



INAUGURAL EDITION

RISE 2025-26 RISK AND INSURANCE SURVEY FOR ENTERPRISES

Highlighting Key Risks
Impacting Corporate India Inc.

www.prudentbrokers.com



About Prudent

Prudent Insurance Brokers Pvt. Ltd. is one of the leading insurance brokers in India, with over **two decades** of presence in the Indian market with consistent annual growth exceeding **20%**. Prudent has established itself as a trusted partner for Corporate India including mid to large clients.

We have strong capabilities around risk & insurance consulting in India with **1560+ professionals** bringing together deep technical expertise in risk assessment, insurance placement, and claims management - capabilities honed through decades of serving India's most complex corporate risks.

Prudent has established global capabilities through strategic partnerships to provide Indian multinationals with seamless access to insurance expertise in **120 countries**.

Headquartered in Mumbai, Prudent operates through a nationwide network of **12 offices**, including GIFT City, and recently started operations in Dubai.

Our **industry specialisations** reflect the breadth of Corporate India – including Manufacturing, Pharmaceuticals & Chemicals, Energy & Utilities, Technology, Automobiles, Construction, Hospitality, and Professional Services. This sectoral depth enables us to understand the unique risks profiles, regulatory environment, and operational challenges that define each industry, translating into more effective risk solutions for our clients.

Beyond client service, we are committed to advancing the practice of risk and insurance management across Corporate India. Through initiatives like Risk Management and Insurance Awards (RMIA) in partnership with ET Now, EY, and PARIMA, we recognise and celebrate excellence in risk management practice. Our research publications, collaborative partnerships with organisations like PARIMA contribute to building a more risk aware corporate ecosystem.

In line with our commitment for industry-first initiatives, we are delighted to present - **RISE 2025-26 (Risk & Insurance Survey for Enterprises)** representing a comprehensive survey of risk and insurance management across Corporate India. This report aims to provide actionable insights that will help in making informed decisions to strengthen Corporate India's risk resilience.

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Pavanjit Singh Dhingra

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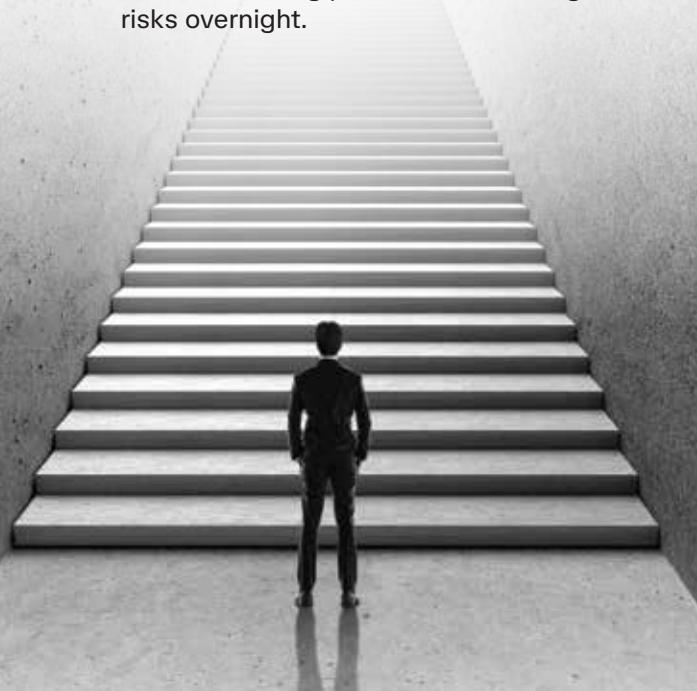
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Our Team & Key Contributors

Foreword

The conversation around **Risk** has undergone a fundamental shift. What was once centred around protection and recovery has now evolved into a dialogue about prediction, prevention, and readiness.

Corporate India today faces cyber threats that can cripple operations in hours. The emergence of artificial intelligence poses both as an opportunity and a challenge, and supply chains that stretch across continents are vulnerable to disruptions that are difficult to predict. Increasingly volatile climate patterns are rewriting the actuarial assumptions that underpin the insurance market. Regulatory landscapes are shifting across many jurisdictions and geopolitical tensions that turn trading partners into strategic risks overnight.



No single organisation can navigate this complexity alone. But collectively, we possess extraordinary insight. **RISE 2025-26 (Risk & Insurance Survey for Enterprises)** was conceived from a conviction that better data leads to better decisions. In my years in this industry, I have watched organisations make risk management choices based on anecdotes, intuition, or simply 'What we have always done'. These approaches served us in simpler times, but they are inadequate for the world we now inhabit.

RISE gathered insights from 400+ respondents across diverse industries and 17 Indian states. A risk survey was conducted amongst industry leaders and key decision-makers, and we complemented our quantitative survey with in-depth interviews. This survey aims to establish a unified, data-driven view of Corporate India's risk and insurance maturity – providing leaders with actionable insights into emerging vulnerabilities, shifting priorities, and readiness across industries.

I am grateful to every professional who has shared their time and insights. In an industry where competitive advantages always depend on what you know that others don't, their willingness to contribute to a collective knowledge base is commendable.

At Prudent, we believe that a rising tide lifts all boats. When Corporate India becomes more resilient, the entire ecosystem benefits – insurers manage more predictable portfolios, employees work in safer environments, communities depend on more stable employers, and the industry gains the confidence to pursue ambitious growth.

RISE is our contribution to that rising tide. We intend this to be the first of many – an annual franchise that tracks how Corporate India's risk and insurance landscape evolves and confronts emerging challenges.

Let's continue to RISE together.



Pavanjit Singh Dhingra
Joint Managing Director
Prudent Insurance Brokers Private Limited

RISE 2025-26
RISK AND INSURANCE
SURVEY FOR ENTERPRISES



Reading India's Risk & Insurance Pulse

CHAPTER 1

Demography and Participation Insights

Executive Summary

RISE 2025-26 captures how business leaders from industries are redefining risk in an era of accelerated change. Drawing on survey responses and engagement through digital platforms, the study captures insights from decision-makers across various industries, geographies, and company sizes. The report brings together responses and opinions from leaders and risk professionals throughout India, revealing how foresight, agility, and preparedness are shaping today's risk strategies.

1 Who We Heard From

Leaders. Thinkers. Risk-takers

45% of the respondents

represent C-suite and senior management, bringing strategic-level insights



61% have 16+ years of professional experience, ensuring a mature and evolved perspective

Participants spanned **17 states and 7 key industries**, reflecting India's geographic and sectoral diversity



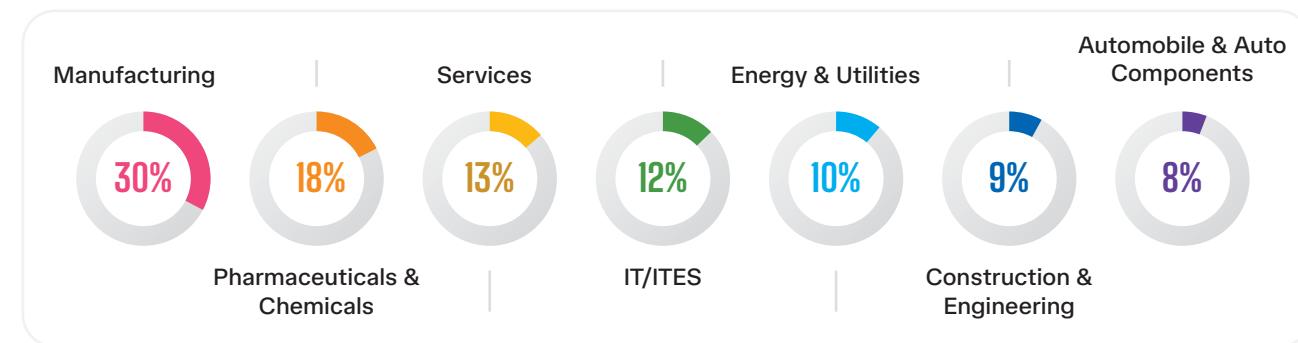
Built on a robust **database of 1,200+** meticulously gathered data points



3 What Industry They Represent

From Factories to Fintech – India's Enterprise Mix at Work

India's commercial and industrial landscape is reflected through a balanced participation across manufacturing & production, services, technology and infrastructure sectors – each bringing a unique risk perspective.



KEY INSIGHTS

- Manufacturing sector (including core manufacturing), Pharmaceuticals & Chemicals, and Automobiles, accounts for over half (56%) of the total participation, reflecting India's 'Make in India' initiative and industrial growth trajectory
- Services, which include BFSI, Hospitality, Retail, and Education sectors, make up about one-eighth (13%), led by IT/ITES at 12%. The services and IT/ITES sector are nearly balanced, comprising 25% when combined - indicating substantial knowledge-economy participation
- Infrastructure comprising Construction & Engineering, Energy and Utilities represents close to one-fifth (19%) when combined, highlighting participation from renewable energy, telecom, power transmission and distribution
- Participation from the Automobile and Auto Components stood at 8% of the total responses



4 What Experience They Bring

Experience Depth Anchoring the Risk Perspective

The survey reflects a highly experienced respondent base with extensive exposure to India's evolving risk environment.



KEY INSIGHTS

 The middle management respondent base (55%) forms a major segment of the overall percentage, and provides operational perspectives on enterprise risk execution at the ground level

 62% of the respondents with 16+ years of professional experience correlate with exposure to diverse risk events, translating knowledge into strategic foresight

 Together, C-suite and senior management respondents represent 45% of the total sample, indicating that the survey captures seasoned risk management perspectives developed through multiple business cycles

Key Takeaways



Robust Dataset:

Insights drawn from **1,200+ validated data points** ensure analytical depth and reliability



Pan-India Coverage:

Respondents represent **17 states across 4 regions**



Exceptional Leadership Engagement:

45% of the respondents are senior management, reflecting strategic-level participation



Diverse Industry Representation:

7 key industry categories manufacturing, services, and allied sectors, reflecting evolving business landscape



Seasoned Cohort:

62% with 16+ years experience



High Response Integrity:

Achieved a 100% survey completion rate, affirming data robustness



A photograph of a modern building with a curved glass facade. In the foreground, a set of stairs leads up to the entrance. The building's design features a grid of windows and a curved roofline. The overall aesthetic is clean and contemporary.

RISE 2025-26

RISK AND INSURANCE SURVEY FOR ENTERPRISES

RISE 2025-26 RISK AND INSURANCE SURVEY FOR ENTERPRISES



Industry-wise Risk Analysis

CHAPTER 2

Comprehensive Analysis of Risk Trends and Business Implications

Executive Summary

This inaugural risk survey report offers a data-driven view of key industrial sectors in India, analysing both near-term (1-year) and long-term (3-year) risks. Based on robust survey responses, it highlights how organisations balance emerging and strategic risks to strengthen preparedness and resilience. The findings reveal sector-specific differences in risk exposure-shaped by regulation, supply chains, digital maturity, and investment cycles-across industries from Energy & Utilities to IT/ITES and Services.

This section aims to embed risk intelligence into decision-making, enabling businesses to protect value and capitalise on growth opportunities in a dynamic risk environment.

Industries Covered



Automobile &
Auto Components



Construction &
Engineering



Energy & Utilities
(Including Telecom)



Pharmaceuticals &
Chemicals



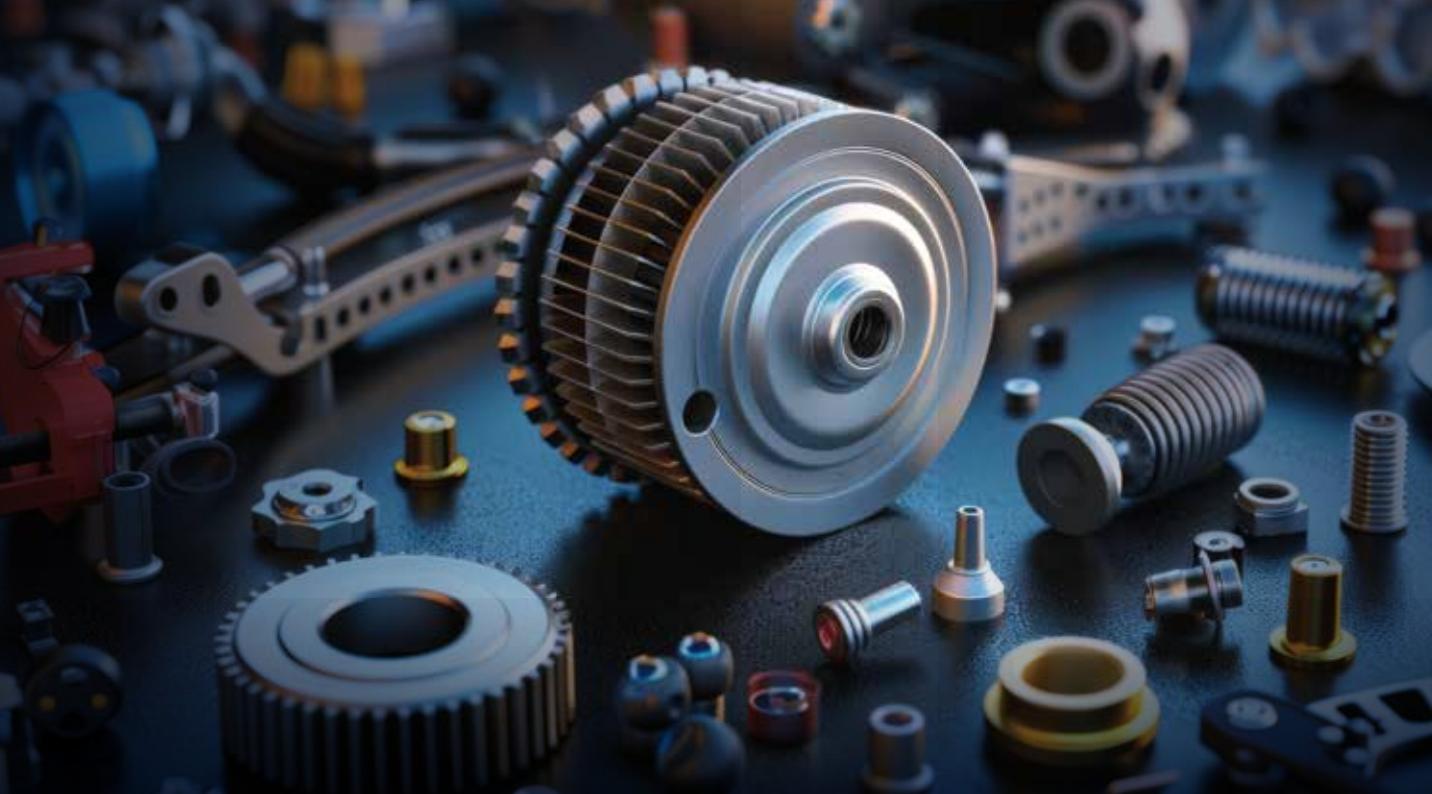
IT/ITES & E-commerce



Manufacturing



Services



SECTION 1

AUTOMOBILE & AUTO COMPONENTS



Automobile & Auto Components



Evolving Industry Landscape

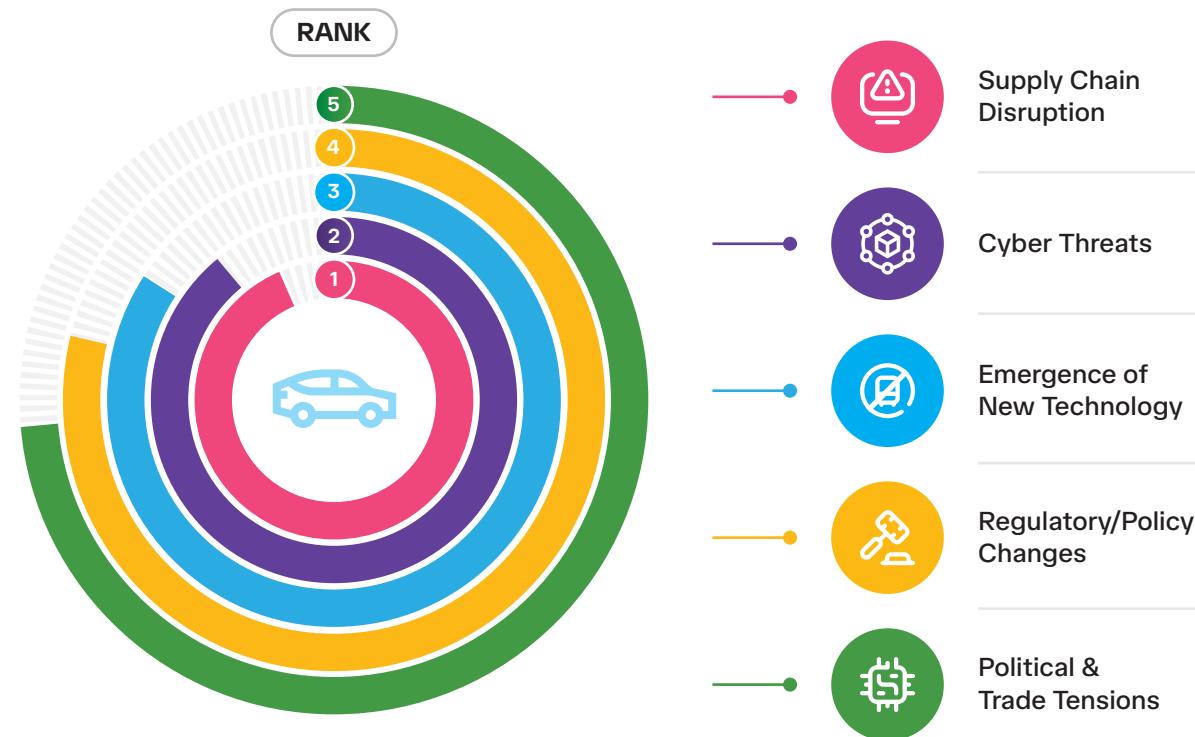
The **Automobile & Auto Components** sector is undergoing one of the most significant transformations in its history. It faces unique challenges from the transition to electric vehicles, autonomous driving technology, automated processes, supply chain complexity, and stringent safety regulations.

