



Analysing the impact of India Stack on Indian Life Insurance

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Sumesh Sheth

Faculty, Life Insurance

National Insurance Academy



Introduction

- ❑ India: Prevalence of inequalities and rural indebtedness
- ❑ A key to reduction in inequality: **Financial Inclusion**
- ❑ Digital Public Infrastructure in India is referred to as India stack
- ❑ It has transformed India over the last decade
- ❑ The impact on Financial sector is enormous
- ❑ Indian Society has benefitted greatly



Research Question

- ❑ Impact on banking & other financial sectors is widely studied
- ❑ The impact on Life Insurance is not that widely studied
- ❑ This is an attempt by a Life Insurance practitioner to study the same
- ❑ Whether India Stack has resulted in any meaningful impact on life Insurance business and penetration of Life Insurance in India?



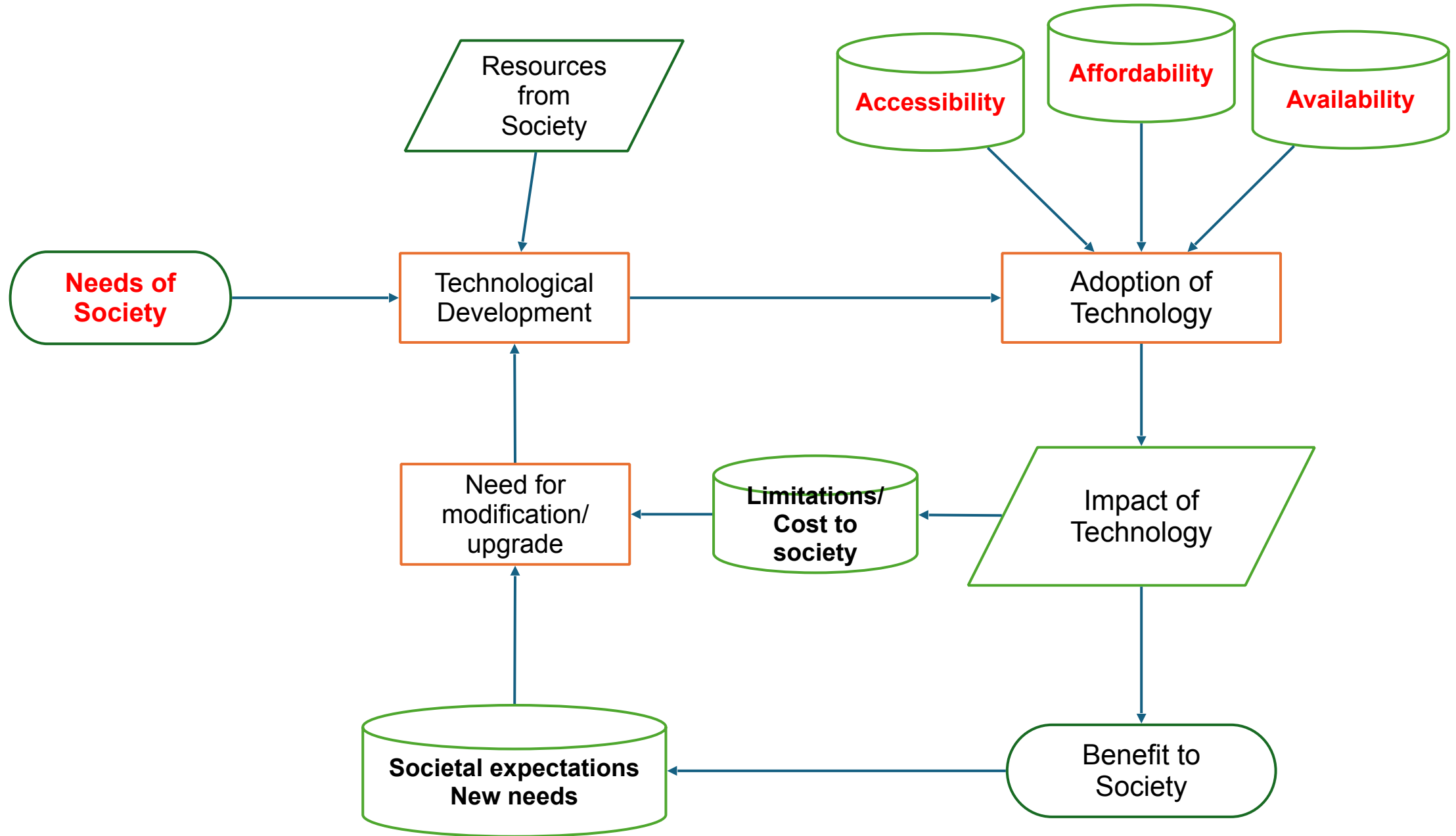
Conceptual base

Models that were used as base to understand the impact:

