



EDITORIAL

Dear Reader

Happy New Year! As we step into a new year filled with hope and possibility, Sankranti, Bhogi, Pongal, and Lohri arrive as shared celebrations of renewal, resilience, and the enduring bond between people, livelihoods, and nature across India. Rooted in harvest traditions, these festivals honour farmers, seasonal cycles, and community solidarity-values that continue to guide inclusive progress. As Republic Day follows, it reinforces our collective commitment to equality, unity, and nation-building. We extend our warm wishes for a joyful harvest season and a proud Republic Day, bringing prosperity, good health, and renewed purpose to you and your communities.

In this edition of Pulse, we explore how inclusive insurance is evolving to meet real-world risks. Mr. Michael J. McCord (MicroInsurance Centre at Milliman) shares a global perspective on the future of microinsurance, highlighting the shift toward embedded, digital, and climate-smart models. He emphasizes that while data, AI, and parametric solutions will drive scale and efficiency, trust, fairness, and education must remain central to serving low-income communities.

Bringing protection closer to customers, Mr. Praveen Bajaj (Metier Insurance Broking) demonstrates how advisory-led broking can uncover hidden risk gaps across MSMEs, gig workers, and emerging enterprises. By combining clarity, customization, and technology-enabled efficiency, Metier shows how insurance can move beyond standardized templates to become a practical tool for continuity and resilience.

A global technology perspective on inclusion comes from Mr. Michele Grosso (Democrance) highlights how embedded and digital insurance models can scale protection when seamlessly integrated into trusted customer journeys, existing payment flows, and everyday ecosystems-making insurance simpler, faster, and more relevant for first-time and underserved users.

Evidence and policy remain critical enablers of inclusion. Dr. K. Srinivasa Rao's research paper, "The Significance of the Microinsurance Sector under Viksit Bharat 2047," positions microinsurance as a strategic instrument for achieving "Insurance for All." Supported by regulatory reforms, digital public infrastructure, and last-mile initiatives, microinsurance is key to de-risking vulnerable households and strengthening India's financial protection framework.

Impact on the ground is reflected in Kanakadurga Finance Limited's approach to integrating responsible lending with life and general insurance. By aligning credit and protection with real cash-flow needs in semi-urban and rural markets, the Company strengthens financial resilience for MSMEs, small traders, and underbanked households.

Innovation continues to open new frontiers. Our blog on "Microinsurance for EV Battery Rentals" highlights how affordable, usage-based protection can safeguard gig workers, small businesses, and farmers driving India's electric mobility transition-ensuring that clean mobility remains inclusive and financially secure.

Together, these stories show that when insurers, brokers, researchers, financiers, technologists, and communities collaborate with clarity, trust, and empathy, protection reaches those who need it most. This is how inclusion deepens, resilience grows, and the next chapter of insurance innovation unfolds.

Happy Reading!
Team Pulse

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DID YOU KNOW?



Pay-As-You-Live Insurance: Insurtech companies are developing models where wearable devices track health metrics, allowing insurers to adjust premiums based on lifestyle, promoting healthier living.

Source: https://altaworld.tech/insurtech-on-the-go-wearables-offer-pay-as-you-live-insurance/?utm_source=chatgpt.com



Festive Corner



Sankranti, Bhogi, Pongal, and Lohri arrive as a shared celebration of renewal, resilience, and the deep connection between people, livelihoods, and nature across India. Rooted in harvest traditions, these festivals honour farmers, seasonal cycles, and community solidarity—values that remain deeply relevant in today's rapidly evolving world. As Republic Day follows close behind, it adds a national dimension to this spirit, reaffirming our collective commitment to equality, unity, and inclusive progress. Together, these occasions remind us that tradition and purpose go hand in hand in shaping a stronger, more equitable future. We extend our warm wishes to our readers for a joyful harvest season and a proud Republic Day—may this period bring prosperity, good health, and renewed purpose to you and your communities.



Insurer Insight



Mr. Michael J. McCord is a globally-recognized micro-insurance expert with experience across banking, micro-finance, and inclusive insurance. He has held leadership roles in a U.S. commercial bank, a Ugandan microfinance institution, and FINCA International's Africa programs. In 2000, he founded the MicroInsurance Centre, now MIC@M, a global leader in

microinsurance and risk management, aiming to provide sustainable insurance solutions to three billion low-income people.

