CASE STUDY: INSURANCEDEKHO: ONE DISTRICT AT A TIME

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***Abstract*—Ankit Agrawal, the co-founder and CEO of Insurance Dekho, sat in a district-level training center in Madhya Pradesh, noticing a group of freshly appointed Point-of-Sale (POS) insurance agents. The center looked more like a government classroom than the headquarters of a speedily rising fin tech startup: plastic chairs arranged in rows, a grey blackboard used to explain how premiums were calculated, and hand-drawn posters related to simple insurance concepts such as "What is a deductible?". The room lacked the aesthetics of a modern tech company—no LED screens, no branding-laden signboards, no lustrous corporate décor. But for Ankit, this was the symbolic center of Insurance Dekho's exclusive growth strategy.**

Founded in 2017 as the insurance arm of Car Dekho Group — India's biggest digital automotive solutions provider — Insurance Dekho was incubated with a clear mission: to insure every Indian household and business, particularly those in smaller cities and towns where traditional insurers had limited coverage due to high cost-to-serve. The founders, Ankit Agrawal (CEO) and Ish Babbar, recognised that digitising the agent distribution model — rather than replacing agents — would be the most effective strategy for deepening insurance penetration in India (www.eurazeo.com, 2023).

The firm operates under a regulatory framework sanctioned by the Insurance Regulatory and Development Authority of India (IRDAI), which recognises it as an authorised direct insurance intermediary. A noteworthy regulatory advancement came in July 2024, when IRDAI extended a composite insurance broking licence to the company, creating a strategic gateway for Insurance Dekho to diversify into the reinsurance segment.

The company had grown remarkably—reaching nearly all pin codes in India and on boarding lakhs of local agents—but the financials were beginning to reflect the cost of this strategy. In FY25, Insurance Dekho posted a net loss of ₹47.5 crore despite strong revenue growth, raising concerns among investors about the unit economics of such aggressive expansion (https://inc42.com/buzz/insurancedekho-slips-into-red-posts-inr-47-5-cr-loss-in-fy25/).

Insurance Dekho has merged with RenewBuy through a share-swap transaction. The combined company is expected to be valued at around Rs.7,400 crore and become one of India's largest insurance distribution platforms. The merger is subject to regulatory approvals, and Ankit Agrawal is expected to lead the merged entity as CEO (www.economictimes.com, 2026).

Now, as he studied the latest financial data on his laptop, Ankit suspected whether the company had reached a turning point? Should they maintain the costly, boots-on-the-ground expansion model? Or adopt more digital, self-service marketing strategy—something investors may favour?

This strategic dilemma formed the basis of the case.

I. INDUSTRY BACKGROUND

The Problem of Insurance Penetration in India

Insurance penetration in India has remained adamantly low for years. Even though literacy rates and digital connectivity have improved considerably, the country still has one of the lowest insurance penetration ratios in Asia. This is due to Limited awareness Complex product structure **,** Skepticism toward online platforms**,** Reliance on agents/intermediaries.

Various reports highlight that Indians—especially in rural and semi-urban areas—prefer insurance products to be discussed by someone they know and trust. Digital-only companies such as Policy Bazaar or Acko have seen more acceptance in metros, but penetration in remote areas remains to be weak. Insurance Dekho anticipated that solving this problem required a hybrid approach: digital tools + physical presence.

Product Portfolio

Insurance Dekho offers a wides range of insurance products covering virtually all major categories:

- **Motor Insurance** — car and two-wheeler insurance covering damages, theft, third-party liabilities, and personal accidents
- **Health Insurance** — individual, family floater, and critical illness plans
- **Life and Term Insurance** — term plans, savings-linked products, and investment-linked policies
- **Travel Insurance** — domestic and international travel coverage
- **Commercial / Corporate Insurance** — business protection products

The platform streamlines underwriting by allowing users to compare quotes from several insurers and complete the purchase online, focusing mainly on agents and customers outside the metro cities.