- ❑ SCOT (Social construction of technology) :Social Constructionism
- ❑ TAM :The Technology Acceptance Model, (Davis,1989)
Perceived usefulness and ease of use > Adoption
- ❑ Diffusion of innovations theory (Rogers Everett m ,2003)
- ❑ TIA: Technological Impact Assessment Framework (Roger Clarke,2025)

A simple utilitarian iterative model is proposed, and current study is done within this framework as it's subset

Methodology: N2B Iterative Model :Society & Technology





Needs of Society

? Financial Inclusion

? Barriers: 3A^s to financial inclusion in

India:

- **Accessibility**
- **Affordability**
- **Availability**

Technology: India Stack

Identity Layer

☐ Aadhaar/eKYC

Payment Layer

☐ UPI

Data Layer

☐ Digi locker



Adoption of Technology:

? Aadhaar :

KEY to the success of India Stack.

Almost universal coverage with **1418 million** people covered.

Largest biometric database in the world.

? eKYC:

Total eKYC transaction done since inception is **23.560 billion**.

? UPI:

228.3 billion transactions in 2025

? Digilocker:

User base of **698.8 million** (256.4 million active users)



Adoption of Technology

? JAM : Jan-Dhan-Aadhaar-Mobile Trinity:

582.6 million beneficiaries with bank accounts with total deposits reaching ₹3.014 trillion. **91% of the population** with bank account.

? RuPay card:

Linked with Jan Dhan

? DBT:

Direct Benefit Transfers of subsidy by Indian government to the bank accounts of the poor

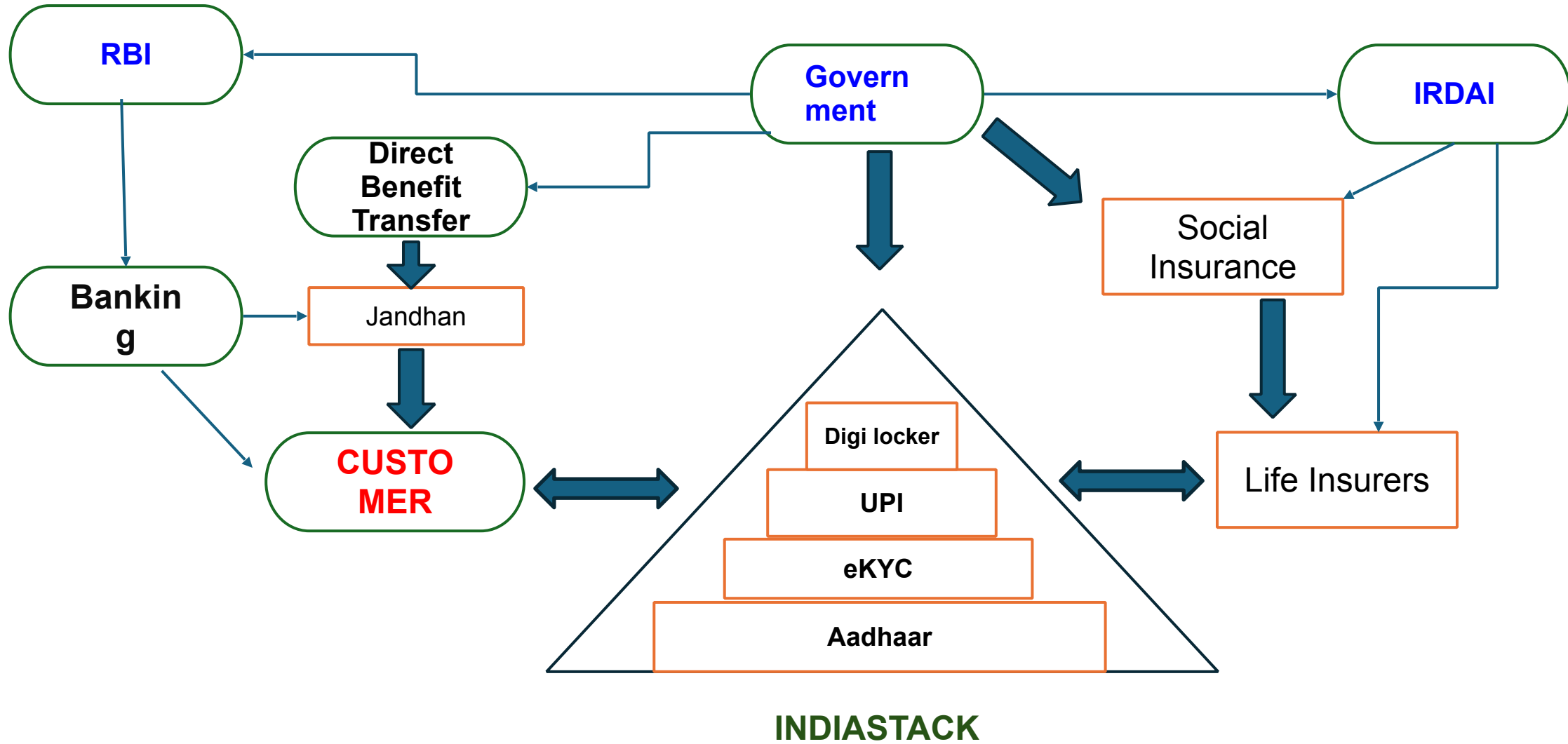
? Aadhaar Enabled Payment System (AePS)