Michael has led projects in over 80 countries, addressing risks related to health, agriculture, climate, and livelihoods. Recent work includes climate risk initiatives in Pakistan and Malawi, feasibility assessments in emerging markets, advisory support to insurers and regulators, climate resilience pilots in Pakistan and India, and protection gap analysis in the Maldives. He is a founding member and former Chair of the Microinsurance Network, contributes to global inclusive insurance platforms, and serves on academic and editorial boards.

Introduction of the Organisation: The MIC@M is a trusted thought leader and implementer of microinsurance and risk management solutions for low-income populations.

As a passionate and interdisciplinary team, we work in partnership with others to develop and advise on creative and valuable risk management solutions covering a full range of risks for low-income populations, and we raise our voices to ensure that low-income people are not left out.

We have implemented projects in over 90 countries since 2000. Our vision is to get valuable (for clients) and profitable (for insurers) microinsurance in the hands of 3 billion low-income people sustainably.

Website: <https://microinsurancecentre.milliman.com/en>

The MicroInsurance Centre at Milliman has been at the forefront of advancing inclusive insurance globally. How do you see the evolution of microinsurance models in the next decade, particularly in emerging markets like India and Asia?

Over the next decade, microinsurance in India and Asia will become more digital, embedded, segmented, and client-focused, with climate risk playing a key role. Traditional agent-heavy models will transition to technology-enabled distribution via mobile money, e-commerce, agri-marketplaces, digital banks, and gig platforms.

Embedded insurance will focus on client understanding, prompting innovation in awareness and education. Climate-linked and parametric insurance will expand, supported by satellite data, weather analytics, digital claims systems, and improved basis risk management. Anticipatory action products, where payouts occur before disasters, will help households reduce losses, improve preparedness, and make better crisis decisions.

Insurers will increasingly integrate insurance with broader risk management tools, supporting healthier lives, productive agriculture, and reduced disaster impact-

Mr. Michael J. McCord

Managing Director
MicroInsurance Centre at Milliman

lowering risk for clients while reducing claims costs for insurers. Data and AI will underpin pricing, product design, fraud detection, and customization by crop, geography, or livelihood, while balancing efficiency with fairness and transparency. Overall, microinsurance will evolve into a tech-enabled, climate-smart ecosystem, transitioning from a niche intervention to a mainstream resilience tool.

Based on your extensive work with insurers and regulators worldwide, what key enablers and partnerships are critical for scaling sustainable microinsurance solutions?

Scaling microinsurance depends on four pillars: committed insurers, enabling regulation, strong market information, and effective distribution.

Committed Insurers: Insurance firms must embed inclusive insurance into their core strategy, supported by leadership, technical expertise, digital infrastructure, market intelligence, and reinsurance access. Microinsurance-only companies face scale and profitability challenges; it is often most sustainable within mainstream insurers' specialized units.

Enabling Regulation: Proportionate regulations that protect consumers while encouraging innovation are essential. Sandboxes, pilots, and continuous regulator-industry dialogue accelerate market growth.

Strong Market Information: Demand-side insights ensure products reflect client needs, while technical data supports pricing and financial sustainability. Improved data availability will shorten development cycles and enhance scalability.

Trusted Distribution: Cooperatives, MFIs, agri-value chains, telcos, digital wallets, gig platforms, and community organizations reduce costs, build trust, and improve education. Growth in meso-level covers further improves efficiency.

When these pillars align, microinsurance can scale profitably while delivering meaningful protection.

As the inclusive insurance ecosystem embraces data-driven innovation, how can we ensure that technology enhances-not replaces-the human connection and trust that are central to serving low-income communities?

Human trust remains central. While technology streamlines onboarding, payments, claims, and personalization, low-income clients rely on reassurance from trusted individuals. The sector should adopt a "high-tech, minimal-touch" approach, where technology delivers efficiency and human interaction is reserved for critical moments such as explaining coverage or supporting claims.

Effective models integrate digital tools with trusted community touchpoints, train agents to use technology as an enabler, and back digital channels with empathetic human support. When technology amplifies rather than replaces empathy, inclusive insurance becomes scalable, efficient, and trusted.