The Insurance Dekho Model

The company's business model focuses on:

1. Local Point of Sales (POS) Agents : Insurance Dekho recruits local people, like shopkeepers, small entrepreneurs, and mobile repairers who already have the trust of the public. They are Professionally developed and authorized as Point of Sales agents. Out of total Point of Sales Agents, with 20% of agent are women.

2. Hybrid Training : Insurance Dekho gives hybrid training which includes Insurance basics, Digital documentation, Regulation compliance and Product comparison tools.

3. Technology Backend : Insurance Dekho gives access to Agents to use digital platform for various tasks such as comparing the products, generating quotes, uploading documents, Initiate claims etc.

4. Large-Scale Presence : Within shorter time span Insurance Dekho has developed on large scale. Insurance Dekho is now covering 99% of India's pin codes (https://bfsi.eletsonline.com/, 2026).

5. Strong Funding Support : Insurance Dekho has raised a total of $362M over 7 funding rounds: 4 Early-Stage, 2 Late-Stage and 1 Debt rounds (https://tracxn.com, 2026) .

II. THE BUSINESS CHALLENGE

Despite the impressive growth, Insurance Dekho's financials shown stresses familiar to distribution-heavy business models.The company posted a Net Loss of Rs. 40.5 Crores due to (www.inc42.com, 2026):

- Rapid enrolment of agents
- Higher expenses related to training and licensing of agents
- District extension expenses
- Incentives to newly joined agents
- Higher expenses related to customer support and claims assistance

The significant question challenging the leadership was :

How can Insurance Dekho stand with an expensive agent-led distribution model while endeavouring for cost-effectiveness in a extremely competitive digital market?

This question became more crucial as investors expected from the company to demonstrate operational efficiency and establish a clear roadmap for sustainable and profitable business unit.

III. THEORY CONNECTION

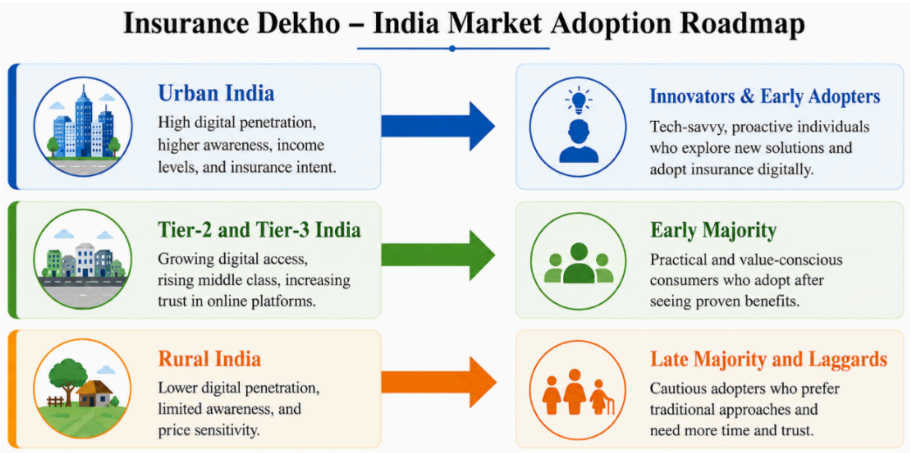
Diffusion of Innovations (Rogers, 2003)

Diffusion of Innovations (DoI), developed by Everett Rogers (Rogers E. M., 2003), describes how novel ideas, practices or technologies transmit across populations. The theory splits adopters into five categories:

1. **Innovators** (2.5%)
2. **Early Adopters** (13.5%)
3. **Early Majority** (34%)
4. **Late Majority** (34%)
5. **Laggards** (16%)

Each category varies in trust, risk tolerance, reliance on social networks and openness to digital solutions.

Insurance Dekho's strategy naturally maps onto this model.



Category I: Urban India → Innovators & Early Adopters

Urban consumers are comfortable with online purchases. Urban consumers exhibit a high level of reliance on brand websites and frequently utilize comparison portals for decision-making. They are comfortable with one to one discussion. These customer segments demonstrate a strong inclination toward adopting digital insurance services directly, without the involvement of intermediaries. Consequently, digital-first marketing strategies tend to be particularly effective in engaging them.

