digital-native insurer, revolutionized the insurance landscape by embedding microinsurance into e-commerce platforms like Amazon. With its data-driven and tech-first approach, ACKO created a frictionless insurance experience. Here's how they did it:

- **Affordable microinsurance:** Prices ranging from **US \$0.58 to US \$5.82**, allowing easy adoption by customers across income segments.
- **Instant integration:** Policies are auto offered during checkout, covering products like electronics, gadgets, and appliances.

- **Rapid claims settlement:** With a tech-enabled claims process, most cases are resolved within hours or days, fostering trust and satisfaction.

Outcome

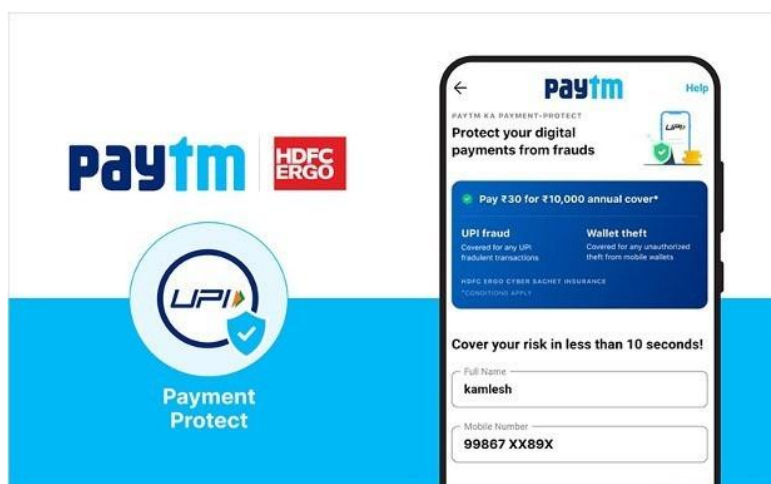
- **Enhanced customer acquisition and retention:** The partnership has allowed ACKO to leverage Amazon's vast customer base. This has led to a **20% increase in policy sales** for motor insurance products, providing a seamless purchasing experience for customers.¹⁸
- **Expanded market presence:** ACKO's collaboration with Amazon has facilitated entry into new market segments. This has contributed to a **15% growth in ACKO's overall customer base**, tapping into Amazon's extensive reach across India.¹⁸
- **Streamlined distribution and cost efficiency:** By embedding insurance within Amazon's ecosystem, ACKO has achieved a **25% reduction in customer acquisition costs**.

Lesson learned

Embedded insurance is transforming customer experience, with ACKO and Amazon at the forefront. By seamlessly integrating insurance into the shopping journey, they leverage data insights to offer tailored policies.

#3 Paytm & HDFC Ergo

India's digital payments landscape has experienced remarkable growth, particularly in mobile transactions via UPI and digital wallets. UPI's share in total digital payments in India **grew to 83% in 2024, up from 34% in 2019¹⁹**. However, this convenience has been accompanied by a rise in cyber fraud. In May 2024, an average of **7,000 cybercrime complaints** were recorded daily, marking a significant surge of 113.7% compared to the period between 2021 and 2023. Notably, **85% of these complaints pertained to financial online fraud.²⁰**



Source- ANI

Challenge:

How could digital financial transactions be safeguarded against cyber fraud to bolster customer confidence and accelerate the adoption of mobile payments in India?

Solution:

Paytm, in partnership with HDFC ERGO General Insurance, has introduced "Paytm Payment Protect," a group insurance plan designed to safeguard customers against unauthorized and fraudulent transactions.

Paytm, in collaboration with HDFC ERGO General Insurance, launched "Paytm Payment Protect," a pioneering group insurance plan tailored specifically to the needs of digital transaction customers. This plan offers financial protection against unauthorized transactions, covering amounts up to **US \$116.40 (₹10,000)**.

- **Ease of access:** Customers can enable this insurance through the Paytm app by navigating to the 'Insurance' section, selecting 'UPI Fraud,' and completing the purchase with a few taps. The premium is **as low as US \$.345 (₹30 per year)**.

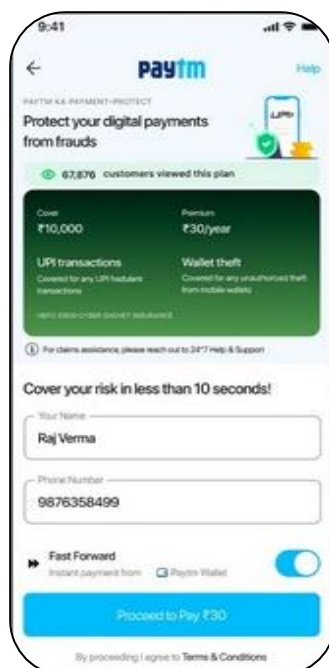
- **Comprehensive protection:** The plan covers UPI transactions across all payment apps and wallets, not just those within Paytm's ecosystem. It provides coverage up to **US \$116.40 (₹10,000)** per year against fraudulent UPI transactions.²¹

Outcome:

- **Increased revenue growth:** In FY 2024, Paytm's revenue grew by **25% to US \$1197.36 Mn, driven by a 26% increase in payment services revenue, totalling UD \$760.37 Mn**.²² The launch of insurance products like Paytm Payment Protect likely boosted customer trust and engagement.
- **Increased customer base:** By December 2024, **Paytm exceeded 100 million active customers**, driven by its expanding digital payments and financial services²³ — with embedded insurance playing a key role in this growth.
- **Enhanced digital payment adoption:** By mitigating cyber risks, the plan boosts digital payment adoption and encourages more customers to transition to cashless transactions.