Sustainable development requires effective insurance for low-income populations. Scaling to cover three billion people with profitable, valuable solutions can reduce poverty and expand future insurance demand. This SUAVE-driven vision supports a more resilient and inclusive global insurance market.

Distributor Insight



Mr. Praveen Bajaj leads Metier Insurance Broking Pvt. Ltd. since May 2023, focusing on advisory-led, client-centric solutions for corporate and retail clients. Previously, he founded and led Rakshan Health App, working at the intersection of healthcare, technology, and insurance innovation. With over five years

of entrepreneurial experience, he

brings practical insights into risk management and market dynamics. He holds a Bachelor of Commerce and professional insurance qualifications from the Insurance Institute of India.

Introduction of the Organisation: Metier Insurance Broking is one of India's leading insurance broking firms, committed to delivering advisory-led risk solutions for corporate and retail clients. The firm's approach is anchored in a deep understanding of client-specific risks, operational realities, and evolving protection needs, enabling the design of insurance solutions that are both relevant and resilient.

Recognizing that risk management can often appear complex and inaccessible, Metier focuses on simplifying insurance through clarity, customization, and consistent client support. The firm works closely with clients to address exposures such as business disruptions, liability risks, and asset protection, ensuring coverage structures are aligned with real-world challenges rather than standardized templates.

Trusted by several large Indian conglomerates, Metier positions itself as a long-term partner in risk mitigation, guided by its philosophy of being "Forever On Your Side."

Website: <https://www.metier.co.in/>

Metier Insurance Broking works across varied risk segments-how do you identify and serve emerging or underinsured customer groups?

Metier identifies underserved segments through rigorous risk gap analysis rather than conventional product mapping. Many individuals, MSMEs, and large enterprises hold insurance but remain exposed due to inadequate sums insured, restrictive exclusions, outdated policies, or misaligned coverage.

By analysing business models, cash flows, claims history, operational dependencies, and sector-specific risks, Metier uncovers hidden vulnerabilities. Emerging segments, including gig workers, small businesses, first-generation entrepreneurs, start-ups, and semi-urban enterprises, require insurance that is simple, modular, financially viable, and essential. Overly complex or rigid products deter adoption and fail during claims.

Metier translates complex exposures into clear, relevant, practical coverage tailored to each client, ensuring continuity as risks evolve, while maintaining

Mr. Praveen Bajaj

CEO & Principal Officer

Metier Insurance Broking Private Limited

transparency and affordability. By prioritizing clarity, relevance, and long-term support, insurance becomes a tool for resilience, not just compliance, especially for traditionally underserved clients.

How can collaboration between brokers, insurers, and technology partners accelerate inclusive and microinsurance solutions?

Meaningful scale in inclusive insurance requires collaboration. Brokers provide market insight, on-ground intelligence, and understanding of client behaviour and affordability. Insurers contribute underwriting expertise, actuarial discipline, and risk-bearing capacity. Technology partners drive efficiency, reduce costs, and improve accessibility via digital platforms.

At Metier, collaboration focuses on co-creating simple, scalable, affordable products reflecting underserved realities, including gig workers, micro-entrepreneurs, small businesses, and first-time insurance buyers. Technology reduces friction in onboarding, policy issuance, documentation, and claims, improving customer confidence. However, brokers ensure products remain grounded in real needs, supported and explained effectively.

Such partnerships make microinsurance accessible, reliable, relevant, and valuable, transforming it from a low-touch product to a practical instrument of financial resilience.

How is Metier leveraging technology or data to enhance broking efficiency and client engagement?

Technology enhances operational efficiency and client experience. Metier leverages data and digital tools to analyze risk patterns, identify coverage gaps, and design responsive, real-world-aligned solutions. This moves broking beyond transactional interactions to advisory-led engagement, particularly for underinsured segments.

Internally, automation streamlines policy administration, renewals, endorsements, and claims tracking, improving turnaround times, reducing errors, and enhancing team coordination. Clients benefit from faster responses, transparency, and consistency.

From a client perspective, technology simplifies communication and policy management through digital documentation, structured follow-ups, and clear information. This is crucial for first-time buyers, small businesses, and individuals who find traditional insurance processes complex.