Simultaneously, the industry continues to grapple with multi-layered global supply chains, heightened regulatory expectations, and a manufacturing ecosystem where even minor disruptions trigger substantial downstream impacts. This convergence of operational and technological changes places automotive companies under sustained pressure, both strategically and operationally.

As of 2025, the Indian Automobile market is valued at ~INR 22 lac crore and is projected to grow at a CAGR of 7.3% to reach around INR 31.3 lac crore by 2030. In parallel, the Indian Auto Components market is valued at ~INR 6.73 lac crore in 2025 and is expected to grow at a robust CAGR of 20% to reach around INR 17 lac crore by 2030.

Short-term Emerging Risk Outlook (Next 1 Year)

Supply Chain Disruption emerged as the top concern, reflecting ongoing vulnerabilities stemming from geopolitical disruptions, semiconductor shortages, and the challenges of managing complex multi-tier supplier networks. **Cyber Threats** rank closely behind, reflecting immediate pressures from technological shifts such as Industrialisation 4.0 (IoT), software-driven systems, and vehicle automation. The **Emergence of New Technology** also features prominently, highlighting the concerns about the fast pace of innovation and the race to develop autonomous driving capabilities.

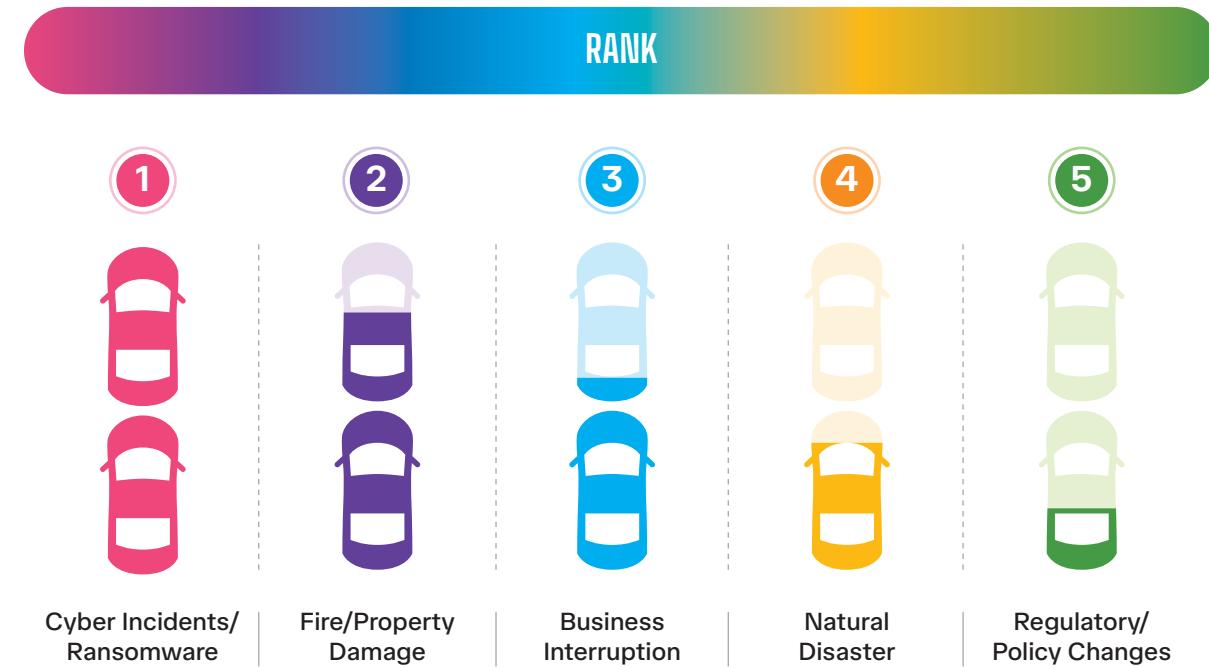


Top Strategic Risks Shaping the Three-year Horizon

While short-term risks reflect immediate visible pressures, the three-year outlook reveals deeper risk factors. Respondents identified **Cyber Incidents/Ransomware** as the most critical long-term strategic risk. As vehicles become increasingly software-defined, the expansion of connectivity and embedded systems has created broader attack surfaces, elevating cybersecurity as a board-level priority.

Traditional risks remain significant. **Fire/Property Damage**, along with **Business Interruption**, reflect ongoing concerns about plant safety, machinery reliability, and continuity risks in capital-intensive operations with tight production cycles.

Natural Disaster and **Regulatory/Policy Changes** round out the Top 5, underscoring the sector's sensitivity to environmental events and the implications of fast-evolving emission, safety, and technology regulations.



SECTORAL INSIGHTS: WHAT THE DATA REVEALS

The shift from Supply Chain Disruption as the dominant near-term concern to Cyber Incidents/Ransomware in strategic planning indicates immediate operational and digital stress within the automotive industry. New Technology Emergence appears in the 1 year horizon, suggesting rapid innovation cycles. Notably, cyber risks remain consistently elevated, in the first and second positions across both timeframes, reflecting the ongoing digital transformation of the industry.



Why These Risks Matter: Structural Drivers

The automotive risk profile reflects:

1. Highly complex supply chains involving thousands of components from global suppliers
2. Recent semiconductor shortage impact creating heightened sensitivity to future disruptions
3. Vehicle connectivity and autonomous features are expanding exposure to cyber and software vulnerabilities
4. Accelerated transition to electric vehicle mobility, requiring new technology adoption and reconfigured supply chains

Resilience-building Actions for Automotive Leaders

To navigate these pressures, leaders should:

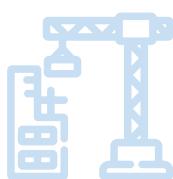
1. Invest in advanced technology R&D centres focusing on lightweight materials (Gigacasting, CFRP), magnet-less motors, & Level 2/3 ADAS capabilities
2. Implement Industry 4.0 quality controls with NABL-accredited testing & automation to achieve global certifications (ISO/SAE 21434, IATF 16949) for export markets
3. Achieve deeper localisation of critical components such as rare earth elements, semiconductors, and battery materials
4. Develop carbon reporting & green manufacturing (e.g., hydrogen steelmaking, EAFs) to meet EU CBAM requirements & sustain EU export competitiveness

COMMENT FROM THE INDUSTRY EXPERT



“ Fire/Property Damage risk is particularly acute in our industry, as it involves handling inherently hazardous materials, including propane, LPG, and CNG, for paint shop operations, paints, and thinners. Also, hot work and bodybuilding operations involving sparks and electrical systems create numerous potential ignition sources. **”**

Ritesh Mehta
Fiat India Automobile Private Limited



SECTION 2

CONSTRUCTION & ENGINEERING



Construction & Engineering



Evolving Industry Landscape

The **Construction and Engineering** sector operates in a landscape defined by complex project cycles and the need for coordination among multiple stakeholders. Ongoing challenges, such as delays, safety concerns, and supply chain volatility, continue to influence operational priorities. India's engineering and capital goods sector is advancing steadily, backed by the government's vision, increasing exports, and ongoing innovation across various industries.

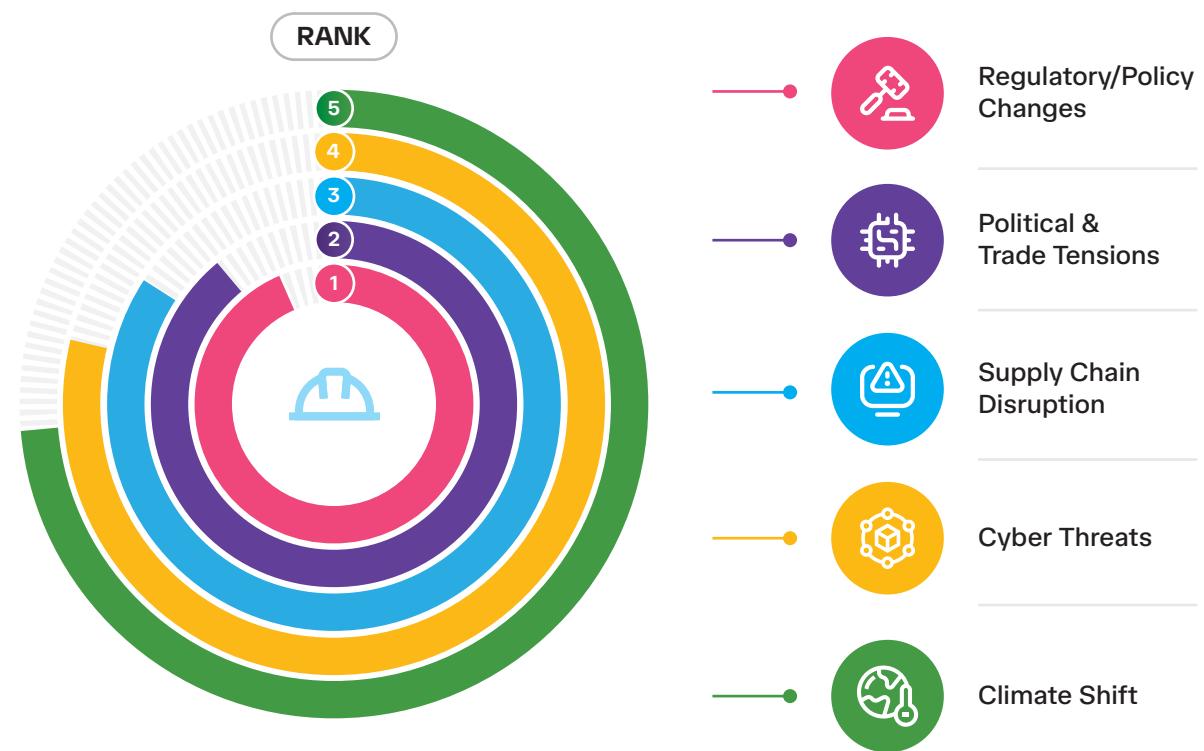
With a rise in global collaborations, robust policy support, and a thriving ecosystem for manufacturing and research, this sector is prepared to play a crucial role in driving industrial growth and positioning India as a global hub for engineering excellence in the coming years.

The Indian Construction sector, valued at ~INR 63.33 lac crore in 2025, is projected to grow at a CAGR of 7.4% to reach around INR 90.53 lac crore by 2030. Similarly, as of 2025, the market size of the Indian Engineering sector is about INR 30.43 lac crore, and is expected to expand at a CAGR of 5.02% to reach nearly INR 38.85 lac crore by 2030.

Short-term Emerging Risk Outlook (Next 1 Year)

While the sector is poised for significant growth, this optimism is tempered by emerging risks. **Regulatory/Policy Changes** were identified as the most pressing concern, followed by **Political & Trade Tensions**. This reflects uncertainty surrounding modifications to building safety codes, environmental standards, and decisions related to policy-linked funding.

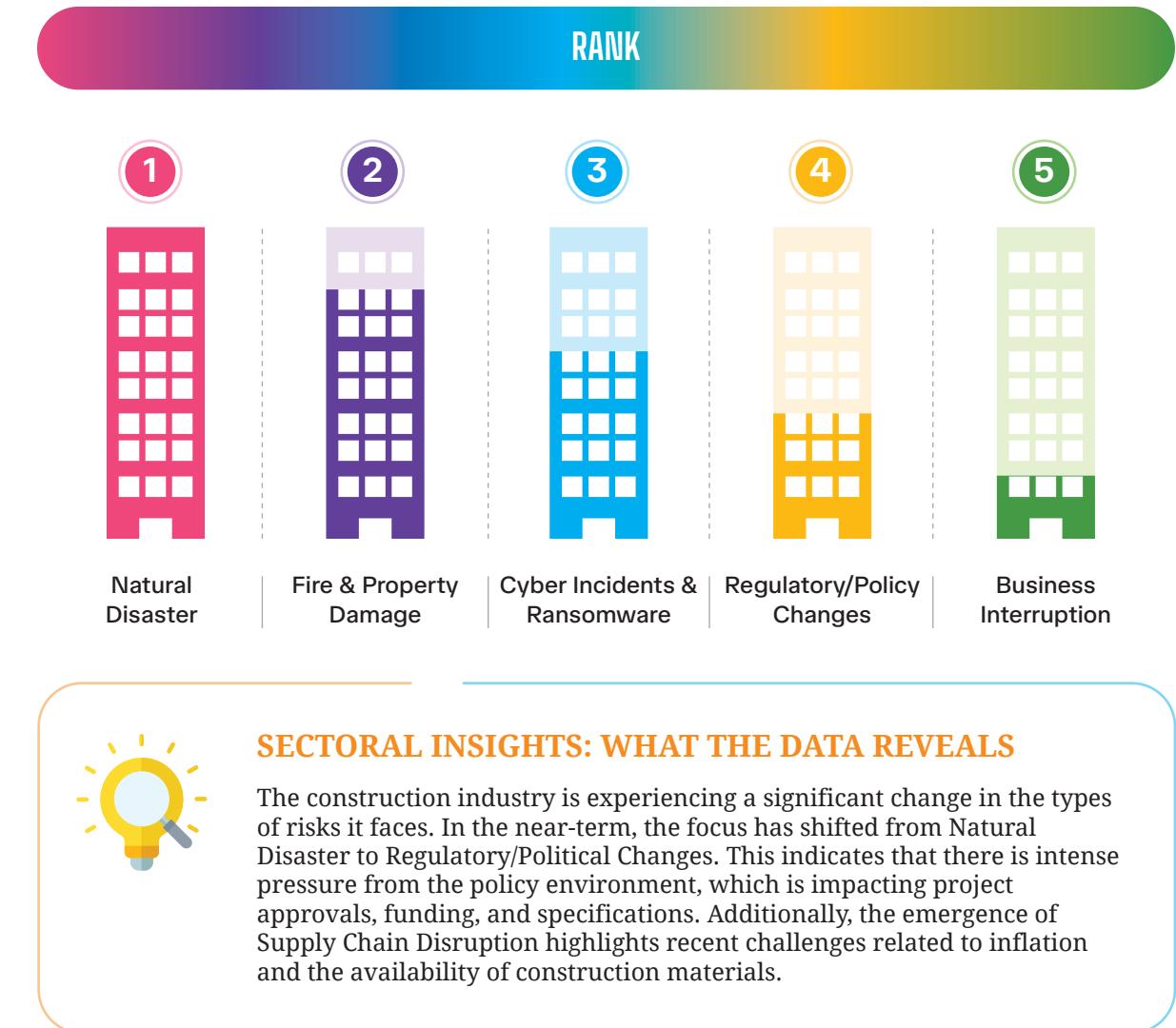
Supply Chain Disruption remains a critical pressure point, with constraints in steel, cement, and specialised components affecting timelines and costs. **Cyber Threats** continue to escalate as a systemic vulnerability, while climate-related shifts top off the significant risks, emphasising rising exposure to weather-driven disruptions.