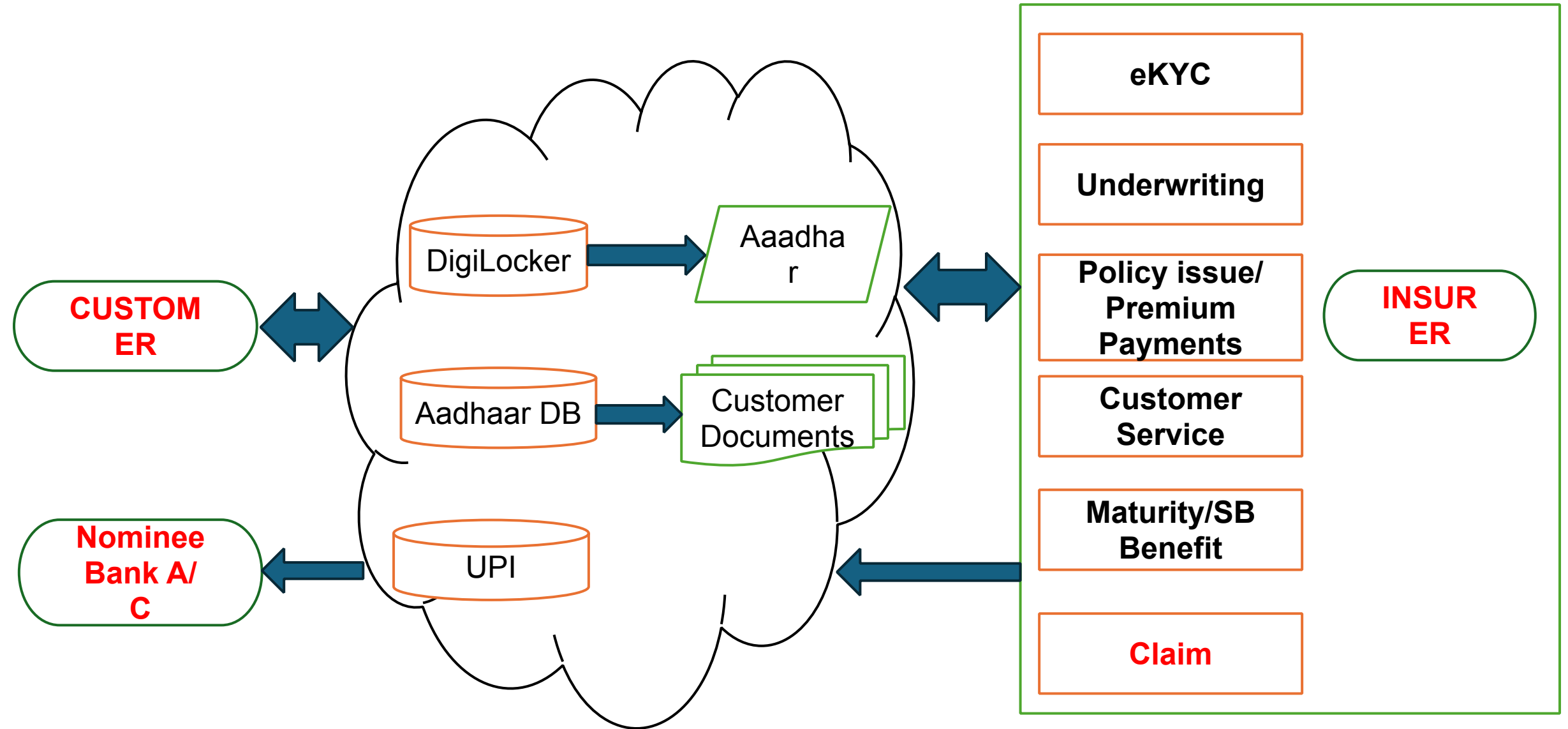
Research Hypothesis

- ❑ **H1:** India Stack technologies (Aadhar based eKYC, Digilocker and UPI) are being used in Life Insurance operation
- ❑ **H2 :** The usage of India Stack technologies has resulted in simplifying the life insurance processes
- ❑ **H3:** The usage of India Stack technologies has improved operational efficiency of Life Insurers
- ❑ **H4 :** The usage of India Stack technologies in life insurance, has resulted in better customer service
- ❑ **H5 :** The usage of India Stack technologies, in Life Insurance have led to an increase in new business and thus insurance penetration in India

India stack & Insurance: Key stakeholders and Interaction