Category II: Tier-2 and Tier-3 India → Early Majority

In India, Tier-2 and Tier -3 City means smaller towns. Customers from smaller towns need personal reassurance. These customers prefer a mix of digital + human guidance. They value local agents who speak their language and most importantly they are conscious about price and service reliability. Insurance Dekho's hybrid model—simple digital tools + trained agents—is ideal for this segment.

Category III: Rural India → Late Majority and Laggards

Rural India has low trust in digital transactions. Rural people wants a familiar intermediary. They relies heavily on word-of-mouth. Rural customers may struggle to comprehend the complexity of Insurance policy.

A digital-only model simply cannot work here. Agents act as what Rogers (2003) calls change agents, helping laggards overcome adoption resistance.

IV. PROBLEM STATEMENT

Insurance Dekho must determine how to balance its high-touch physical agent network and its low-cost digital adoption strategy.

The core strategic problem:

How should Insurance Dekho distribute its resources between digital growth and agent-led growth to optimize insurance adoption and attain economically viable model?

This also consist of sub-questions such as :

- Should agent-led growth slow down?
- Should digital-first models be conducted in certain markets?
- How can marketing be planned using adoption theory?
- How to reduce Customer Acquisition Cost (CAC) while preserving trust-building mechanisms?

V. CASE NARRATIVE

A. Agents as Change-Makers

Rogers' theory emphasizes the significance of intermediaries—change agents—in influencing the diffusion process (Rogers E. M., 2003). Insurance Dekho's agents act precisely in this role. They instruct customers about coverage, Minimize perceived risk, Offer guided support during claims, Meet customers regularly and maintain constant relationship with customers. It is not possible. In the absence of such support mechanisms, the adoption of insurance in rural areas would likely remain limited and slow.

B. Urban vs Rural: Two Different Worlds

Ankit and his leadership team recognized that India is a highly heterogeneous market rather than a single unified one.

Urban India where people quickly adopt digital technology with high level of financial literacy. Strong confidence in digital platforms, coupled with a robust and well-functioning competitive market environment, contributes to improved user engagement and market efficiency.

Rural India where people have fear of technology adoption, limited financial awareness, high dependence on informal networks , strong emphasis on personal trust. Agents continue to play a crucial role, for longer period of time.

C. Funding Pressures

Recent funding rounds—such as the $70M raised in 2025—were based on a promise of rapid expansion and future monetization (www.Economic Times.com, 2025).However, this created pressure to justify Increasing working costs, Excessive customer acquisition cost (CAC), discrepancy related with agent productivity and maintenance of technology. Investors increasingly sought confidence that the company's business model had the potential to achieve long-term profitability.

VI. STRATEGIC OPTIONS

As Insurance Dekho's leadership talk over the next phase of strategy, several prospective pathways emerged. Each option had clear trade-offs between growth, profitability and alignment with adoption theory.

OPTION 1: Continue Assertive Agent-Led Expansion

Insurance Dekho's strongest differentiator was its Location-specific agent network. Continuing this strategy offered the following Advantages.

Advantages

- Strong penetration in rural and semi-urban segments.
- High customer trust through personal interactions.
- Improved claims support and after-sales service.
- Large-volume growth in health, motor and MSME insurance.

Risks

- Increasing operational costs (training, licensing, on boarding).
- Slower path to profitability.
- High dependency on agent efficiency.
- Scaling complexity through culturally different districts.

Alignment with Rogers' DoI Theory

This strategy directly supports the diffusion of innovation among late majority and laggards, where change agents are necessary.

OPTION 2: Shift to a Digital-First Marketing Model

Inspired by competitors like Policy Bazaar, Insurance Dekho could switch over to app-based self-service models.

Advantages

- Lower Customer Acquisition Cost (CAC) in the long term.
- Higher margins per policy.
- Expandable and efficient with fewer operational constraints.
- Appeals to innovators, early adopters and early majority.