Top Strategic Risks Shaping the Three-year Horizon

The strategic priorities show that **Natural Disaster** is the foremost long-term concern, given the heightened vulnerability of both active construction sites and completed projects in seismically sensitive regions. **Fire & Property Damage** comes in the second position, indicating persistent safety exposures across complex project environments.

Cyber Incidents & Ransomware are emerging as material strategic threats as this sector accelerates digital adoption through BIM (Building Information Modeling), connected construction equipment and integrated project systems. **Regulatory/Policy Changes** and **Business Interruption** risks round out the profile, highlighting ongoing sensitivities, supply chain bottlenecks, operational delays and disruptions.





Why These Risks Matter: Structural Drivers

A combination of deep structural factors shapes the Construction and Engineering risk profile:

1. A project-based business model that concentrates financial and operational risk exposure
2. Multi-year project timelines that are vulnerable to regulatory and policy changes
3. High physical exposure of assets and sites to natural events
4. Complex, globally interlinked supply chains spanning diverse materials and equipment
5. Heavy dependence on government contracts, making political dynamics a critical variable
6. Increasing technology adoption - including BIM, drones, IoT - expanding cyber vulnerabilities

COMMENT FROM THE INDUSTRY EXPERT



“ The shift in Regulatory/Policy Changes risk is being driven by the government introducing stricter environmental and sustainability requirements, reinforcing worker safety standards, and implementing new compliance rules around digital transformation and data protection. **”**

Chandrapal Singh Gour
Tata Projects

Resilience-building Actions for Construction & Engineering Leaders

To navigate these pressures, leaders should:

1. Strengthen regulatory intelligence capabilities for early identification of policy changes affecting projects
2. Deploy AI scheduling, layout robots, & drones for monitoring & inspecting the projects
3. Replace bank guarantees with surety bonds, freeing up blocked capital
4. Elevate cybersecurity protocols for BIM data & connected construction equipment
5. Execute China+1 diversification to Vietnam/Thailand, to indigenize imports by 2027



SECTION 3

PHARMACEUTICALS & CHEMICALS

*Includes Agrochemicals & Plastics



Pharmaceuticals & Chemicals

Evolving Industry Landscape

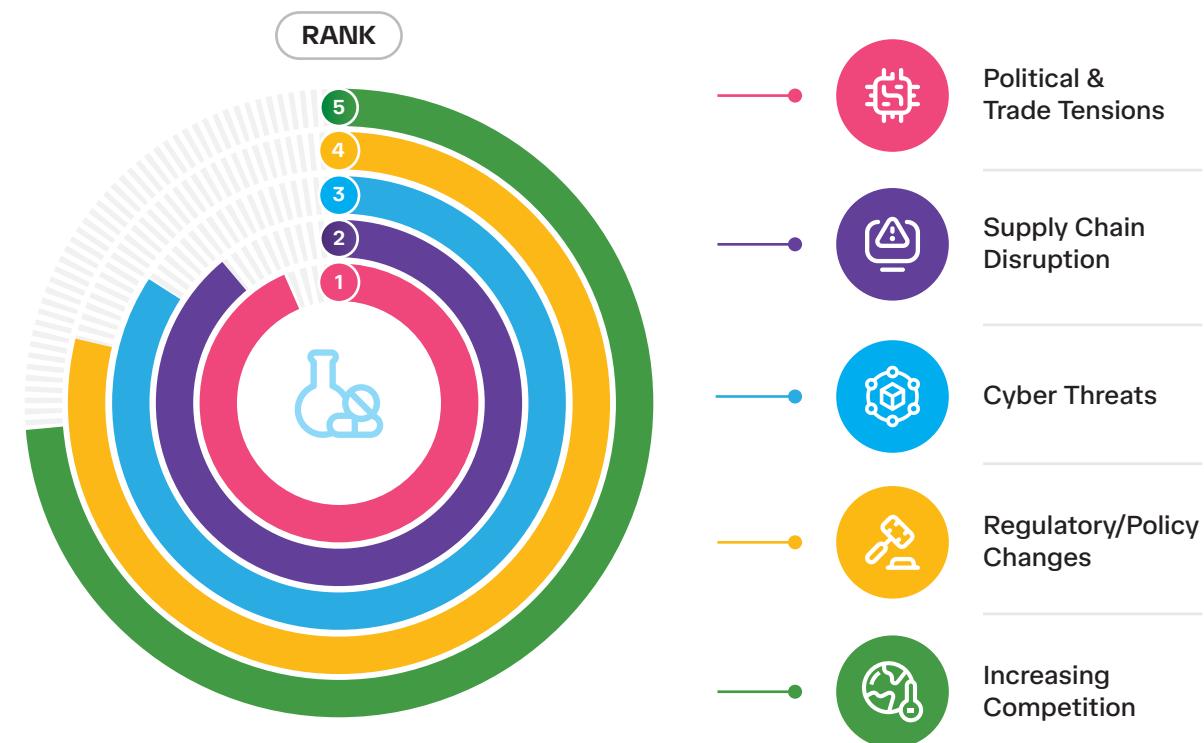
India's **Pharmaceuticals and Chemicals** sector has established itself as a global healthcare leader, excelling in generics and vaccines while expanding into biotechnology, medical devices, and more. With strong domestic manufacturing capabilities, competitive exports, and favourable policy reforms, this industry is set for sustained growth in response to increasing global demand and the integration of digital technologies in healthcare.

However, this progression is not without challenges. Issues such as supply chain dependencies, cyber security risks, evolving regulatory frameworks, and pricing pressures necessitate strategic agility. For investors and stakeholders, this sector presents significant opportunities and strong long-term growth potential. Despite this promising outlook, the industry also faces short-term risks that may impact operational priorities.

India's Pharmaceutical market is estimated at ~INR 4.68 lac crore in 2025 and is projected to grow at 17.85% CAGR to reach ~INR 10.63 lac crore by 2030. Meanwhile, the Chemicals sector, valued at around INR 22.31 lac crore in 2025, is expected to increase steadily at a CAGR of 4.37% to reach nearly INR 27.63 lac crore by 2030.

Short-term Emerging Risk Outlook (Next 1 Year)

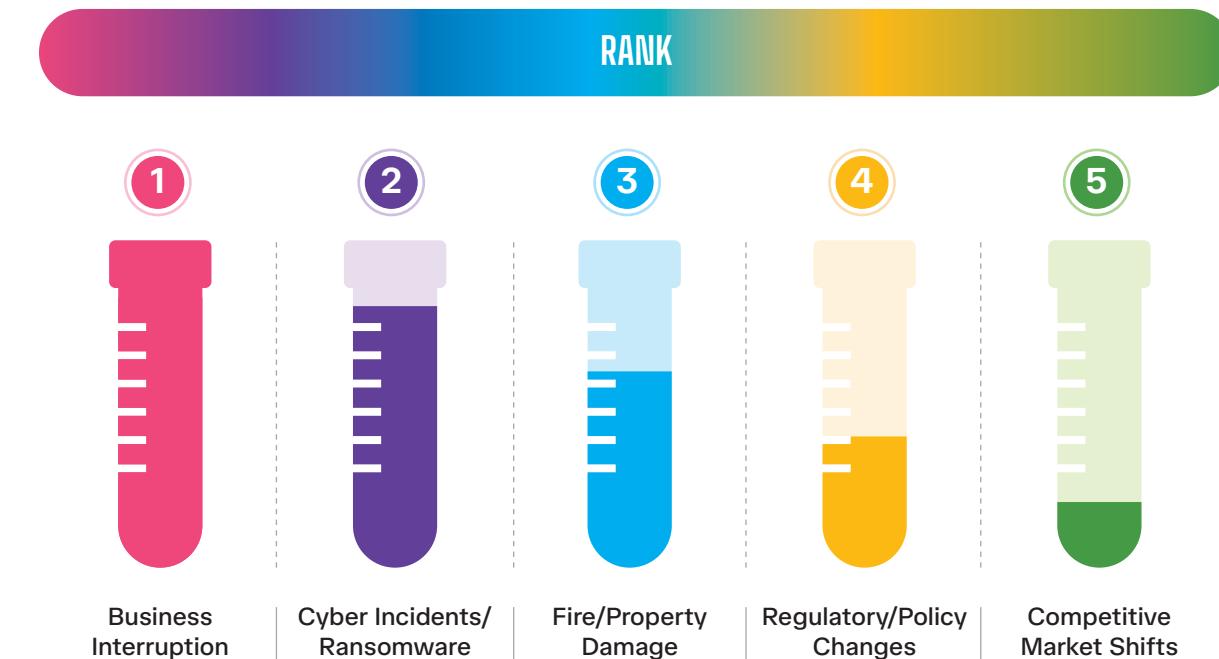
Emerging priorities in this sector maintain **Political & Trade Tensions** as the top concern, with **Supply Chain Disruption** as the next concern following API (Active Pharmaceutical Ingredient) shortages and pandemic-driven disruptions. **Cyber Threats** come in at a close third position. **Regulatory/Policy Changes** appear at the fourth position, indicating ongoing compliance burden.



Top Strategic Risks Shaping the Three-year Horizon

While these near-term risks demand immediate attention, the long-term risks highlight systemic challenges that require focus. The Pharmaceuticals and Chemicals sector remains notable, though significant risks could influence operational resilience and investor confidence. **Business Interruption** emerges as the foremost concern, emphasising the risk of production facility disruptions that can affect drug availability and patient safety.

Cyber Incidents/Ransomware reflect the growing digitalisation of supply chains and R&D, amplifying exposure to inherent cyber threats—particularly in pharmaceutical operations where sensitive clinical data, intellectual property, and connected manufacturing systems are prime targets for attack. Physical risks such as **Fire/Property Damage** remain material, given the capital-intensive nature of chemical and pharmaceutical manufacturing. Meanwhile, **Regulatory/Policy Changes** highlight the complexity of operating in a heavily regulated environment where compliance lapses can lead to reputational and financial setbacks. These findings highlight a sector where resilience planning, digital security, and regulatory agility will be crucial for sustaining growth and protecting enterprise value over the next three years.



SECTORAL INSIGHTS: WHAT THE DATA REVEALS

The pharmaceuticals sector exhibits a strong alignment between strategic and emerging risks, with Cyber, Business Interruption, and Regulatory Concerns being prominent in both. The appearance of Supply Chain Disruption in short-term risks suggests an uncertain geopolitical environment and unavailability of alternate options both at sourcing and supply end.



Why These Risks Matter: Structural Drivers

Several deep-rooted structural factors shape the pharmaceutical risk profile:

1. Operational reliability is non-negotiable, as disruptions can directly impact patient safety criticality
2. Sensitive R&D data and intellectual property make the sector a prime target for cyberattacks
3. Dependence on specialised ingredients and APIs creates vulnerability to global supply chains and logistics
4. Lengthy regulatory approval processes and evolving compliance frameworks heighten sensitivity to policy changes
5. Significant capital investments in specialised manufacturing facilities amplify exposure to operational and financial risks

Resilience-building Actions for Pharmaceuticals & Chemicals Leaders

To navigate these pressures, leaders should:

1. Implement NIST-based cybersecurity with continuous monitoring to protect R&D and manufacturing IP
2. Diversify API sourcing & expand manufacturing capacity across geographies to reduce supply risks
3. Increase R&D to patent novel molecules & reach Discovery 1.0 capabilities
4. Scale CRDMO capabilities, leveraging cost advantages & U.S. Biosecure Act opportunities to integrate into global value chains

COMMENTS FROM THE INDUSTRY EXPERTS



“ Political and trade tensions represent a highly tangible and visible risk for the chemical industry. Geopolitical developments, particularly those involving contentious regions such as Russia and the U.S., directly affect our operations and supply chain integrity. **”**

Raju Singh
Deepak Fertilisers & Petrochemicals Corp. Ltd.



“ The emergence of the US BIOSECURE Act and increasing geopolitical tensions are reshaping pharmaceutical supply chains globally. With India exporting over 31% of pharmaceutical products to the US and facing intense FDA scrutiny, any trade policy changes significantly impact operations. **”**

Navneet Chadha
Jubilant Pharmova Ltd.



SECTION 4

ENERGY & UTILITIES (INCLUDING TELECOM)



*Includes Renewable Energy, Power Transmission & Distribution

Energy & Utilities

Evolving Industry Landscape

The **Energy & Utilities** sector is rapidly growing and is at the forefront of global transformation, balancing the need for reliable infrastructure with sustainability goals. Rapid energy transition toward renewables, modernisation of ageing assets, and stricter regulatory frameworks are reshaping operations.

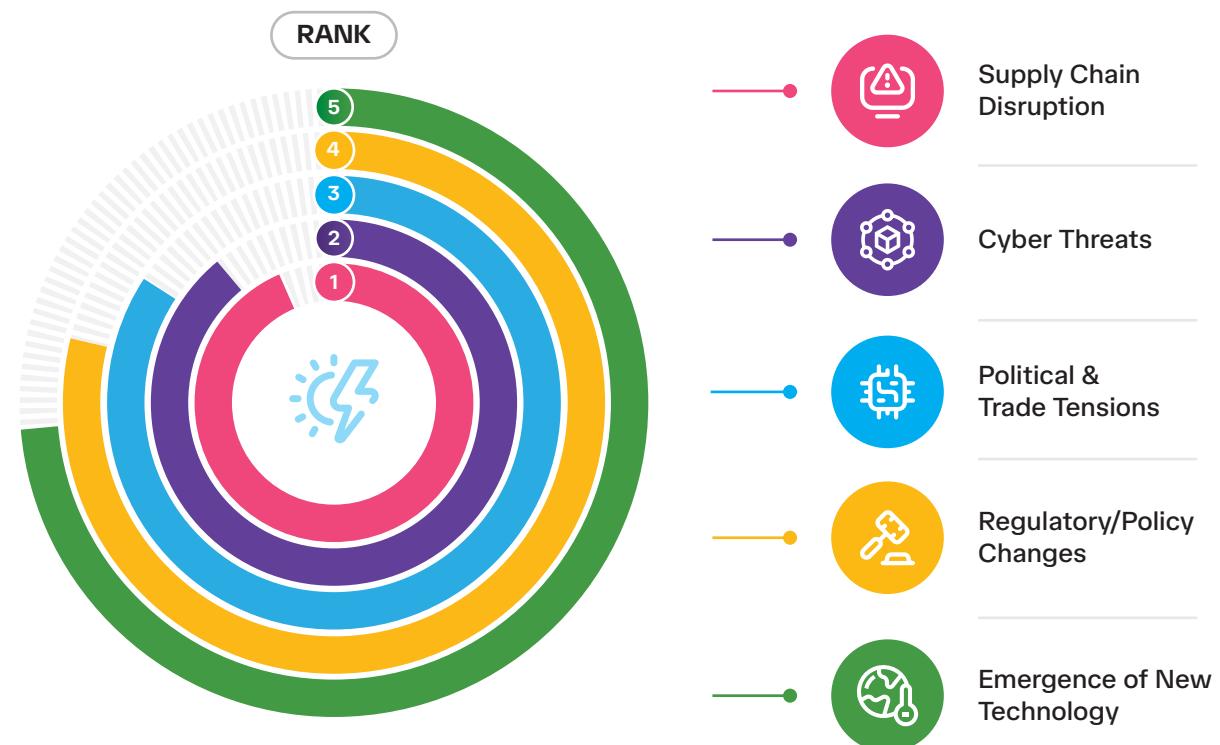
Digitalisation through smart grids, IoT, and advanced analytics enables real-time monitoring, while cybersecurity and the integration of distributed energy resources introduce new complexities. The future of this sector depends on innovation, resilience, and delivering affordable, clean energy in an increasingly dynamic environment.