Adoption of Technology: Life Insurers in India





Impact on Life Insurance:

[?] Three Social Insurance schemes launched in 2015 utilizing

India Stack coverage :

- Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY): [125.5 million](#) in-force policies
- APY (Atal Pension Yojana): [84.5 million](#) In-force policies
- Pradhan Mantri Suraksha Bima Yojana (PMSBY): [580.9 million](#) cumulative enrolments

[?] India Stack Technologies: Insurtech

[?] Lives covered under Group schemes has increased rapidly

[?] Insurance density has grown faster than global average



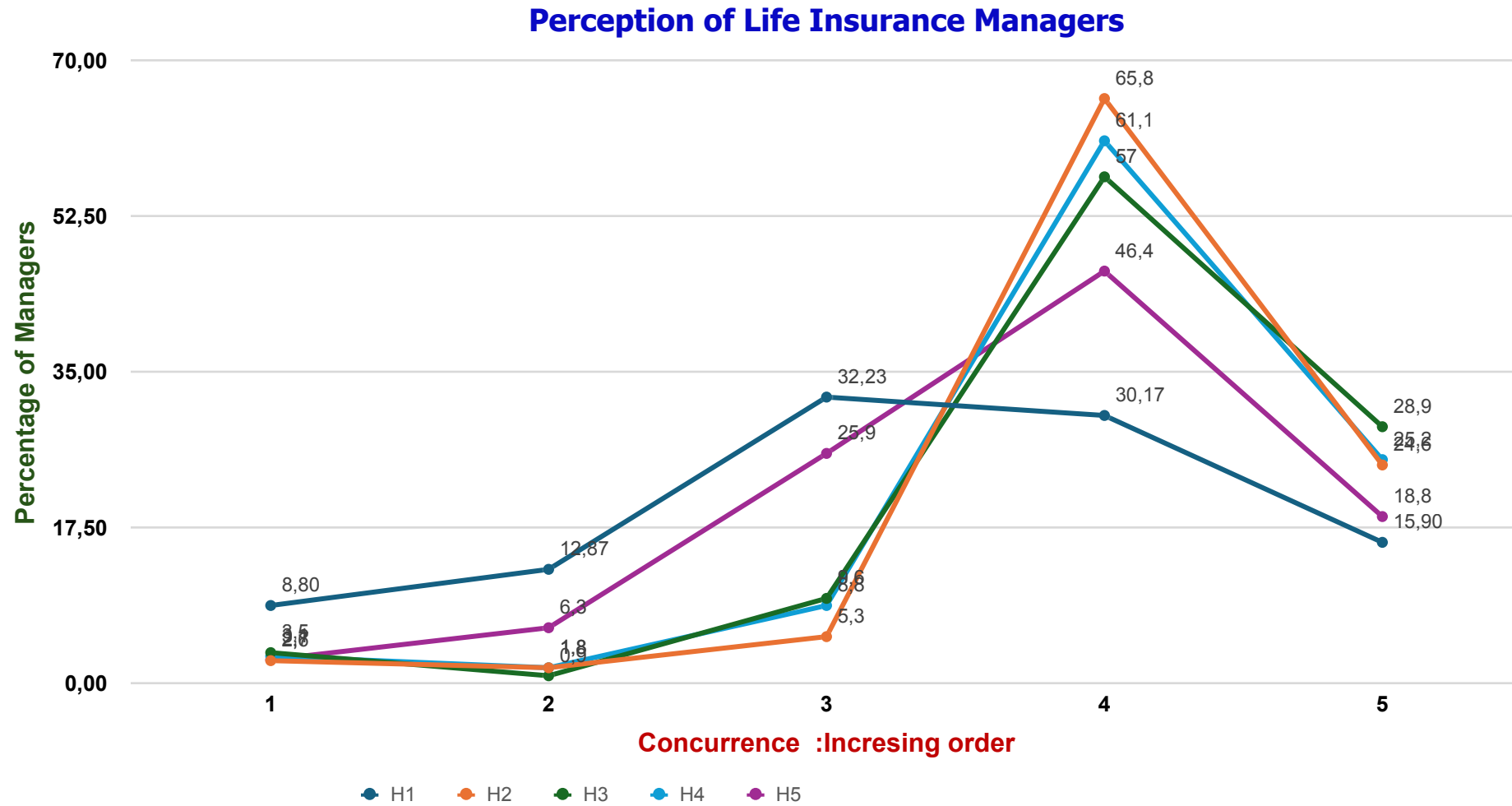
Impact on Life Insurance : Primary Data Analysis