Importantly, technology is an enabler, not a replacement for human expertise. Advisors use data-backed insights to explain risks, recommend coverage, and support clients during critical moments, especially claims. Combining digital intelligence with trusted human guidance, Metier ensures insurance remains simple, accessible, dependable, and a practical tool for long-term resilience.

Tech Insight



Mr. Michele Grosso is driven by a mission to restore insurance to its original purpose of providing mutual aid to those who need it most but can afford it least. He founded Democrance in 2015 after building extensive experience in strategy and distribution at global insurance leaders AXA and MetLife across France, Egypt, and the UAE.

Michele is a frequent speaker at microinsurance, entrepreneurship, and social innovation forums, and a regular contributor to regional publications. In addition to leading Democrance, he serves on the Board of Directors of the Microinsurance Network, a global non-profit association of microinsurance stakeholders.

Italian by birth, Michele holds a Master in Management from ESCP Europe (Paris), an MSc in Economics from the University of Turin, and is an alumnus of Carlos III University (Madrid) and City University (London).

Introduction of the Organisation: Democrance is a leading insurance technology company enabling insurers, brokers, and partners to design, distribute, and manage digital and inclusive insurance products at scale. Its modular, API-driven, and AI-enabled platform simplifies the full insurance value chain—from product configuration and pricing to policy administration, distribution, and claims-making multi-channel insurance launches faster and more cost-effective.

Democrance is widely recognized for its expertise in digital, embedded, and inclusive insurance, helping partners reach underserved and mass-market customers through fintechs, telcos, remittance platforms, and digital wallets. Headquartered in Dubai, Democrance works with insurers, development institutions, and ecosystem partners across the Middle East, Africa, and Asia to expand insurance access through technology.

Website: <https://www.democrance.com/>

What has been the biggest learning from deploying embedded insurance across diverse geographies?

The biggest learning is that embedded insurance succeeds only when it is truly integrated into an existing customer journey, not merely distributed through a partner. Access to a large customer base alone is insufficient. The partner must already engage customers naturally and collect payments, and the insurance offering must intuitively align with the core product or service.

Equally critical is matching the insurance journey to customer behaviour. Fully digital journeys work well for customers accustomed to instant digital services, such as telco users, while customers who rely on in-person interactions—such as microfinance borrowers—often respond better to assisted or physical channels.

Embedded insurance is neither inherently digital nor physical; it must mirror how customers already interact, pay, and build trust. When insurance fits seamlessly into existing habits and relationships, adoption follows. When

Mr. Michele Grosso

CEO

Democrance

it does not, even strong products struggle to scale.

How can technology platforms bridge trust gaps among underserved and first-time insurance users?

Technology platforms can bridge trust gaps among underserved and first-time insurance users only if they make insurance feel like a natural extension of services people already trust, rather than a new and unfamiliar product.

For these users, insurance is not just unknown. In many cases, it is actively mistrusted. They are aware of the risks they face, but they have little confidence that an insurance provider will actually deliver when something goes wrong. Technology therefore has to remove friction and uncertainty at every step of the journey.

This starts by embedding insurance journeys directly into the distribution partner's existing customer flows, without requiring the partner to deeply integrate insurance workflows into their own technology stack, or forcing the insurer to build complex one-off integrations. Targeting, policy issuance, premium collection, and claims payouts must all happen seamlessly within the journeys customers already use and understand.

If any of these steps feel disconnected, slow, or unfamiliar, affinity to the product is never created and the partnership struggles to scale. This is especially critical for first-time users, where there is no margin for error. You can fail to educate, but you cannot fail to pay a valid claim.

Claims experience is the single most powerful trust builder in insurance. Fast, simple, and transparent claims payouts do more to close trust gaps than marketing or education ever will. When customers see that protection actually works, trust follows.

How does Democrance simplify insurance delivery for partners operating in low-penetration markets?

Democrance simplifies insurance delivery through a comprehensive, white-label SaaS platform built on digitalization, automation, and innovative distribution. This directly addresses key challenges in low-penetration markets, including high operating costs, legacy systems, and limited reach to underserved populations.

The platform digitizes traditional insurance processes, reducing reliance on agents and paper-based systems while automating the entire value chain—from sales and underwriting (including AI-driven workflows) to policy issuance, billing, and claims.