India's energy sector continues to scale steadily, with total installed power generation capacity reaching 505 GW as of October 31, 2025, of which over 259 GW is contributed by non-fossil fuel sources. Electricity generation increased from 1,739.09 Billion Units (BU) in 2023–24 to 1,829.69 BU in 2024–25, reflecting a growth of 5.21%. The generation target for 2025–26 has been set at 2,000 BU.

The Telecom sector is valued at ~INR 0.37 lac crore in 2025 and is projected to grow at a CAGR of 10.72%, reaching around INR 0.61 lac crore by 2030.

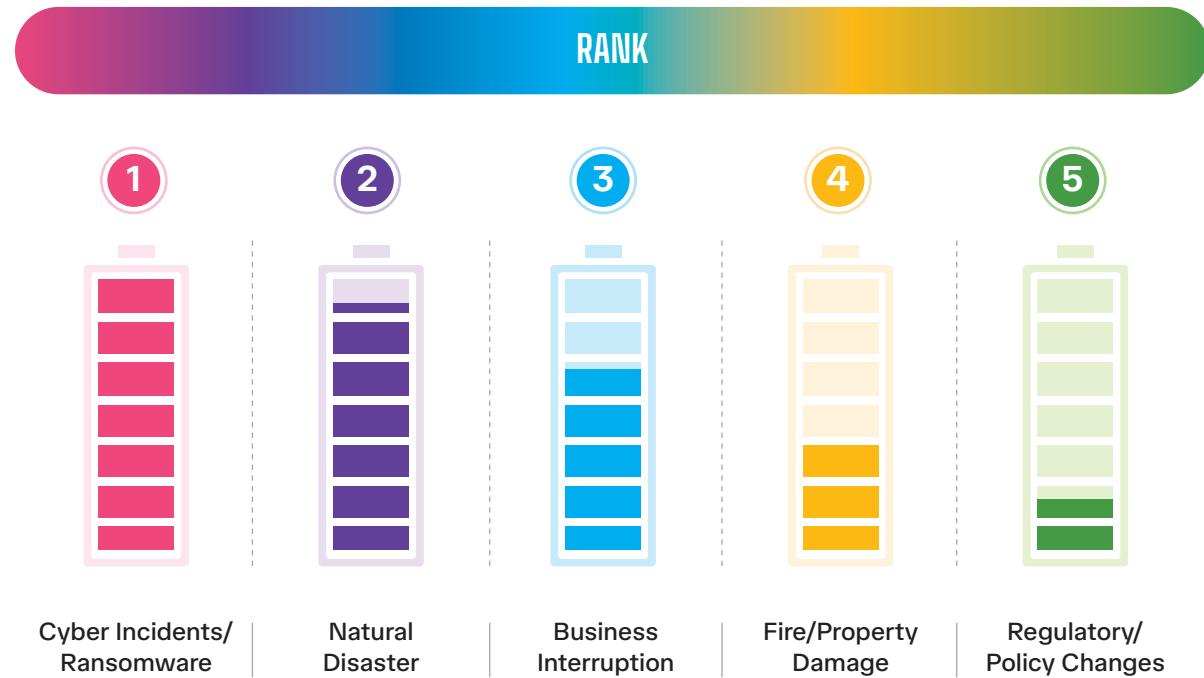
Short-term Emerging Risk Outlook (Next 1 Year)

Amid this shift, **Supply Chain Disruption** is the most pressing concern in terms of short-term risks, reflecting global volatility, and logistical challenges. **Cyber Threats** rank next, driven by increased digitalisation and IoT adoption, which have made critical infrastructure vulnerable to ransomware, supply chain attacks, malware, phishing, and more. **Political & Trade Tensions** at the third position, are highlighted as a significant source of uncertainty impacting operations and compliance.



Top Strategic Risks Shaping the Three-year Horizon

Respondents have identified five significant risks that are likely to impact the sector over the next three years. **Cyber Incidents/Ransomware** remain the top concern, reflecting the need to protect both physical and digital infrastructure. **Natural Disasters** pose significant threats to critical assets, with potential for widespread service disruption. **Business Interruption** continues to challenge operational continuity, while **Fire/Property Damage** highlight vulnerabilities in physical protection. Additionally, **Regulatory/Policy Changes** add complexity to compliance and long-term planning.



SECTORAL INSIGHTS: WHAT THE DATA REVEALS



In the short term, respondents viewed Supply Chain Disruption and Cyber Threats as the dominant risks, reflecting global volatility, digitalisation, and geopolitical uncertainty. Political and Trade Tensions, Regulatory Changes, and the Emergence of New Technologies add further complexity, demanding agility and resilience. Over the three-year horizon, the focus shifts toward infrastructure resilience and continuity, with Cyber Incidents & Ransomware remaining critical, alongside physical risks such as Natural Disasters, Fire & Property Damage, and Business Interruptions. Regulatory Changes persist as a structural challenge across both periods. This comparison highlights a transition from immediate operational and external shocks to long-term strategic risks, including asset protection, disaster preparedness, and integrated resilience planning.



COMMENTS FROM THE INDUSTRY EXPERTS



“ Geopolitical risks expressed in tariffs, sanctions, and war have necessitated defensive posturing, which lends credence to increased nationalistic fervour across nations, and we see emerging trends of deglobalisation and protectionism. Developing technological prowess within the country is the only long-term solution. ”

Jimmy Gopalakrishnan
Airtel Group



“ The renewable energy sector faces heightened exposure due to its geographic distribution and environmental dependencies. Assets are dispersed across diverse geographies and operate in exposed environments—coastal areas for wind projects, remote locations for solar installations, and hydropower facilities in seismically sensitive regions. ”

Amrit Pal Singh
Avaada Group

Why These Risks Matter: Structural Drivers

The Energy & Utilities risk profile is driven by:

1. Critical infrastructure status creating high service availability requirements
2. Geographic infrastructure exposure to natural disasters
3. Ageing asset base requiring maintenance and modernisation
4. Increasing grid digitalisation, expanding cyberattack exposure
5. Energy transition creating regulatory uncertainty and capital investment requirements
6. Climate change affecting demand patterns and infrastructure resilience

Resilience-building Actions for Energy Sector Leaders

To navigate these pressures, leaders should:

1. Implement comprehensive SCADA & grid cybersecurity programs aligned with NERC CIP standards, incorporating advanced threat detection & zero-trust frameworks
2. Scale battery storage, pumped hydro & virtual power plants establish green hydrogen hubs for long-duration storage
3. Adopt scenario planning for renewable adoption trajectories, including stress-testing for supply chain volatility & distributed energy resources
4. Invest in Industry 4.0 tools (predictive maintenance, IoT, digital twins) for real-time asset management, while diversifying suppliers & using blockchain to strengthen supply chain resilience



SECTION 5

INFORMATION TECHNOLOGY (IT)/ IT ENABLED SERVICES & E-COMMERCE



IT/ITES & E-commerce

Evolving Industry Landscape

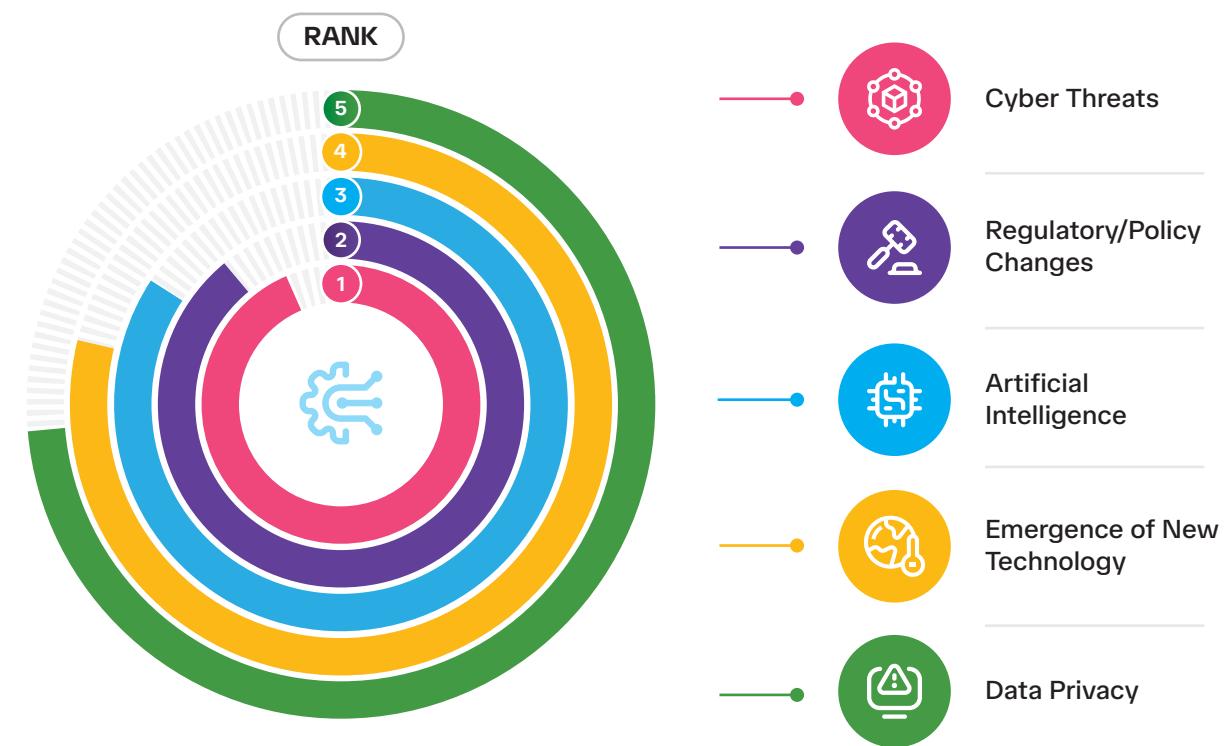
The **IT/ITES** sector has evolved significantly, playing a key role in positioning India as one of the fastest emerging economies while driving innovation, employment, and digital inclusion. With one of the world's largest online populations and low internet access costs globally, India is set for digital transformation. Supported by a vast and highly skilled IT workforce, this sector is enabling technologies such as cloud computing, AI, blockchain, and cybersecurity, while accelerating the adoption of Industry 4.0 practices across manufacturing and services. These advancements are powering the smart city initiatives, digital governance, and next-generation infrastructure.

Operating at the intersection of innovation and service delivery, these organisations manage a large repository of client data, critical systems, and AI-powered solutions. This digital-first operating model shapes the sector's risk profile, placing information security and technology governance at the centre of strategic priorities.

India's IT/ITES sector is valued at INR 24 lac crore in 2025 and is expected to grow at a CAGR of 12.1%, reaching ~INR 42.5 lac crore by 2030.

Short-term Emerging Risk Outlook (Next 1 Year)

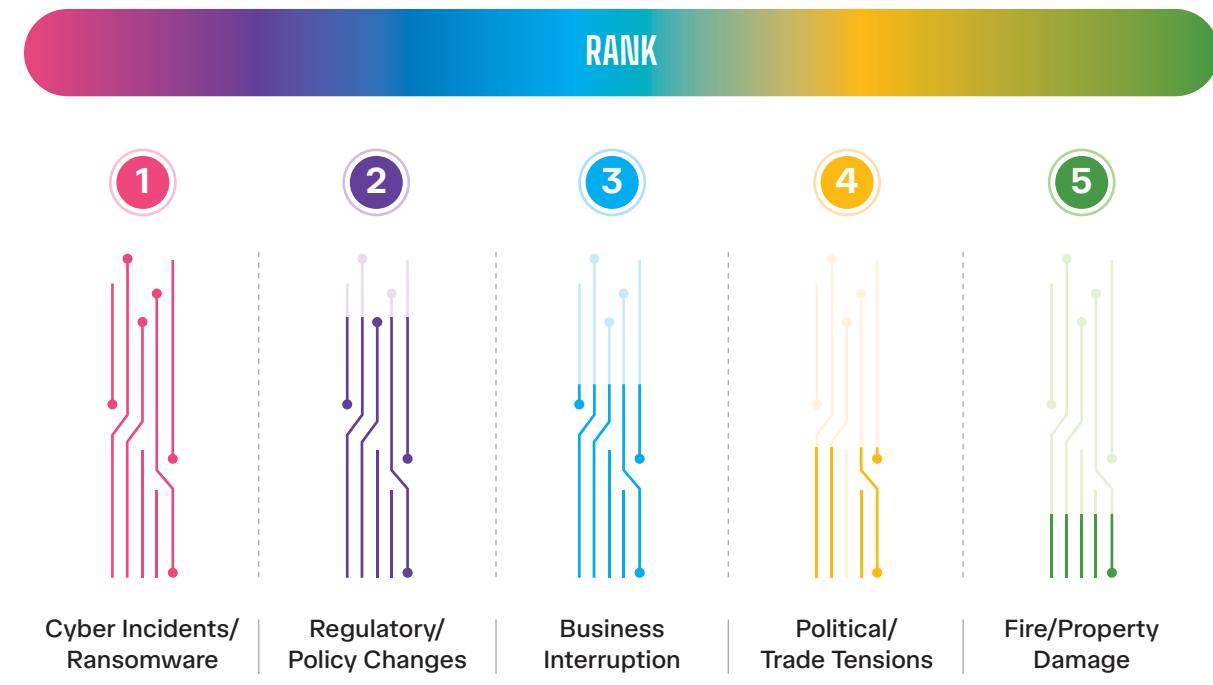
Against this backdrop of innovation and scale, understanding the emerging risk landscape becomes essential for sustaining momentum. Among the top five emerging risks, **Cyber Threats** remain the leading concern. **Regulatory/Policy Changes** follow closely in second place. **Artificial Intelligence** and the **Emergence of New Technology** rank third, reflecting inherent exposures of digital vulnerabilities and increasing sophistication of cyberattacks, proliferation of data localisation mandates, and evolving compliance in India and international equivalence. Further, the main differentiation between IT/ITES and other sectors is the prominence of technology-specific risks. These twin concerns reflect the dual nature of AI: as both a competitive imperative and an operational risk.



Top Strategic Risks Shaping the Three-year Horizon

The **IT/ITES** sector's strategic risk landscape for the next three years reflects its role as a custodian, as its business model depends on being trusted with clients' most critical digital assets, including data, systems, and digital infrastructure. **Cyber Incidents/ Ransomware** dominate the priority list, indicating exposure to sophisticated attacks targeting intellectual property and service continuity.

Also more remarkable is the gap wherein the second-ranked risk trails by a difference of 89 points - driven by **Regulatory/Policy Changes**, including evolving compliance mandates on data localisation, privacy, and cross-border operations. **Business Interruption** ranks third, reflecting operational dependencies on global delivery models, and even brief outages can carry significant contractual penalties. **Political/ Trade Tensions** introduce uncertainty in the onsite delivery model and pressure to localise operations, while **Fire/Property Damage** remains a physical risk for large-scale delivery facilities and data centres.



