Indian Economy · GS - III

Examine how consolidation in India’s digital insurance distribution sector can influence competition, consumer access and regulatory oversight.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 22/10/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Insurtech, mergers and acquisitions, financial inclusion, competition, consumer protection, IRDAI, data privacy.

Model Answer

Introduction:

Digital insurance platforms are transforming insurance distribution by enabling consumers to access and compare policies online. Mergers can reshape this emerging market.

Main Body:

Potential Benefits

1. Greater reach: Consolidated platforms may expand insurance access, including in underserved areas.
2. Operational efficiency: Integration can reduce duplicated costs and improve technology infrastructure.
3. Consumer convenience: Better digital services may simplify policy comparison, purchase and renewal.
4. Innovation: Greater resources may support improved customer service and digital insurance solutions.

Key Concerns

- Market concentration: Reduced competition could weaken consumer choice.
- Transparency: Consumers need clear information about premiums, exclusions and commissions.
- Data protection: Consolidation increases the importance of secure handling of customer information.
- Regulatory compliance: Businesses must meet applicable IRDAI requirements and competition-law obligations.
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Conclusion:

The InsuranceDekho–RenewBuy merger illustrates consolidation in digital insurance distribution. Its broader impact will depend on effective regulation, fair competition, transparent selling practices and strong consumer protection.

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