Risks

- Poor adoption in Tier-3 cities and rural markets.
- Loss of trust-driven sales.
- Higher leaving rates due to product complexity.
- Tough competition in digital-only channels.

DoI Theory Fit

This strategy fits innovators and early adopters, but not the broader Indian market.

OPTION 3: Hybrid Strategy (Segmented Approach)

A blended model where:

- **Urban-Metro:** Digital-first acquisition.
- **Tier-2/3:** Hybrid—digital tools + agent support.
- **Rural:** Human-led with digital assistance.

Advantages

- Balanced cost structure.
- Market-specific strategies to improve unit economics.
- Consistent with customer behavior patterns.
- Lower dependency on agent subsidies in urban areas.

Risks

- Requires more advanced analytics and segmentation.
- Operational complexity increases.
- Execution risk during transitions.

DoI Theory Fit

This approach is consistent with Rogers' model, which advocates the use of segment-specific marketing and communication strategies for different adopter categories.

OPTION 4: Focus on Agent Productivity Instead of Expansion

Instead of recruiting more agents, Insurance Dekho could:

- Train current agents better
- Increase per-agent monthly policies
- Introduce incentives for retention
- Provide further digital tools
- Reduce churn

Advantages

- Lower expansion costs.
- Better unit economics.
- Stronger service quality.
- Higher lifetime value Life Time value (LTV) per agent.

Risks

- Sluggish geographic coverage.
- Competitors may scale more rapidly.
- Limited policy growth in the short run.

VII. INSIGHTS FROM DIFFUSION OF INNOVATIONS THEORY

Rogers' theory highlights five key constructs: **relative advantage, compatibility, complexity, trial ability, observability**. Insurance Dekho represented these to customer realities.

1. Relative Advantage : Customers adopt insurance when they see a clear benefit:

- Motor: compulsory → easy adoption
- Health: high hospital bills → strong value
- Life/MSME: low awareness → weaker perceived benefit

Agents help strengthen relative advantage through storytelling and examples.

2. Compatibility : Insurance must fit customer needs, beliefs, and lifestyles.

Urban → long-term planning mind set → insurance fits
Rural → income instability → resistance to recurring premiums

Agents alter messaging to improve perceived compatibility.

3. Complexity : Insurance is naturally complex. Words like premium, sum assured, deductible and exclusions confuse first-time buyers.

Digital-only channels struggle to simplify complexity.
Agents simplify complexity → faster adoption.

4. Trial ability : Customers prefer "trying" the process before buying.

Digital → high rejection
Agent → guided process → easier first-time trial

5. Observability : Customers adopt faster when they see others using the product.

In urban India → visible through ads & media
In rural India → visible through agents & word-of-mouth

Rogers also states that late adopters rely greatly on personal networks, making human-led distribution crucial for rural penetration of insurance services.

VIII. INTERNAL DATA & PERFORMANCE METRICS

Insurance Dekho collected extensive data about agents, customers and regions. The insights shaped their strategy.

A. Agent Performance Patterns

- Top 20% agents contributed nearly 70% of total premium.
- New agents took 60–90 days to become productive.
- Rural agents excelled in motor and health policies.
- Urban agents handled more niche products (term life, cyber insurance, MSME).

Implication: The company must invest more in the high-performing segment rather than recruiting excessively.

B. Customer Behavior

Urban Customer Behavior

- Price-sensitive but digitally savvy.
- Evaluate multiple policies online.
- Low need for personal guidance.
- Prefer quick renewals via app or WhatsApp.

Rural Customer Behavior

- High trust deficit.
- Mandatory face-to-face interaction.
- Prefer paying premiums in cash.
- Require claims support through the entire lifecycle.

Implication:
Two customer groups → two marketing strategies.

C. Financial Stress Points

Key cost drivers:

1. On boarding & training costs
2. Agent incentives
3. Physical infrastructure
4. Claims assistance
5. Technology maintenance

The company needed a profitability roadmap.