SECTORAL INSIGHTS: WHAT THE DATA REVEALS

IT/ITES exhibits a risk profile fundamentally different from asset intensive sectors. The most notable finding is that Cyber Risk dominates both time horizons, while other industries show significant divergence between strategic and emerging risks. Regulatory and Policy Changes persist as a structural challenge, ranking second, and appear prominently in both lists. Near-term concerns emphasise technology disruption—including Artificial Intelligence adoption, Emergence of New Technologies, and Data Privacy - while the three-year horizon shifts toward operational continuity risks such as Business Interruption, and Fire & Property Damage threats.

This contrast highlights a dual imperative across both horizons - managing immediate digital transformation risks while building resilience for long-term compliance and infrastructure stability.



Why These Risks Matter: Structural Drivers

IT/ITES risk profile is driven by:

1. Acting as the backbone of global digital operations, the IT/ITES sector bears the custodianship of client-sensitive data and systems
2. The high-profile nature of the IT/ITES sector makes it a prime target for cyberattacks
3. Rapid advancements in GenAI, cloud, and quantum computing demand continuous adaptation and governance
4. Knowledge-intensive services rely heavily on specialised talent, creating vulnerability to skill shortages and attrition
5. Regulatory complexity around data localisation and privacy across multiple client jurisdictions

Resilience-building Actions for IT/ITES Leaders

To navigate these pressures, leaders should:

1. Deploy zero-trust security architectures & regular penetration testing to safeguard client-sensitive data & mission-critical systems
2. Develop AI governance policies addressing data privacy, model training, & intellectual property protection to manage risks from AI adoption
3. Implement comprehensive vendor risk management: third-party security assessments, SLAs with penalty clauses, supply chain vulnerability tracking
4. Conduct periodic BC/DR drills simulating ransomware, natural disasters, & supply chain failures

COMMENTS FROM THE INDUSTRY EXPERTS



“ Risk identification and quantification constitute the first and foremost step in effective risk management, such as conducting a tabletop simulation exercise to model cyber or ransomware attack scenarios. These efforts must be consistent and ongoing rather than sporadic activities. **”**

Disha Sahni
Flipkart India Pvt. Ltd.



“ In India, companies have begun preparing specific data privacy annexures aligned with the Digital Personal Data Protection Act (DPDP) and circulating them to vendors and other third parties for compliance. Equally important is continuous employee awareness and training, as human behaviour plays a critical role in maintaining cyber resilience. **”**

Pranati Kandala
Mphasis Limited



SECTION 6

MANUFACTURING



Manufacturing



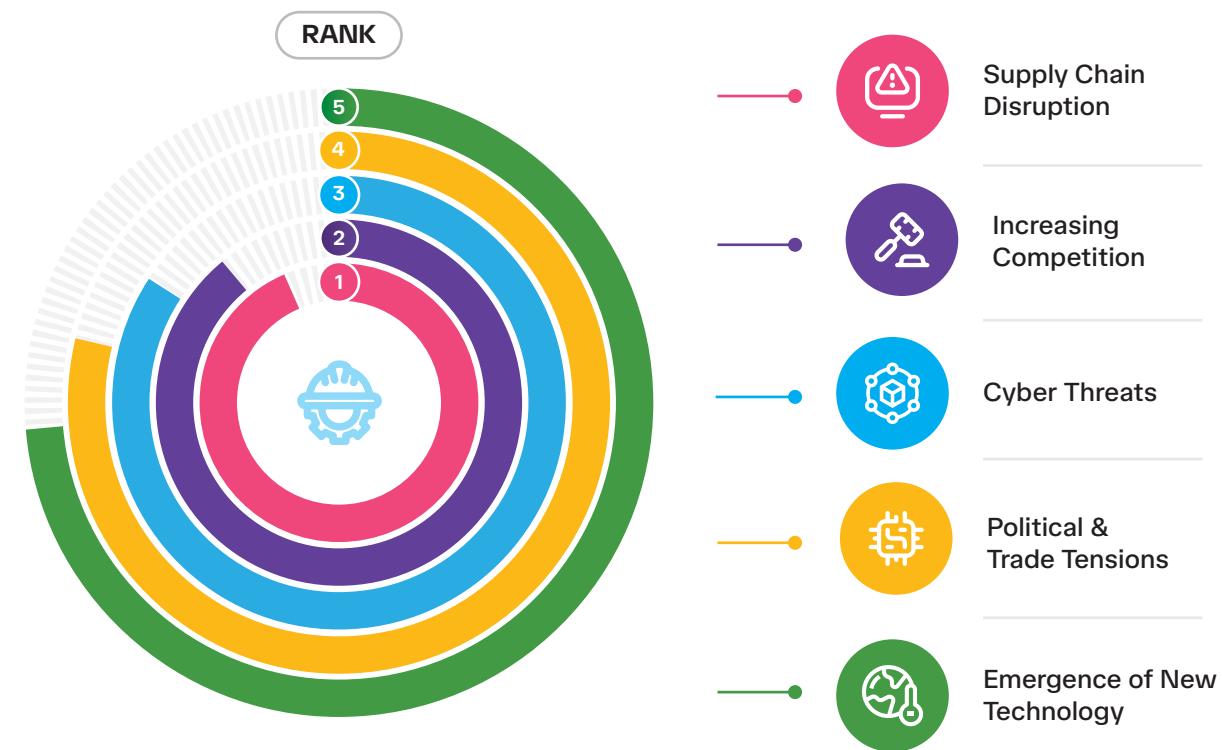
Evolving Industry Landscape

The **Manufacturing** sector, typically a capital-intensive industry, relies heavily on machinery, technology, and infrastructure for production, with complex supply chains, regulatory compliance requirements, and increasing digital transformation pressures. Globalised supply chains expose manufacturers to geopolitical tensions, raw material shortages, and logistics disruptions, while stringent compliance frameworks demand robust governance across environmental, safety, and quality standards.

Simultaneously, the accelerated adoption of Industry 4.0 technologies—such as IoT, robotics, and AI—introduces both opportunities for efficiency and vulnerabilities related to cybersecurity and workforce reskilling.

Short-term Emerging Risk Outlook (Next 1 Year)

The 1-year emerging risk landscape for the manufacturing sector prioritises **Supply Chain Disruption** as the foremost concern, reflecting sea route vulnerabilities and geopolitical tensions impacting raw material availability. **Increasing Competition** is emerging as a significant pressure point, driven by global market dynamics and the race for technological adoption. **Cyber Threats** remain a strategic concern while there is heightened vulnerability due to accelerated automation.



Top Strategic Risks Shaping the Three-year Horizon

The manufacturing sector's three-year strategic risk outlook is dominated by **Cyber Incidents/Ransomware**, reflecting the sector's increasing digitalisation of production systems, adoption of Industry 4.0 technologies, and vulnerability of interconnected operational technology (OT) networks. This risk emphasises the need for robust cybersecurity measures across both IT and OT environments.

Fire/Property Damage and Business Interruption

Interruption rank closely behind, highlighting the capital-intensive nature of manufacturing assets and the cascading impact of production disruptions on supply chain commitments and revenue. These risks remain critical in an environment where operational continuity is essential for meeting global demand and maintaining competitiveness.

Physical risks, such as **Natural Disasters**, add another layer of complexity, given the geographic spread of manufacturing facilities and their exposure to environmental hazards. **Regulatory/Policy Changes** also persist, as structural challenges that influence compliance costs and operational flexibility.



SECTORAL INSIGHTS: WHAT THE DATA REVEALS

Short-term and strategic risk priorities in the manufacturing sector present distinct challenges. Increasing Competition and Cyber Threats underscore the urgency of protecting interconnected production operations. Over the next three years, Cyber Incidents/Ransomware dominate, highlighting exposure arising from the adoption of advanced manufacturing technologies and networked production systems. This illustrates the need for comprehensive mitigation strategies for both operational and structural risks.



COMMENTS FROM THE INDUSTRY EXPERTS

“ To prepare for risks, one should diversify supplier networks, build strategic inventory buffers for critical components, and explore near-shoring options. Continuous monitoring of supplier health and collaboration with logistics partners is also essential for managing the risks. **”**

Team Volta
Volta Limited



“ Cyber breaches can precipitate cascading disruptions across business operations, logistics networks, and material dispatch processes. Business interruption, whether originating from cyber incidents or physical damage, creates compounding financial and operational effects, particularly given exposure to extreme weather events and climate-related risks. **”**

Debasis Datta
Bata India Limited

Why These Risks Matter: Structural Drivers

The manufacturing sector's risk profile is logically driven by a combination of operational, financial, strategic, and external factors. Key drivers include:

1. Significant investments in machinery and infrastructure requiring protection of physical assets
2. Just-in-time production models creating vulnerability to disruptions
3. Growing automation and interconnected OT systems expanding cyberattack surfaces
4. Dependence on international suppliers exposes supply chain operations to geopolitical and logistical disruptions
5. Competitive pressure to adopt emerging technologies like AI to maintain operational efficiency, creating both opportunities and new risk dimensions

Resilience-building Actions for Manufacturing Leaders

To navigate these pressures, leaders should:

1. Integrate ERP systems with IoT sensors for end-to-end visibility - 50% of Indian factories targeting IoT automation by 2025 (NASSCOM**)
2. Build dual/multi-sourcing strategies for critical components & raw materials - 39% of global manufacturers implementing post-tariff disruption (McKinsey 2025***)
3. Establish vendor risk management frameworks with financial health monitoring, geopolitical risk assessment, & alternative supplier mapping
4. Build a multi-skilled workforce capable of operating CNC programming, robotic welding, IoT systems, & digital quality control



SECTION 7

SERVICES



*Includes BFSI, Hospitality, Retail & Education

Services

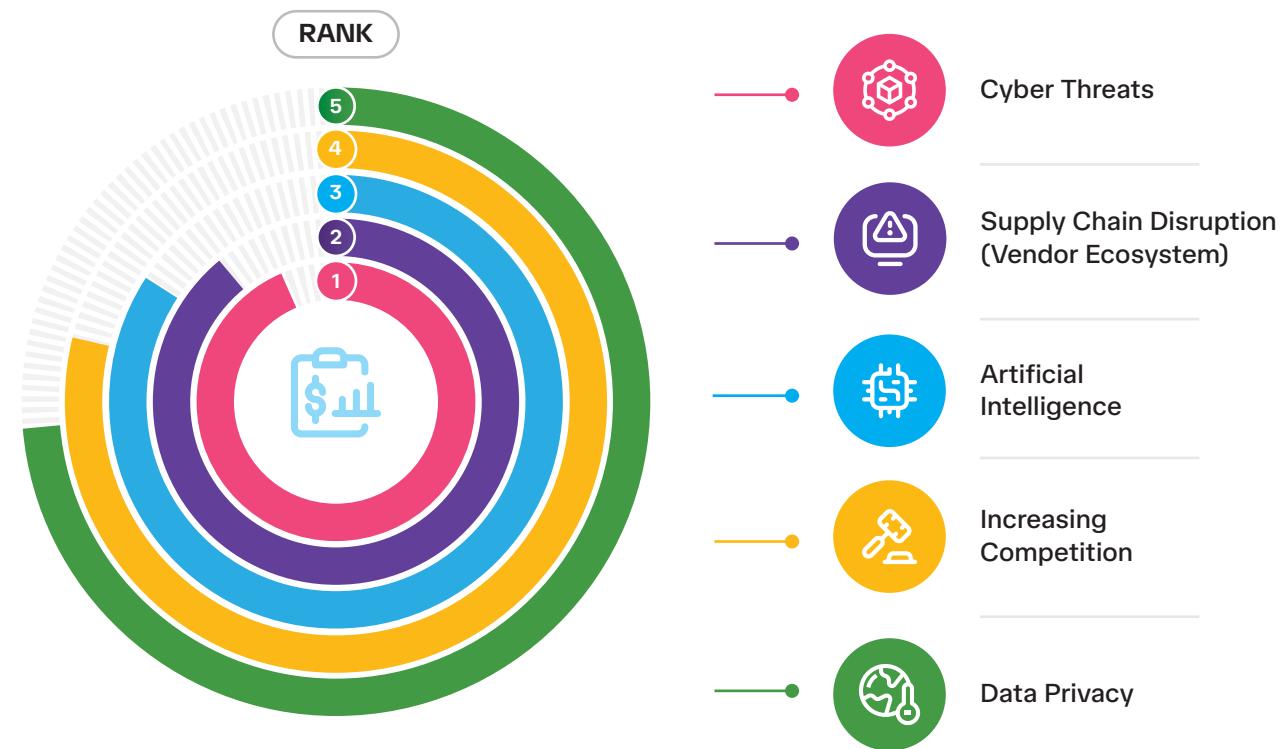


Evolving Industry Landscape

The **Services** sector, a diverse landscape, encompasses businesses that include financial services, professional services, hospitality, and healthcare, with common themes of customer data management and brand reputation dependency. Evolving industry dynamics in the services sector are shaped by rapid technological advancements and shifting consumer expectations.

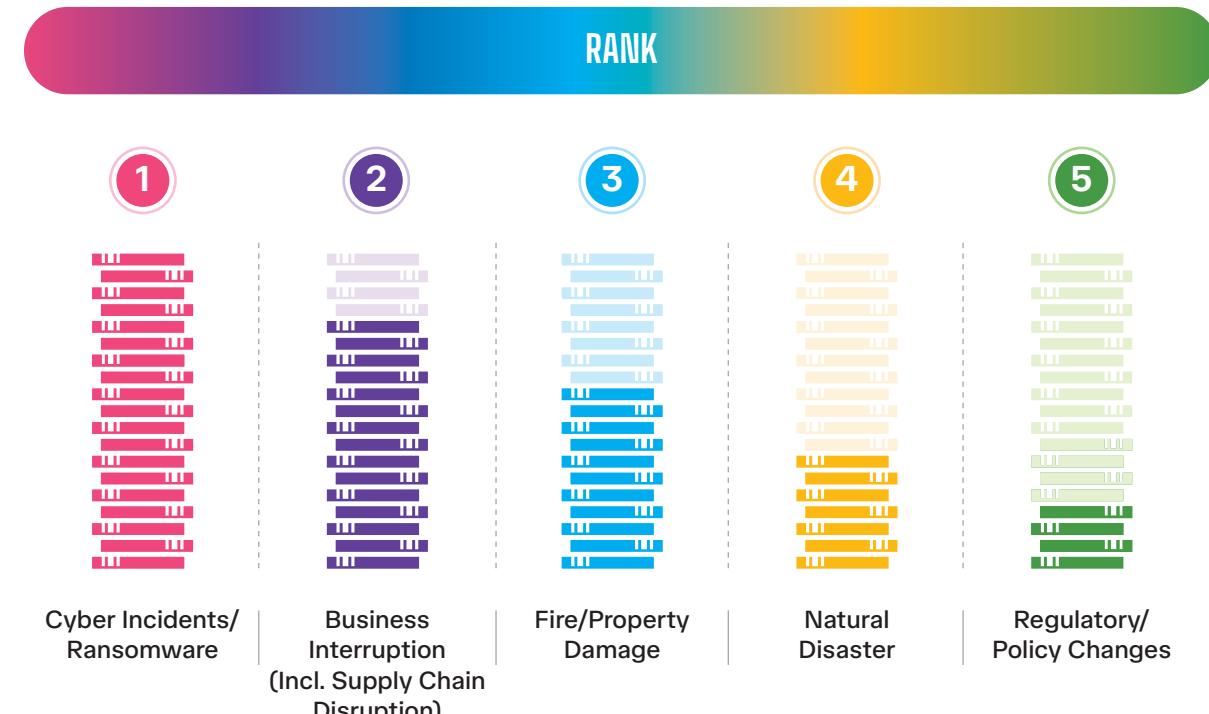
Short-term Emerging Risk Outlook (Next 1 Year)

Emerging priorities in the services sector continue to identify **Cyber Threats** as the top risk. **Supply Chain Disruption** appears as a near-term concern, likely reflecting risks associated with vendor management and third-party service providers. There is a growing interest in **Artificial Intelligence (AI)** for automating customer service, financial analysis, and operational efficiency. However, this interest comes with associated risks, such as data privacy concerns.