Partners benefit from significant cost efficiencies, with reported operational cost reductions of up to 50% and distribution costs reduced from 20–30% of GWP to around 5%. Democrance's cloud-based, plug-and-play API architecture integrates smoothly with existing legacy systems, avoiding costly replacements.

Additionally, its no-code product builder enables partners to launch new products and workflows in days or weeks rather than months, allowing faster market response and accelerated digital adoption.

Research Paper

Dr. K. Srinivasa Rao

Adjunct Professor, Institute of Insurance and Risk Management, Hyderabad

Significance of the Microinsurance Sector under Viksit Bharat 2047



The paper analyses the role of India's Microinsurance Sector (MIS) in supporting the national vision of "Insurance for All" under Viksit Bharat 2047 (VB47). Microinsurance provides affordable risk protection to low-income and vulnerable populations against life, health, accident, climate, and livelihood risks, enabling financial resilience and inclusive

growth.

Background and Evolution

Microinsurance emerged globally from microfinance models such as the Grameen Bank and was formally institutionalised in India through IRDAI's Microinsurance Regulations, 2005. This regulatory intervention enabled low sum assured insurance products distributed through SHGs, MFIs, banks, and micro-agents, embedding microinsurance within India's broader insurance ecosystem.

Scope and Market Size

Microinsurance targets 500–700 million underserved individuals, including rural households, informal workers, small farmers, and migrants. Key highlights include:

- ❖ 178–200 million lives covered as of FY24
- ❖ 21+ crore cumulative enrolments, largely through PMJJBY and PMSBY
- ❖ ₹5,000–5,400 crore GWP, about 2% of total insurance GWP
- ❖ 15%+ CAGR, outpacing global microinsurance growth

Impact and Evidence

Evidence suggests that microinsurance contributes to poverty reduction and financial stability by:

- ✦ Lowering out-of-pocket (OOP) expenditure
- ✦ Preventing catastrophic health spending
- ✦ Enabling households to remain economically active during shocks

Global and domestic studies (World Bank, UNDP, IRDAI-based research) indicate that microinsurance has supported India's sharp decline in extreme poverty, particularly when combined with broader financial inclusion initiatives.

Role under Viksit Bharat 2047

Under VB47, microinsurance is positioned as a strategic inclusion instrument to de-risk the bottom 40% of households. IRDAI initiatives such as Bima Sugam,

Bima Vahak, and Bima Suraksha are expected to strengthen last-mile access, digital distribution, and trust, accelerating progress towards universal insurance coverage.

Policy and Regulatory Environment

The Sabka Bima, Sabki Raksha (Amendment of Insurance Laws) Act, 2025 enhances the microinsurance ecosystem by:

- ✦ Enabling digital KYC and simplified product approvals
- ✦ Allowing higher FDI and insurtech participation
- ✦ Supporting parametric and low-ticket insurance innovation

These reforms create conditions for scalable, technology-led microinsurance delivery.

Challenges

Despite its growth, MIS faces persistent challenges:

- ✦ Low awareness and insurance literacy
- ✦ Product misalignment with irregular incomes
- ✦ High distribution and servicing costs
- ✦ Low renewals and delayed claims settlement
- ✦ Data, cybersecurity, and compliance constraints

Conclusion

Microinsurance remains a small but fast-growing segment with transformational potential under VB47. With targeted policy support, technology adoption, and community-based distribution, MIS can expand coverage to 500 million lives by 2047, positioning itself as a cornerstone of India's inclusive insurance and financial protection framework.

For more Information, Please Contact :

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Impact Study



Company Name: Kanakadurga Finance Limited
Founded Year: 24th October 1994
Founder / CEO: Mr. Sandireddy Lakshmi Narayana
Location: Vijayawada
Website: <https://kanakadurgafinance.com>
Tagline: Your Prosperity, Our Priority

Key Segment:

As a Non-Banking Financial Company (NBFC) providing financial solutions to individuals and businesses. While it does not underwrite insurance policies, the Company recognizes insurance as a critical element of financial security and partners with leading insurers to distribute life and general (vehicle) insurance through its lending channels. Life insurance offers long-term protection for customers and their families, while general insurance, particularly motor insurance, safeguards customer assets from unexpected risks. By integrating insurance with lending products such as vehicle loans, the Company helps customers meet repayment obligations while building protection against unforeseen events, creating a holistic financial ecosystem that enhances security and convenience.