The analysis of data collected so far reveals that:

- **61% Managers were in rural areas**
- **82 % were male**
- **96% were working at operational level**
- **88% had more than 10 years' experience in Life Insurance.**
- **Thus, majority of them were working before introduction of India Stack & has seen operations before & after introduction of India Stack.**



Impact on Life Insurance : Primary Data Analysis





The Benefits of India Stack: Poverty Reduction

- ❑ **Financial Inclusion**
- ❑ **National Multidimensional Poverty Index (MPI) :**
- ❑ **(Indian Niti Aayog)**
- ❑ **2015-16 : 24.85 % (beginning of the JAM Trinity)**
- ❑ **2019-21: 14.96 %**
- ❑ **2022-23 :11.28%**
- ❑ **This is over **200 million people** escaping out of poverty.**



Costs to Society

? Frauds

Higher incidence in UPI ,but declining

? Data Privacy

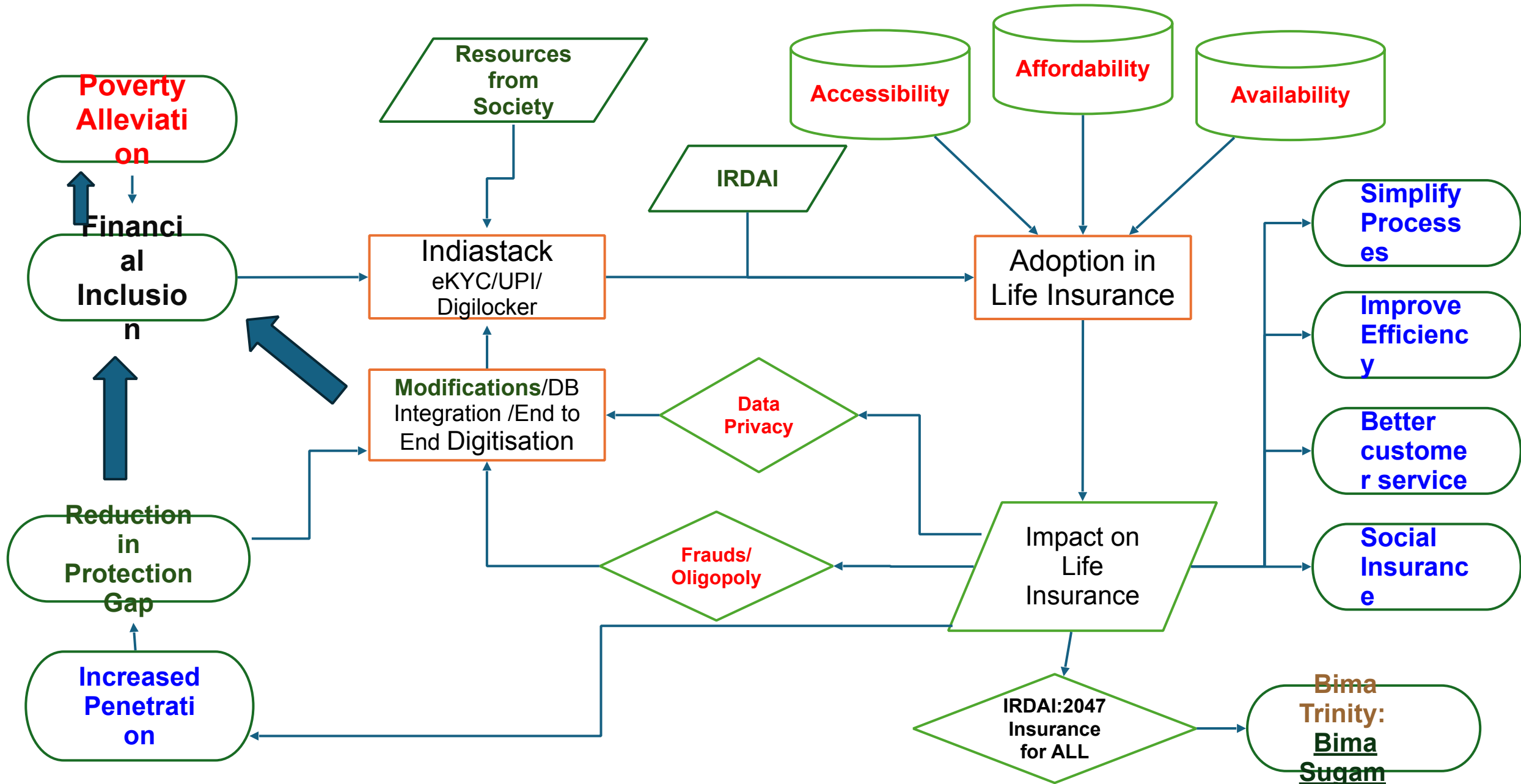
Digital Personal Data Protection (DPDP) Act, 2023,
Implementation Challenges

? Oligopolies

Three large players, PhonePe (48.4 %), Google Pay (36.9%),
and Paytm (6.9%) dominate in UPI.

? Loss of livelihood for the Intermediaries

N2B Iterative Model :India stack & Insurance





Conclusions

- ❑ **India Stack Technology is widely adopted by Life Insurers in India.**
 - **This has led to operational efficiency**
 - **Resulted in improvement in customer service**
 - **Increase in Life Insurance business**
- ❑ **Individual policies have remained static but premium income has doubled**