Top Strategic Risks Shaping the Three-year Horizon

Over the next three years, the services sector is expected to continue operating in a heightened risk environment. **Cyber Incidents/Ransomware** remain the most significant concern, reflecting the sector's responsibility for safeguarding sensitive customer data and financial information. **Business Interruption** ranks second, stressing on the critical need for uninterrupted service delivery to maintain client confidence and operational stability. **Fire/Property Damage** follow as a key risk, highlighting exposure that can disrupt large-scale service operations.



SECTORAL INSIGHTS: WHAT THE DATA REVEALS

The services sector demonstrates strong cyber risk awareness across both horizons, consistent with the data-intensive nature of its operations. The emergence of AI in the near-term indicates rapid adoption pressure, particularly in customer-facing applications and back-office automation.



Why These Risks Matter: Structural Drivers

The services sector risk profile is driven by:

1. Intensive customer data management creating cyber vulnerability
2. High reputation dependency, making trust and brand perception critical for client acquisition and retention
3. Complex vendor ecosystems, requiring reliable third-party partnerships for service delivery
4. Stringent regulatory environment around data privacy and financial services
5. Rapid technology disruption creating competitive pressure to adopt AI, cloud, and digital transformation
6. Human capital reliance, where talent availability and organisational culture remain key to operational resilience

COMMENT FROM THE INDUSTRY EXPERT



“ Recent high-profile incidents, including the Marriott data breaches, demonstrate how customer data compromises can have cascading consequences that extend beyond the immediate financial impact. ”

Ritu Singh
SAMHI Hotels Limited

Resilience-building Actions for Service Sector Leaders

To navigate these pressures, leaders should:

1. Establish ISO 22301-compliant BCM programs with Crisis Management, IT Disaster Recovery (ITDR), & Business Process Resumption
2. Establish third-party risk management programs for robust vendor ecosystem security
3. Create AI governance frameworks addressing customer data privacy, bias, & transparency
4. Invest in employee training in cybersecurity & emerging technology risks

Key Takeaways

Automotive & Auto Components

Short Term (1 year)

- Supply Chain Disruption
- Cyber Threats
- Emergence of New Technology
- Regulatory/Policy Changes
- Political & Trade Tensions

Long Term (3 years)

- Cyber Incidents & Ransomware
- Fire/Property Damage
- Business Interruption
- Natural Disaster
- Regulatory/Policy Changes

Construction & Engineering

Short Term (1 year)

- Regulatory/Policy Changes
- Political & Trade Tensions
- Supply Chain Disruption
- Cyber Threats
- Climate Shift

Long Term (3 years)

- Natural Disaster
- Fire & Property Damage
- Cyber Incidents & Ransomware
- Regulatory/Policy Changes
- Business Interruption

Pharmaceuticals & Chemicals

Short Term (1 year)

- Political & Trade Tensions
- Supply Chain Disruption
- Cyber Threats
- Regulatory/Policy Changes
- Increasing Competition

Long Term (3 years)

- Business Interruption
- Cyber Incidents & Ransomware
- Fire/Property Damage
- Regulatory/Policy Changes
- Competitive Market Shifts

Energy & Utilities

Short Term (1 year)

- Supply Chain Disruption
- Cyber Threats
- Political & Trade Tensions
- Regulatory/Policy Changes
- Emergence of New Technology

Long Term (3 years)

- Cyber Incidents & Ransomware
- Natural Disaster
- Business Interruption
- Fire & Property Damage
- Regulatory/Policy Changes

Key Takeaways

IT/ITES

Short Term (1 year)

- Cyber Threats
- Regulatory/Policy Changes
- Artificial Intelligence
- Emergence of New Technology
- Data Privacy

Long Term (3 years)

- Cyber Incidents & Ransomware
- Regulatory/Policy Changes
- Business Interruption
- Political/Trade Tensions
- Fire/Property Damage

Manufacturing

Short Term (1 year)

- Supply Chain Disruption
- Increasing Competition
- Cyber Threats
- Political & Trade Tensions
- Emergence of New Technology

Long Term (3 years)

- Cyber Incidents & Ransomware
- Fire/Property Damage
- Business Interruption
- Natural Disaster
- Regulatory/Policy Changes

Services

Short Term (1 year)

- Cyber Threats
- Supply Chain Disruption (Vendor Ecosystem)
- Artificial Intelligence
- Increasing Competition
- Data Privacy

Long Term (3 years)

- Cyber Incidents & Ransomware
- Business Interruption (Incl. Supply Chain Disruption)
- Fire/Property Damage
- Natural Disaster
- Regulatory/Policy Changes



RISE 2025-26

RISK AND INSURANCE SURVEY FOR ENTERPRISES



Risk Management

CHAPTER 3

Strategic Integration of Risk in Business Transformation

Executive Summary

In India's fast-changing business landscape, the real risk is not volatility—it's clinging to outdated assumptions about what risk management should be. For years, organisations have treated it as a defensive exercise: a checklist to prevent losses, a compliance formality completed annually. But today, the companies moving ahead are those that see risk differently—not as a threat to minimise, but as a lens that reveals where the next opportunity will come from. Whether it's spotting value chains vulnerable to disruption, anticipating regulatory shifts, or sensing emerging markets before competitors do, risk management is becoming the engine that turns uncertainty into strategic advantage. The organisations that win in India's next decade won't be the ones that fear risk, but the ones that learn to read it, use it, and move faster because of it.

Risk Management

Why Risk Assessment? How does it help?

Risk assessment is essential because it gives leaders clarity in a world where uncertainty is constant. Without a structured way to identify potential risks, organisations are forced to react to crises instead of preparing for them. A robust risk assessment helps teams understand the whole gamut of threats—operational, financial, technological, regulatory, and environmental—and determine which ones could materially impact performance.

But its value goes far beyond protection. A well-designed risk assessment sharpens decision-making, highlights hidden vulnerabilities before they escalate, and ensures resources are focused on the issues that truly matter. Risk assessment improves planning, strengthens resilience, and ensures that the organisation can respond quickly and confidently when disruptions occur. Most importantly, it creates visibility; leaders can prioritise, adapt, and seize opportunities with better insight. In this way, risk assessment serves as both a shield against potential loss and a tool that enhances long-term competitiveness.

What is Risk Maturity and Risk Maturity Index?

Risk Maturity (RM) refers to the extent to which an organisation has embedded risk awareness, structured processes, technology, data, and accountability into its decision-making and operations. The Risk Maturity Index (RMI) is a benchmarking tool that evaluates an organisation's ability to manage risk effectively. It measures how well risk management practices are implemented across pillars such as governance, processes, culture, and technology within an organisation, providing a clear picture of integration.

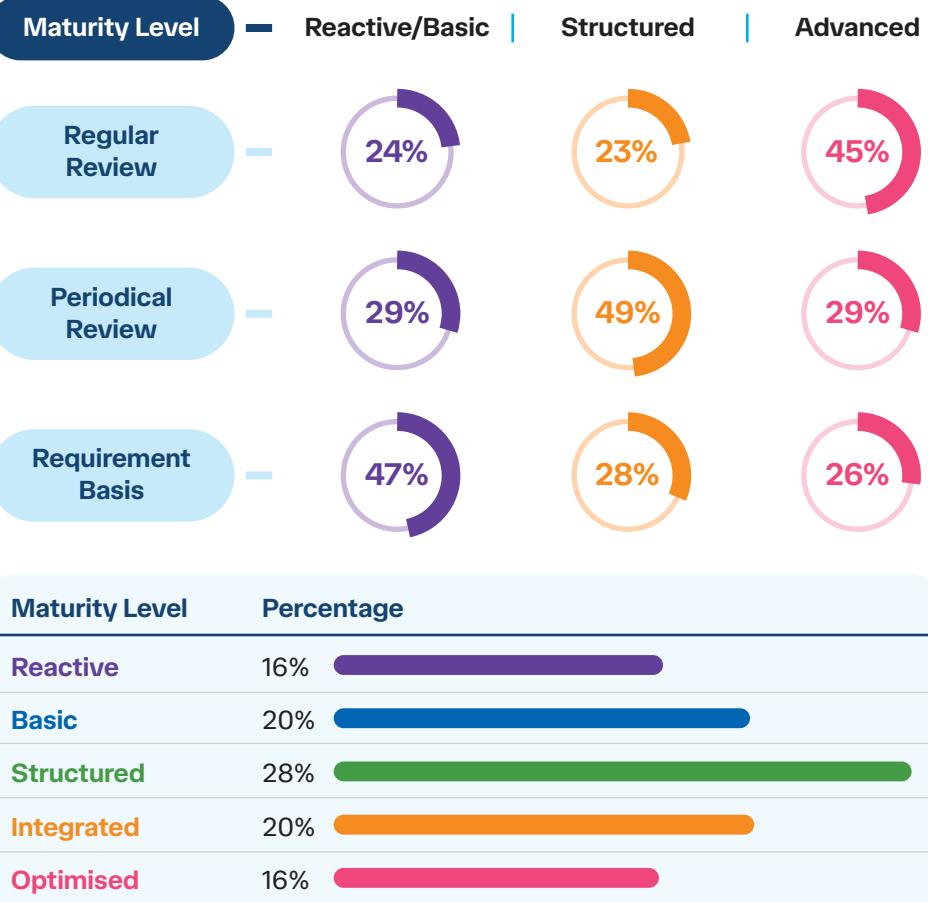
By assessing dimensions such as risk identification, assessment, mitigation, and monitoring, the index assigns a maturity rating and delivers actionable insights for improvement. In essence, RMI helps organisations move beyond compliance, enabling them to strengthen resilience, optimise decision-making, and align risk practices with business objectives.

Overall Maturity Distribution – Interpretation

Before we delve further into risk priorities, it's essential to understand the current state of risk management maturity in Corporate India.

Indian organisations exhibit a broad distribution across five maturity levels of risk management: **Reactive, Basic, Structured, Integrated, and Optimised**. However, a significant concentration remains in the early-to-middle stages. Nearly 36% of enterprises operate at a Reactive or Basic maturity level, indicating substantial room for improvement. In contrast, only 16% have achieved Optimised maturity, reinforcing the challenge of reaching the highest level. The most common stage is Structured (28%), with 49% of organisations conducting periodical reviews, reflecting a more planned and consistent approach to risk management.

This positions it as the median for Indian corporates, with clear potential to advance towards Integrated and Optimised maturity—particularly in the Services and Manufacturing sectors. Many organisations have starter-level programs that require formalisation, executive sponsorship, and cultural embedding to evolve into fully integrated Enterprise Risk Management (ERM) frameworks. Notably, assessment frequency emerges as a strong indicator of maturity. Reactive organisations rely on ad-hoc, requirement-based reviews, whilst Optimised organisations conduct regular monthly or quarterly assessments, reflecting a proactive risk culture that drives resilience and strategic advantage.



Industry-wise Maturity Index

Based on an analysis of many organisations across seven industries, risk maturity was measured using a weighted average. The results show that the Pharmaceuticals & Chemicals sector has the highest maturity score (3.25/5), while the Services sector ranks the lowest (2.75/5).

The Pharmaceuticals & Chemicals sector demonstrates a high level of risk maturity due to its success factors rooted in strict regulatory oversight and a deeply embedded quality-first culture. Continuous compliance with global standards, such as GxP, along with robust documentation and traceability mechanisms, enables the systematic identification and control of risks. The industry's critical focus on patient safety, combined with the increasing use of technology and automated systems, further strengthens its ability to manage risks consistently.

In contrast, the Services sector tends to be more fragmented and less organised, resulting in significant variations and inconsistent risk management approaches.

The stronger performance of highly regulated industries is attributed to stringent compliance requirements, a strong quality-focused culture, and the necessity to meet global standards, all of which promote more formalised and disciplined risk practices.

A common challenge across sectors is that, while many organisations have established risk frameworks, they often struggle to fully integrate them into their daily decision-making processes. The critical transition-from merely possessing frameworks at the Structured stage to actively embodying them at the Integrated stage - represents a key constraint. Although tools and external consultants can help organisations achieve structured maturity, true integration relies on leadership mindset, internal ownership, and organisational culture.

With most industries clustering around a maturity score of 3.0, nearly 27% of organisations are well-positioned to advance to the next level. These organisations do not necessarily require more foundational structures; instead, they need enhanced integration enablers, such as the development of risk culture, appropriate budgeting, and improved technology integration to progress toward higher maturity.

Industry-wise Maturity Score

Rank	Industry	Maturity Score (1-5)	High Maturity %	Mid Maturity %	Low Maturity %
1	Pharmaceuticals & Chemicals	3.25	44	26	29
2	IT/ITES	3.12	37	37	25
3	Energy & Utilities	3.05	44	18	38
4	Automobile & Auto Components	3.03	35	32	32
5	Manufacturing	2.92	33	27	40
6	Construction & Engineering	2.87	34	24	42
7	Services	2.75	27	31	42

Risk Governance Framework

Challenges Faced in Risk Management Programs

Organisations were asked to identify the main challenges they face in improving risk management within their operations. The findings show that technology limitations are the most significant barrier, with 52% of respondents citing this as a key constraint. Following closely are budgetary pressures at 46%, which limit investments in risk management tools, personnel, and infrastructure. About 29% of organisations reported training gaps as a challenge, reflecting a shortage of specialised capabilities required to implement and sustain risk management programs effectively. Cultural resistance to change (17%) and a lack of leadership support (13%) further slow the adoption of risk practices, indicating that risk maturity is as much a behavioural and governance issue as it is a technical one. Notably, 17% organisations face both technology and budget constraints simultaneously – creating a compounded bottleneck that severely limits risk management advancement.

Challenge	% of Organisations	Rank
Technology	52%	1
Budget Constraints	46%	2
Training Gaps	29%	3
Cultural Resistance	17%	4
Lack of Leadership	13%	5



This situation is most pronounced in the manufacturing sector, where 54% of organisations cite combined budget and technology limitations. Our findings suggest that while awareness of risk management is increasing, organisations must still prioritise financial investment, technological advancement, skilled capacity-building, and leadership-driven cultural change to build resilient risk management frameworks.

Rank	Industry	Intensity Score	Avg Challenges/ Organisation
1	Pharmaceuticals & Chemicals	6.10	1.64
2	Manufacturing	6.03	1.60
3	Services	5.98	1.65
4	IT/ITES	5.67	1.45
5	Automobile & Auto Components	5.56	1.59
6	Energy & Utilities	5.28	1.59
7	Construction & Engineering	4.55	1.24

EXPERT'S VIEW:

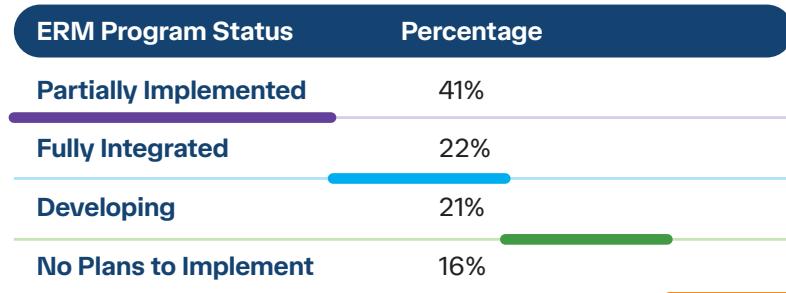
 Cost is certainly an important consideration for any organisation when it comes to managing risk or purchasing insurance solutions. Organisations are willing to pay a certain price if it brings tangible value. 