Transparency, customer education, and regulatory compliance guide the Company's operations. Product features, benefits, and risks are clearly communicated to enable informed decision-making. Looking forward, Kanakadurga Finance aims to further integrate lending and insurance through technology, offering personalized solutions, easy policy access, and efficient claims support, thereby strengthening customer confidence and financial resilience.

Target Segment

Kanakadurga Finance primarily serves underserved and emerging customer segments that require timely, flexible, and customized credit solutions. These include borrowers not fully catered to by traditional banks but with viable cash flows and strong repayment intent. Key segments include MSMEs, small traders, self-employed professionals, and entrepreneurs, especially in semi-urban and rural markets. Customers often require working capital, business expansion loans, and short- to medium-term funding aligned with operational cycles.

Retail borrowers, including salaried and self-employed individuals, are also served through secured, need-based lending products with transparent pricing and simplified processes. Asset-backed lending, particularly gold loans, forms a core part of the portfolio, enabling quick liquidity while maintaining prudent risk management. The segment strategy emphasizes financial inclusion, responsible lending, and risk-based credit assessment, leveraging local market expertise, technology-enabled processes, and customer-focused service to create sustainable value and foster inclusive economic growth.

Product Offerings

Kanakadurga Finance addresses credit gaps faced by small entrepreneurs and households across semi-urban and rural India. Its products focus on secured, asset-backed lending—primarily gold loans and vehicle finance—structured around real customer cash-flow needs rather than rigid banking models. The Company supports small traders managing inventory, self-employed professionals with seasonal incomes, and households facing urgent liquidity needs by providing quick access to formal credit with transparent terms and minimal complexity.

A key differentiator is the relationship-led approach, reinforced by strong on-ground presence and technology-enabled operations, which allows faster approvals while maintaining disciplined risk controls. Beyond lending, the Company integrates life and general insurance solutions through trusted partners, helping customers protect their livelihoods, assets, and families. This holistic approach strengthens financial resilience, builds long-term confidence, and promotes stability rather than short-term relief.

Impact Created

Kanakadurga Finance aims to create meaningful financial impact by improving access to timely, transparent, and responsible credit. With 30,047 customers, an AUM of ₹708.34 crore as of September 2025, a presence across 7 states, and 144 branches, the Company supports thousands of MSMEs, small traders, self-employed professionals, and retail borrowers. Its collateral-backed and inclusive lending solutions help customers meet financial needs, stabilize cash flows, expand operations, and strengthen household financial resilience—especially benefiting first-time and underbanked borrowers.

Focused on semi-urban and rural markets with limited access to formal credit, Kanakadurga Finance continues to advance financial inclusion and drive local economic development. Its impact is reflected in portfolio growth, improved livelihoods, stronger customer relationships, and trust-based engagement, showcasing a sustained commitment to responsible finance and community development.

Future Strategies

Kanakadurga Finance aims to scale its impact while maintaining prudent risk management and customer centricity. It plans to deepen its presence in existing markets and selectively expand into new semi-urban and rural geographies with strong demand for organized credit. Strategic priorities include strengthening core asset-backed products through greater customization aligned with customer cash-flow cycles, increasing penetration among small entrepreneurs and self-employed borrowers, and supporting grassroots economic activity.

Technology will be central to these efforts, with investments in digital loan origination, analytics-driven credit assessment, and process automation to improve efficiency, customer experience, and portfolio quality. Additionally, the Company will focus on capital efficiency, diversified funding, strong governance, and robust compliance frameworks. By combining responsible lending, technology adoption, and localized expertise, Kanakadurga Finance aims to expand its economic and social impact while creating enduring value for customers and stakeholders.

For more Information, Please Contact :
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BLOG Corner

Microinsurance for EV Battery Rentals: Protecting India's Fast-Growing Electric Mobility Economy

MICROINSURANCE FOR AUTO/EV BATTERY RENTALS



Electric vehicles are widely seen as cost-efficient, but many users overlook the financial risk posed by battery replacement, which can account for 40–60% of an EV's total value. Replacement costs range from ₹60,000 to ₹1.4 lakh for two-wheelers, ₹2–3 lakh for three-wheelers, and even more for electric tractors and commercial EVs. For low-income users and small businesses, such expenses can erase years of savings. Microinsurance for EV batteries and battery rentals therefore becomes essential to ensure EV adoption does not turn into a financial burden.