IX. FINAL DECISION DILEMMA

By mid-2025, Ankit and the leadership team faced a pressing decision:
Which strategy ensures long-term sustainability while retaining the trust advantage?

Three factors shaped the dilemma:

1. **Investor Expectations:**
   Investors expect faster revenue scaling along with constant business growth. They look for improved Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and higher overall profitability. There is also a focus on cut down the Customer Acquisition Cost (CAC) to increase efficiency. Advanced levels of automation are expected to streamline operations and reduce dependency on manual procedures. Additionally, investors want to see a clear shift to a digital-first business model.
2. **Market Realities:**
   In reality, a digital-only model tends to work effectively in metropolitan cities where customers are comfortable transacting online. On the other hand, an agent-only model is more successful in rural areas where customers prefer personal contact and trust-based selling. Therefore, a hybrid distribution model is required to successfully operate across the entire country.
3. **Competitive Landscape:**
   Policy Bazaar has established a strong digital presence. Acko operates with a digital-first approach and leverages embedded insurance partnerships. PhonePe offers micro-insurance products bundled within its platform ecosystem. Banks continue to act as trusted intermediaries for insurance distribution. In this competitive environment, Insurance Dekho needed a clear differentiation strategy to stand out.

1. Investor Expectations

- Faster revenue scaling
- Improved EBITDA
- Lower CAC
- Higher automation
- Clear digital-first shift

2. Market Realities

- Digital-only works in metros
- Agent-only works in rural areas
- Hybrid required nationwide

3. Competitive Landscape

- Policy Bazaar → strong digital
- Acko → digital + embedded insurance
- Phone Pe → micro-insurance bundles
- Banks → trusted intermediaries
- Insurance Dekho → needed differentiation.

Future Agenda:

The company's strategic agenda for the foreseeable future incorporates several interrelated pillars: broadening its partner agent network into India's underserved Tier-2 and Tier-3 geographies, utilising its IRDAI-granted composite broking licence to make inroads into reinsurance, channelling investment into AI-powered technology platforms, and charting a course toward a public market listing by 2027 — all in pursuit of establishing itself as a fully integrated digital insurance institution.

X. TEACHING NOTES & DISCUSSION QUESTIONS

(For classroom or academic use)

1. How does Rogers' Diffusion of Innovations theory explain customer behavior across India's insurance markets?
2. Should Insurance Dekho prioritize digital expansion or strengthen its agent network? Why?
3. What metrics should the company track to evaluate profitability in rural markets?
4. How can Insurance Dekho reduce its customer acquisition cost (CAC)?
5. What marketing strategies fit innovators vs laggards in the insurance sector?
6. Should Insurance Dekho introduce Whats App-based self-service insurance? Would this accelerate adoption?
7. What role do POS agents play as "change agents" in the DoI framework?

XI. CONCLUSION

Insurance Dekho's journey represents a uniquely Indian innovation story. The company flourished because it understood that technology alone cannot solve India's insurance penetration problem.

Rural customers adopt insurance not because a website convinces them, but because a trusted local intermediary explains the product in familiar terms.
Urban customers adopt insurance because digital convenience outweighs the need for face-to-face reassurance.

The strategic challenge for Insurance Dekho is balancing these two worlds—**high-tech digital tools and high-touch human support**. As Ankit looked at the training classroom in a small district, he knew one truth:

To insure India, you must first understand India.

Insurance Dekho has utilised AI technology and an agent-led model to make insurance more accessible, employing a point-of-sale person model with a network of 220,000 partners offering more than 720 insurance products spanning motor, health, life, and corporate sectors. As of 2025–26, Insurance Dekho has raised $362 million in total funding across multiple rounds from 27 investors, and is reportedly eyeing a public listing by 2027. This paper presents an overview of the company's origin, business model, product portfolio, growth trajectory, competitive positioning, and strategic outlook within the rapidly evolving Indian InsurTech landscape (www.pitchbook.com, 2026).

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