Pranati Kandala
Mphasis Limited

ERM Implementation Programs within Enterprises

Our survey data reveals varying levels of Enterprise Risk Management (ERM) implementation across various industries, with most organisations falling into the “partially implemented” or “fully integrated” categories. 16% of organisations have no plans to implement an ERM program, highlighting a continued gap in formalised risk governance within certain industries. 21% are currently developing a risk management framework, with Construction & Engineering showing the strongest representation in this stage, indicating early but growing commitment toward structured risk practices.

At the more mature end of the spectrum, 22% of organisations have fully integrated ERM programs, led by the IT/ITES sector driven by advanced digital infrastructure, global contractual obligations and stringent compliance requirements/reflecting the influence of strict regulatory protocols and compliance-driven practices that demand mature and structured risk management systems. In contrast, our findings suggest that the Services sector exhibits a more uneven maturity pattern, with a relatively higher percentage remaining in the early or developing stages, which reinforces its fragmented and less regulated nature.



Technology presents an evident paradox - both as the primary challenge and the key solution. 35% of enterprises plan to undertake technology transformation initiatives to strengthen their risk frameworks. Assessment approaches reveal a concerning reliance on reactive risk management practices, with 35% of organisations conducting assessments only on a requirement basis, while 36% remain at basic/reactive maturity levels. However, 71% of the organisations cite risk improvement as a key driver for future action.

EXPERT'S VIEW:

“ The shift in Cyber Threat emergence is driven by a combination of increased digitalisation, evolving global privacy regulations, and the rapid adoption of emerging technologies such as artificial intelligence. While AI offers significant benefits, it also introduces new risks related to data usage, governance, and ethical considerations. **”**

Pranati Kandala
Mphasis Limited



Key Drivers for Risk Management Solutions

1. RISK IMPROVEMENT

Risk improvement (71%) has emerged as the most significant driver, highlighting a fundamental shift in how Corporate India perceives risk management. It is no longer viewed as a purely defensive, compliance-oriented or cost-centre function focused on preventing losses. Instead, organisations now recognise risk management as a strategic enabler that supports resilience-building, strengthens competitive positioning, and enhances long-term sustainability. Companies are increasingly focusing on proactively identifying vulnerabilities, strengthening their ability to respond to emerging and evolving risks, and integrating risk considerations into core decision-making processes. This reflects a gradual transition from reactive approaches to more predictive and intelligence-led risk practices, ultimately improving overall organisational maturity and stakeholder confidence.

2. COST SAVINGS

Cost savings (61%) remain a strong driver, reflecting the resource constraints faced by Corporate India. This has led to a strong focus on optimising insurance premiums and achieving operational efficiency through improved processes and controls. In such cases, risk management is often approached through a financial lens, with an emphasis on demonstrating measurable returns and controlling expenditure rather than driving broader strategic transformation.

3. COMPLIANCE

Compliance (45%) continues to be a key consideration, particularly in light of the evolving regulatory landscape and sector-specific mandates issued by bodies such as SEBI, as well as regulators in banking, pharmaceuticals and other high-risk industries. While regulatory requirements often act as the initial trigger for establishing ERM programs, many organisations tend to operate only at the baseline level of compliance. Without a parallel focus on risk improvement and maturity development, there is a risk of stagnation, where organisations meet minimum standards but fail to build a forward-looking, resilient risk framework.

4. INVESTOR EXPECTATIONS

Investor expectations (17%), though currently ranked lowest, represent an emerging and increasingly influential driver. Growing attention to ESG considerations, governance practices and long-term resilience has led institutional investors to scrutinise the robustness of organisations' risk management frameworks. This is particularly relevant for listed companies, organisations preparing for IPOs, subsidiaries of multinational corporations, and sectors exposed to high ESG and regulatory scrutiny, such as energy, chemicals and manufacturing. As investor activism and ESG-linked capital continue to expand, this driver is expected to gain much greater importance in the coming years.



How Should Enterprises Strengthen Risk Management Programs?



Strengthening Method	Rank	Percentage
Risk Culture Development	1	48%
Technological Tools	2	47%
Claims History & Analysis	3	37%
Risk Register	4	36%

1. RISK CULTURE DEVELOPMENT

Before organisations can strengthen their risk management programs, they must first improve their risk culture. Risk culture development emerges as the most important strengthening method, at 48%. This clearly indicates that organisations recognise a key truth: while frameworks define process, it is people and behaviour that drive practice and long-term resilience. Risk culture refers to the shared values, attitudes, knowledge and behaviours related to risk across the organisation. It is the invisible architecture that determines whether risk management policies are actively embedded in daily decision-making, or whether they remain compliance documents.

A strong risk culture begins at the board level. When management and risk committee consistently prioritises risk in strategy, communication and decision-making, it sets a clear tone for the rest of the organisation. Also, employees at all levels must be trained to recognise the risks relevant to their specific roles and responsibilities. Equally important is psychological safety — employees must feel safe reporting risks, near-misses, and concerns without fear of blame or reprisal.

Key elements of an effective risk culture include:



Without a strong risk culture, risk management will remain a process on paper, and not a practice in action.

2. TECHNOLOGICAL TOOLS

Technological tools are identified as both a significant challenge and a key risk mitigation method, at 47%. This reveals a paradox: organisations recognise the value of technology in risk management, yet often struggle to implement it effectively.

Many enterprises invest in advanced platforms, such as Governance, Risk, and Compliance (GRC) systems, digital risk registers, and assessment tools, but often fail to achieve meaningful user adoption. In some cases, technology adds complexity instead of clarity, due to poor integration with existing workflows and limited investment in training and change management. When implemented effectively, technology can enhance risk identification, monitoring, and control through real-time dashboards, KPI tracking, automated alerts, workflow automation, and predictive analytics, such as scenario modelling and loss forecasting. Workflow automation further strengthens this process by streamlining approvals, tracking actions and reducing manual effort.

How Should Enterprises Strengthen Risk Management Programs?

3. CLAIMS HISTORY & ANALYSIS

Claims history analysis is a critical method for strengthening risk management, as it provides a clear, data-backed view of how risks have actually materialised over time. By examining loss frequency, severity and trends, organisations can move from assumption-based decisions to evidence-led prioritisation of risks. These insights play a direct role in insurance optimisation, enabling organisations to design programs that are aligned with real exposure, adjust coverage limits and deductibles more effectively, eliminate unnecessary or overlapping covers, and reduce uninsured gaps. This ensures that the insurance program is not only compliant but also strategically structured to minimise financial losses in the event of incidents.

When supported by advanced analytics and predictive modelling, claims data also helps anticipate future loss scenarios and emerging risk trends, informing both risk mitigation efforts and smarter risk transfer decisions.

4. RISK REGISTER

A risk register is a structured, central repository used to identify, assess, prioritise and track risks across an organisation, documenting each risk's description, likelihood, impact, mitigation measures and assigned ownership in a standardised format. While it provides clarity, consistency, and accountability in risk management, our survey indicates that its adoption stands at 36%, approximately 13 percentage points lower than risk culture development (48%), highlighting an important gap.

In many organisations, the register becomes a compliance artefact rather than a strategic tool, often created as a one-time exercise, updated infrequently, populated with generic descriptions that fail to drive action, and assigned owners who are not actively held accountable. It is poorly communicated to relevant stakeholders and kept isolated from audit, compliance, business planning and resource allocation decisions, while overly complex or biased scoring methods make it difficult to sustain. For a risk register to be effective, it must be anchored in a strong risk culture, enabled by integrated technology, and informed by data and analytics such as claims insights.

Stakeholder Engagement Gaps

Where Risk & Insurance Should Be Involved, But Isn't

When we asked Corporate India which large-scale initiatives should involve risk, but currently no clear pattern of stakeholder exclusion has emerged. Despite clear strategic relevance, the risk function remains sidelined from several critical enterprise initiatives. The most significant gaps lie in Annual Budgeting and Strategic Planning (59%), followed by New Product or Service Launch (22%), and Technology & Digital Transformation (35%). These are not capability gaps—they are engagement failures that leave critical risks unmeasured and unmanaged.



Our survey reveals significant stakeholder engagement gaps across all five initiatives.

Annual Budgeting & Strategic Planning



Crisis Management Planning



Technology & Digital Transformation



Mergers, Acquisitions & Joint Ventures



Proactive Moves for Resilient Organisations

Risk managers should act early: start with crisis management and business continuity. As organisations mature, the risk shifts from operational to high-stakes concerns. The challenge for insurers is to anticipate these evolving needs rather than react to them after projects have already begun. Proactive alignment of insurance with strategic initiatives will be the differentiator for resilient organisations in the coming decade.

KEY INSIGHTS:

Annual Budgeting and Strategic Planning: When risk is not engaged early in budgeting and strategic planning, financial decisions are made without risk-adjusted insight, leaving the organisation exposed to unexpected impacts. Strategic priorities can overlook regulatory, operational, or reputational risks, making them vulnerable to failure and costly ameliorations later.

Technology & Digital Transformation: Late or absent risk involvement in these initiatives can create cyber blind spots and compliance gaps, even though cyber ranks as the top strategic threat. Without risk input, investments may fail to mitigate emerging threats, resulting in cost overruns, operational downtime, remediation efforts, and reduced trust in technology programs.

New Product & Service Launch: When launching new products or services, excluding risk from the early design process exposes the organisation to latent liability, safety, or regulatory risks. Customer data and intellectual property protections may be insufficient, increasing the likelihood of breaches. Post-launch failures, recalls, and reputational damage result in financial and operational losses.



Critical Insights

Organisations clearly recognise the importance of risk management programs, with 71% seeking risk improvement as a key driver. Yet, only 48% of the organisations prioritise risk culture development – the strongest method for achieving this goal. This creates a 23-point gap between aspiration and implementation strategy. The disconnect suggests that while the vision for better risk preparedness exists, the foundational building blocks required to move from a reactive to a proactive, mature risk environment are still being under-prioritised.

Conclusion

RISE 2025–26 indicates that organisations are at a significant tipping point. While nearly half have achieved structured risk management maturity and most have initiated ERM programs, progress remains constrained by limited budgets, technology gaps, and shortfalls in risk capabilities and culture. This has created a clear execution gap, necessitating enhanced resource alignment, deeper technology adoption, and continuous focus on building capabilities..

Further, risk & insurance are not yet consistently embedded in strategic decision-making. Its limited involvement in planning and execution of initiatives represents both a vulnerability and an opportunity. Organisations that integrate risk perspectives earlier make better-informed decisions, align insurance programs with actual exposures, and build stronger resilience. Addressing these gaps will be critical to strengthening ERM programs in an increasingly complex risk environment.

Key Takeaways

Maturity Level:

16% lead with Optimised maturity & continuously improving; 36% are at Reactive or Basic levels, signalling the next frontier for stronger risk resilience

Elevating Risk Management:

Risk culture leads with 48%, while technology at 47% highlights that success depends as much on people as on tools

Annual Budgeting and Strategic Planning:

59% recognise budgeting as a risk touchpoint - yet capital is often allocated without risk and insurance function at the table

Topmost Challenges:

Technology at 52% and budgetary constraints at 46% remain the topmost limitations in the risk governance framework

Core Drivers for Risk Management Solutions:

71% cite risk improvement as the key driver of change, with 61% focused on cost savings and operational efficiency



RISE 2025-26

RISK AND INSURANCE SURVEY FOR ENTERPRISES



Insurance Management

CHAPTER 4

Navigating Insurance Coverage and Priorities Across Corporate India

Executive Summary

The insurance market in Corporate India is undergoing a pivotal transformation. Our risk survey across several sectors reveals that satisfaction is influenced by three main factors: depth of coverage, proactive portfolio reviews, and confidence in valuation methods. Organisations with comprehensive programs and half-yearly reviews report markedly higher satisfaction, while loss-based valuation drives confidence in the adequacy of their programs. The message for corporate stakeholders is clear: competitive pricing alone won't suffice; the success lies in holistic program design, maintaining active engagement, and adopting disciplined risk assessment to navigate an increasingly complex environment.

Coverage Adoption and Program Satisfaction

The Adoption-Satisfaction Correlation

One of the strongest insights from our survey is the clear, upward link between the breadth of an organisation's insurance portfolio and its overall program satisfaction. This finding challenges the notion that insurance decisions are primarily driven by cost. Instead, it shows that wider, more comprehensive coverage delivers tangible value that organisations actively recognise.

To assess this relationship, respondents were grouped into four adoption tiers based on the number of insurance products in their portfolio. The results show a consistent pattern: satisfaction rises steadily with each higher level of adoption.

Satisfaction Rate by Insurance Adoption Levels

Adoption Level	Satisfaction %
Low (0-3 policies)	60%
Medium (4-6 policies)	68%
High (7-8 policies)	73%
Very High (9-11 policies)	79%
OVERALL	69%

The near-linear climb from 60% satisfaction at low adoption to 79% at very high adoption indicates that each added layer of coverage steadily builds organisational confidence.

The implication is clear: additional policies aren't merely cross-sell options but meaningful value enhancers that improve client outcomes.

KEY INSIGHTS:

Organisations with comprehensive insurance coverage (9+ policies) report 19 percentage points (pp) higher satisfaction compared to those with minimal coverage (0-3 policies), demonstrating a clear positive relationship between insurance portfolio breadth and insurance management program satisfaction.

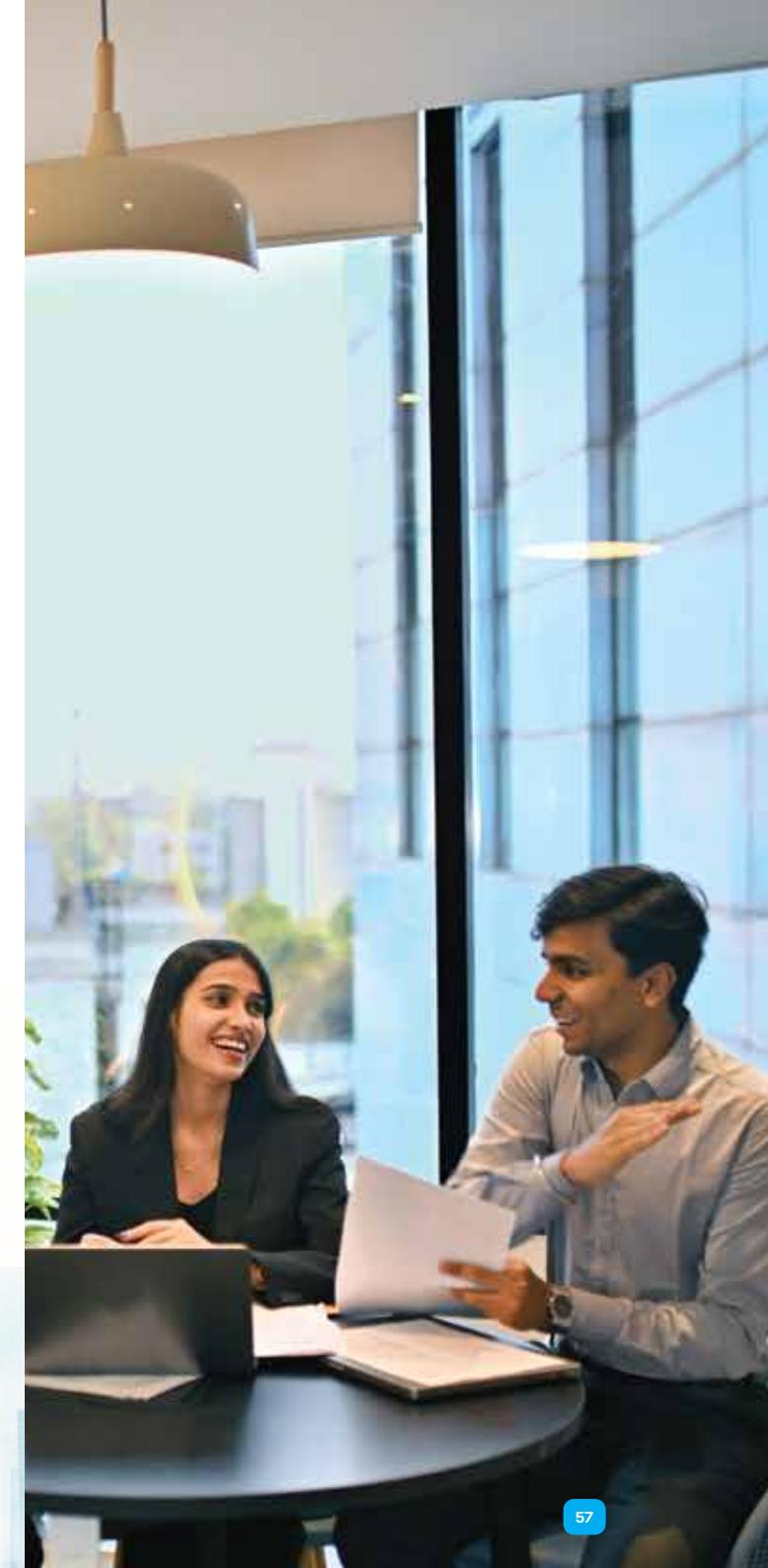


Policy-specific Impact on Satisfaction

Not all insurance policies contribute equally to program satisfaction. Our analysis compared satisfaction rates between organisations that have adopted specific policies versus those that have not, revealing which products deliver the most significant impact on overall program perception.