The Rise of India's EV Battery Rental Economy

India is among the world's fastest-growing EV markets, driven by fuel cost savings, government incentives, expanding charging and swapping infrastructure, and the rise of Battery-as-a-Service (BaaS) models. Companies such as SUN Mobility, Bounce Infinity, and Battery Smart have reduced upfront EV costs by 30–40%, making EVs accessible to delivery agents, gig workers, small logistics operators, and low-income commuters.

Battery-swapping models are also emerging in electric tractors, helping farmers lower diesel expenses and operational costs. As this ecosystem scales, battery-related risks increasingly threaten livelihoods, highlighting the need for tailored microinsurance solutions.

Why Microinsurance for EV Batteries?

Battery-related risks directly affect income-dependent users such as gig workers, MSMEs, and farmers.

Key Risks Faced:

- ✦ Accidental damage and water ingress
- ✦ Thermal incidents such as overheating or fires
- ✦ Theft or loss of battery packs
- ✦ Performance degradation reducing range
- ✦ Rental misuse penalties
- ✦ Unexpected repair or replacement costs

Without insurance, these risks lead to sudden, unaffordable expenses, pushing vulnerable users into financial distress.

How Microinsurance Can Transform the EV Ecosystem

1. Covers High-Cost Battery Damage or Replacement
2. Protects Battery Rental Companies
3. Supports Gig Workers and Small Businesses
4. Enhances Trust and Adoption in EV Markets
5. Enables Data-Driven, Usage-Based Insurance Models

What a Microinsurance Product for EV Battery Rentals Could Include

Coverage Features

- ✦ Accidental and water damage
- ✦ Fire, explosion, and thermal incidents
- ✦ Theft or loss during rental use
- ✦ Excessive battery degradation
- ✦ Misuse protection for rental operators
- ✦ Optional liability coverage

- ✦ Daily income replacement for gig workers

Value-Added Services

- ✦ Battery health diagnostics
- ✦ Teleconsultation for EV issues
- ✦ Emergency roadside assistance
- ✦ Discounts on battery swap subscriptions

Why This Matters for India's Climate and Financial Inclusion Goals

To achieve India's EV30@30 target-30% electric vehicles by 2030-battery protection insurance is vital for reducing financial vulnerability, supporting sustainable mobility, enabling green entrepreneurship in tier-2 and tier-3 cities, and protecting climate investments. Microinsurance ensures clean mobility remains affordable, secure, and inclusive.

Key Statistics Supporting EV Battery Microinsurance

- ✦ EV sales crossed 1.67 million units in FY 2023–24, growing 42% YoY (FADA).
- ✦ Batteries account for 40–60% of EV costs (NITI Aayog).
- ✦ Battery-swapping market projected to grow at 35% CAGR by 2030 (IESA).
- ✦ Gig workers earning below ₹25,000 per month are highly vulnerable to battery expenses (NITI Aayog).

These trends highlight the urgency for targeted microinsurance solutions.

Why Microinsurance Is Critical for the Next Billion Users

Current EV insurance offerings largely serve urban, higher-income segments, excluding delivery riders, small fleet owners, farmers, migrant workers, and low-income adopters who rely on battery rentals. These users face high risk but low financial resilience. Microinsurance bridges this gap with affordable, usage-based protection tailored to underserved communities driving India's EV revolution.

Conclusion: A New Age of Microinsurance Innovation

Microinsurance for EV battery rentals is a critical safety net for India's electric mobility ecosystem. By protecting users, operators, and businesses from battery-related risks, it accelerates EV adoption while safeguarding livelihoods. As India advances toward a greener and more inclusive mobility future, battery microinsurance will be central to ensuring affordability, resilience, and sustainability.

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COMING SOON

GLOBAL CONFERENCE ON MICROINSURANCE

KEY THEMES



**Innovation in
Microinsurance solutions**



**Digital Transformation for
Inclusive Coverage**



**Sustainable Practices in
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**Community
Empowerment through
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