- ❑ **Penetration as a percentage of GDP increased marginally**
- ❑ **Number of lives covered have increased by over 325 million over last decade mainly due to rise in social insurance and group business.**
- ❑ **To some extent it tests the validity of the proposed N2B model**



Future Scenario:

- ? IRDAI :2047**
- ? Bima Trinity**
- ? Bima Sugam**
- ? Health Stack**
- ? Insurance India stack**
- ? Linked databases**
- ? End to end digitization**



Area for Future Research

- ❑ Refining the N2B model**
- ❑ Assessing the impact from the policyholder's perspective.**
- ❑ Detailed cost-benefit analysis of India Stack element in Life Insurance**
- ❑ The impact of Jan Dhan and the direct benefit transfers on Life Insurance adoption**



About National Insurance Academy



- NIA was established in 1980 jointly by the Ministry of Finance - Government of India and the 5 public sector Insurers including LIC of India, The largest Life Insurer in India
- Situated at Pune in a 32-acre lush green campus with world class infrastructure
- It's the premier Insurance education and training institute in India
- It trained over 8000 Insurance Managers last year in the MDP Program
- It also conducts a two year Post Graduate Diploma in Management course

Thank You

Q&A

Contact Details:
25, Balewadi, Baner Road, NIA Post Office
Pune 411045, Maharashtra, India
sumesh@niapune.org.in
Tel: +91-8928717119