Lessons learned:

Innovative partnerships, like that of Paytm and HDFC ERGO, are essential in embedded insurance to address specific market needs in digital finance. Offering customized insurance solutions enhances transaction security and boosts financial inclusion.



Source- ANI

#4 Goibibo & ACKO

India's travel industry has rebounded, with domestic air travel reaching pre-pandemic levels in **2022 and a projected CAGR of 11.2% from 2023 to 2030**. However, frequent disruptions such as flight delays, cancellations, and baggage loss cause travellers' dissatisfaction and financial strain. Traditional travel insurance, often cumbersome and separate from booking platforms, has struggled to address these issues effectively.

Challenge:

How could travel insurance be seamlessly integrated into Goibibo's platform to provide a convenient and accessible safety net for travellers, mitigating risks and enhancing their overall travel experience?

Solution:

Goibibo, a prominent online travel aggregator, partnered with ACKO General Insurance to streamline the travel insurance experience for its customers.

By embedding insurance directly within the booking flow, they aimed to provide a hassle-free and accessible solution.

Here's how they achieved this:

- **Convenient integration:** Insurance is offered as an optional add-on during ticket booking for flights, trains, and buses, with just one click required to opt-in.
- **Affordable coverage:** Policies start at prices **as low as US \$1.15**, making them accessible for a broad customer base.
- **Comprehensive benefits:** Coverage includes trip cancellations, delays, medical emergencies, and baggage loss, addressing a variety of travel-related risks

Outcomes:

- **Increased customer acquisition and retention:** The partnership **has led to a 30% increase in travel insurance sales for ACKO**, enhancing customer satisfaction and loyalty through seamless integration into Goibibo's booking platform.^{[24](#)}
- **Expanded market reach:** ACKO has gained access to Goibibo's vast customer base, contributing **to a 15% growth in policyholders from Tier-2 and Tier-3 cities**, allowing for penetration into underserved markets.^{[25](#)}

- **Streamlined operations and cost efficiency:** By offering insurance at the point of sale, both companies have achieved a **20% decrease in customer acquisition costs** related to insurance products since implementing the embedded model.²⁶

Lesson learned:

Integrating insurance directly into the travel booking process enhances customer experience by addressing specific travellers' concerns. Goibibo's partnership with ACKO demonstrates how embedded insurance can improve satisfaction and drive growth by prioritizing affordability, accessibility, and comprehensive coverage.

Conclusion

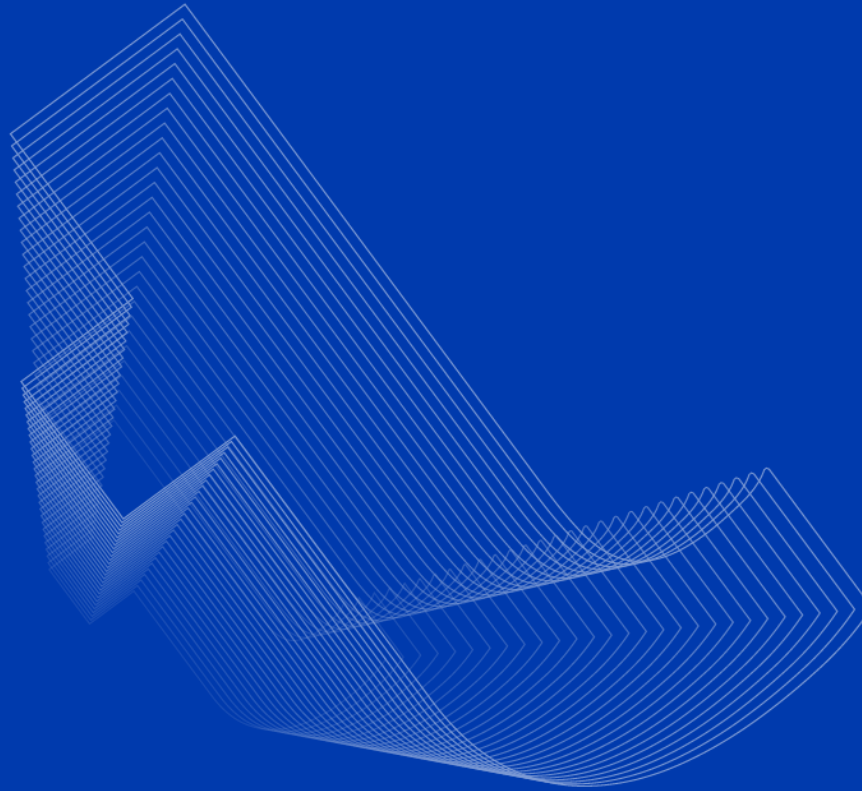
Embedded insurance is changing the way people in India access insurance, making it easier and more convenient than ever. By seamlessly adding insurance to everyday platforms like shopping apps, travel bookings, and digital payments, more people can get covered without extra effort. Affordable plans, quick claims, and personalized options make it even more attractive. Partnerships with fintech and digital platforms help bring insurance right where customers need it. As India goes digital, embedded insurance isn't just a smart idea—it's a game-changer, making financial security simple, accessible, and part of everyday life.

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