Insurance Policy	Enterprises that Have Policies	Enterprises that Don't Have Policies	Difference
Crime Insurance	77%	63%	+14pp
Commercial General Liability	72%	59%	+13pp
Cyber Liability	75%	63%	+12pp
Business Interruption	73%	63%	+10pp
Professional Liability	74%	65%	+9pp

The data highlights a clear pattern: Specialty Lines such as Crime Insurance (+14pp), Commercial General Liability (+13pp), and Cyber Liability (+12pp) show the strongest positive correlation with satisfaction. These covers address fast-evolving operational, liability, and financial crime exposures - areas where organisations are actively seeking greater resilience. Their impact signals a shift in buyer priorities toward protection that goes beyond traditional asset-based insurance.



Portfolio Management and Review Practices

The Review Frequency–Satisfaction Nexus

Among all variables analysed, portfolio review frequency emerges as the strongest predictor of program satisfaction. The contrast is significant: organisations that engage in structured, periodic reviews display far higher confidence in their insurance programs compared to those that restrict reviews to renewal cycles. The survey reveals two clear review behaviours: half-yearly reviews (65% of organisations) and renewal-only reviews (32%). Satisfaction levels differ sharply across these groups, underscoring the value of proactive engagement and continuous portfolio oversight.

Satisfaction by Portfolio Review Frequency

Review Frequency	No. of Enterprises	Very Satisfied	Satisfied	Neutral	Total Satisfied
Half-yearly	262	21%	59%	16%	81%
Renewal Only	128	12%	37%	38%	48%

EXPERT'S VIEW:

 Periodic reviews lead to gathering more material information, which, when shared with the insurer, improves the chances of getting appropriate coverage and helps to understand ground realities to reduce the satisfaction gap. 

Disha Sahni
Flipkart India Pvt. Ltd.



KEY INSIGHTS:

Organisations conducting half-yearly reviews report 81% satisfaction, 32pp higher than those reviewing only at renewal (48%). This is the strongest correlation observed across the entire survey. This highlights a significant opportunity for insurers to differentiate themselves through service quality, rather than just price.

Industry Variations in Review Impact

Although the relationship between review frequency and satisfaction holds across all industry sectors, the magnitude of reviews varies considerably. Manufacturing enterprises demonstrate the most significant gap, with half-yearly reviewers achieving 85% satisfaction compared to just 42% for renewal-only reviewers—a remarkable 43pp difference.

Manufacturing, IT/ITES, and Energy & Utilities—sectors with fast-changing risks—gain the most from frequent reviews, as their shifting coverage needs make proactive portfolio management essential.

Satisfaction Rate by Review Frequency and Industry

Industry	Half-yearly	Renewal Only	Gap
Manufacturing	85%	42%	+43pp
IT/ITES	82%	44%	+39pp
Energy & Utilities	74%	36%	+38pp
Automobile & Auto Components	76%	44%	+32pp
Pharmaceuticals & Chemicals	81%	52%	+29pp
Construction & Engineering	67%	53%	+13pp
Services	81%	69%	+12pp

Review Frequency and Challenge Awareness

An intriguing secondary finding in this survey concerns the relationship between review frequency and challenge awareness. Counter to what one might expect, organisations that review their portfolios more frequently (twice a year) actually report more challenges—an average of 1.97 challenges compared to 1.57 for renewal-only reviewers.

This apparent paradox resolves when viewed through the lens of risk awareness. Proactive reviewers are not experiencing more problems; instead, they are more attuned to the challenges within their insurance programs. Half-yearly reviewers demonstrate 14pp higher awareness of claims-related issues (30% versus 16%) and a 7pp greater focus on adopting new products. This heightened awareness enables them to address the problems before they become critical, driving higher satisfaction.

Program Gaps and Challenges

Premium Costs: A Universal Concern

Across Corporate India, premium affordability emerges as the topmost concern in insurance programs. Half of all organisations identify high premiums as a key gap, making it the most frequently cited challenge in the survey.

Yet, this concern varies significantly by industry. Pharmaceuticals & Chemicals sector report the highest sensitivity (60%), reflecting their complex risk exposures and specialised coverage needs.

Top Program Gaps by Industry

Industry	#1 Gap	#2 Gap	#3 Gap
Pharmaceuticals & Chemicals	Premium Costs	Complex Wordings	High Deductibles
Automobile & Auto Components	Premium Costs	High Deductibles	Complex Wordings
Manufacturing	Premium Costs	Too Many Exclusions	Complex Wordings
Services	Premium Costs	Lack Specialised Products	Complex Wordings
IT/ITES	Complex Wordings	Premium Costs	Too Many Exclusions
Energy & Utilities	Premium Costs	Complex Wordings	Too Many Exclusions
Construction & Engineering	Premium Costs	Too Many Exclusions	Complex Wordings



The IT/ITES Anomaly: Complexity Over Cost

The IT/ITES sector stands out with a unique challenge: complex policy wording tops their list of concerns, even ahead of premium costs. Nearly half (49%) of respondents in this sector struggle with policy language, compared to the overall average of 35%. This gap highlights a mismatch between traditional insurance documents and the realities of tech businesses, which deal with intangible assets, service-level commitments, and digital risks. For insurers, it means technology firms need not just specialised products, but policy language redesigned to reflect how they operate.

KEY INSIGHTS:

IT/ITES is the only industry where complex policy wordings (49%) outrank premium costs (39%) as the primary program gap—signalling a need for simplified, technology-relevant policy language.

EXPERT'S VIEW:



There is a need for specialised insurance products that address the inherent risks of the e-commerce industry, which are currently not met by generic or traditional covers. The sector faces challenges with complex policy wordings that fail to address all applicable business risks.



Disha Sahni

Flipkart India Pvt. Ltd.

Sector-Specific Gap Profiles

Beyond the headline findings, several sector-specific patterns merit attention from insurance professionals seeking to tailor their offerings:



Automobile & Auto Components:

This sector shows the most significant concern with high deductibles (41%), reflecting the attritional and small average losses which result into higher aggregation of retained losses along with usually higher deductibles for product liability and cyber exposures.



Services:

The Services sector demonstrates the highest demand for specialised coverage (35%), surpassing the average of 22%. This reflects the diverse nature of service businesses and the inadequacy of one-size-fits-all insurance products for professional services, consulting, and other organisations.



Energy & Utilities:

This sector reports the highest incidence of poor claims experience (21%), double the overall average. For an industry where claims can involve complex technical assessments and substantial values, this finding signals a need for enhanced claims handling capabilities and specialised adjusting expertise.

Future Insurance Demand

Overall Policy Demand Rankings

Our survey also examined the insurance policies organisations aim to introduce or upgrade in the next year, offering insights into Corporate India's shifting risk priorities and the expanding opportunities within the insurance sector.



KEY INSIGHTS:

Business Interruption (44%) and Cyber Liability (43%) lead demand across Corporate India, reflecting heightened awareness of operational resilience and digital threats in the post-pandemic business environment.

Business Interruption and Cyber Liability dominate the demand rankings – and for good reason. The pandemic, geopolitical, and constant supply chain disruptions exposed how severely operations can be crippled when business interruption strikes. At the same time, a surge in high-profile cyber breaches and outages has pushed digital risk to the forefront of boardroom discussions. Together, these two products represent the dual pillars of modern operational resilience.

Top 3 Policies by Industry Demand

Industry	#1 Policy	#2 Policy	#3 Policy
Manufacturing	BI	Cyber	CGL
Energy & Utilities	Cyber	CGL	D&O
Construction & Engineering	BI	PL	Cyber
Pharmaceuticals & Chemicals	Cyber	BI	CGL
Services	Cyber	PL	D&O
IT/ITES	Cyber	BI	D&O
Automobile & Auto Components	CGL	D&O	BI

Demand Intensity Analysis

Our survey didn't just look at which insurance products are gaining interest – it also assessed demand intensity, meaning how many policies organisations expect to add in the near future. This metric reveals which sectors are most actively expanding their insurance portfolios.

Energy & Utilities stands out due to its strong market potential. Enterprises in this sector plan to add around five new policies on an average, well ahead of every other industry. Nearly six in ten Energy organisations (59%) plan to add five or more policies, indicating substantial business and portfolio expansion is underway. This intensity reflects both the sector's complex operational risks and, potentially, historical underinsurance that is now being addressed.

Manufacturing (four policies average) and Construction & Engineering (five policies) follow, while the Services and IT/ITES sectors show a steady portfolio expansion, with roughly four policies each.



KEY INSIGHTS:

The Energy & Utilities sector records the highest demand intensity at five policies per organisation, with 59% planning to add five or more policies – highlighting the sector's risk complexity and current protection gaps.

Business Interruption Coverage and Confidence

Current BI Coverage Landscape

Business Interruption (BI) insurance has moved into sharper focus in the post-pandemic world. COVID-19 made it clear that a single disruption – whether due to supply chain breakdowns, shutdowns, or workforce unavailability – can quickly escalate into significant financial loss. This experience, coupled with supply chain disruption and geopolitical tensions, has prompted many enterprises to reassess their level of protection against operational standstills.

Survey results show organisations now carry some level of BI cover, though sector-wise adoption paints a mixed picture. Pharmaceuticals and chemicals lead with a strong 81% uptake, reflecting the sector's heavy dependence on continuous production environments. Manufacturing follows at 67%, consistent with the cost of any downtime in plant operations.

Another lesson from the pandemic was the surge in global BI claims and the scrutiny over policy wordings. This has encouraged organisations to take a more careful look at BI triggers, exclusions, and whether their current cover would respond in a large-scale event.

Business Interruption Coverage by Industry

Industry	No BI	≤INR 100 Cr.	INR 101-250 Cr.	>INR 251 Cr.	Has BI
Pharmaceuticals & Chemicals	19%	35%	17%	29%	81%
Automobile & Auto Components	32%	24%	12%	32%	68%
Manufacturing	33%	30%	18%	19%	67%

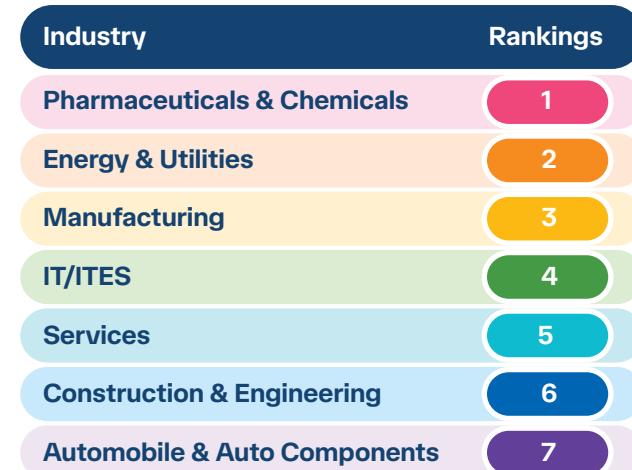
The BI-Confidence Relationship

The link between BI coverage and confidence in overall insurance adequacy is striking. Organisations with BI coverage report a 92% confidence level, compared to just 74% among those without—an 18-point gap that clearly illustrates the assurance and peace of mind this protection delivers.

Organisational Actions and Priorities

Beyond insurance buying decisions, organisations are increasingly focused on strengthening the effectiveness of their insurance frameworks. Improving risk management practices has emerged as the most important action point for 56% of organisations across industries. Stronger risk management enables organisations to reduce loss volatility, close coverage gaps, improve claims outcomes, and align insurance decisions with risk appetite using data more effectively. This emphasis signals a broader effort to embed discipline, consistency, and accountability into risk and insurance processes.

Industry-wise Risk Management Rankings



KEY INSIGHTS:

The findings provide a forward-looking perspective on the evolution of corporate risk management in India, toward stronger frameworks, disciplined risk practices, and closer alignment between risk management and insurance outcomes. They also highlight where insurers can add significant value by helping organisations translate robust risk practices into more resilient and efficient insurance programs.

Risk management is critical across the Pharmaceuticals & Chemicals, Energy & Utilities, and Manufacturing industries because each faces unique and high-stakes exposures. Being a highly regulation-intensive sector, the Pharmaceuticals & Chemicals sector has been ranked number one in improving risk management practices. Energy & Utilities comes in second, followed by Manufacturing in third position. These asset-heavy and compliance-critical industries operate under heightened risk sensitivity, where even small control failures can have material financial, operational, or regulatory consequences. Across these sectors, embedding risk early transforms potential vulnerabilities into informed, resilient decision-making approach.



Claims Experience & Risk Transfer

From Loss Concerns to Claims Reality: How Corporate India Manages Risk

Understanding Claims Dynamics

Insurance is designed to provide financial resilience when losses occur. Yet the journey from a loss event to claim settlement is rarely linear. Our analysis across surveyed organisations reveals a challenging reality: elevated pending claims exposure, recurring friction points within the claims lifecycle, and material gaps in risk transfer frameworks that leave enterprises more vulnerable than anticipated.

This chapter traces that journey—from the loss categories that dominate risk managers' agendas, moving through actual claims experience, examining the delays and disputes that impede resolution, and concluding with contractual mechanisms that can mitigate or even prevent losses. The underlying data reveals patterns that should inform a more proactive approach to both claims management and risk transfer strategy.

Risk Mindset: Where Vulnerabilities Lie

When asked to identify their top three loss categories, respondents gravitated toward a familiar triad: NATCAT (40%), Fire/Explosion (39%), and Supply Chain Disruption (37%). These risks dominate the corporate risk agenda across India, though sector-specific priorities vary significantly.

Close behind are Machinery Breakdown (MBD) at 23% and Theft/Fraud (16%)-persistent operational threats that continue to erode resilience.

Industry Risk Profile Rankings

Industry	Rank 1	Rank 2	Rank 3
Automobile & Auto Components	Supply Chain Disruption	NATCAT	MBD
Construction & Engineering	NATCAT	Fire/Explosion	MBD
Energy & Utilities	MBD	NATCAT	Fire/Explosion
Manufacturing	Fire/Explosion	Supply Chain Disruption	NATCAT
Pharmaceuticals & Chemicals	Supply Chain Disruption	Fire/NATCAT	MBD
Services	Theft/Fraud	Cyber Risks	NATCAT



The Automobile sector's supply chain claims history stands out. At 56%, it is the highest across industries. Fire claims are notably suppressed in the Automobile versus the average - an indication of decades of safety culture development in manufacturing facilities.



Construction's natural catastrophe exposure (58%) reflects the reality of multi-year projects exposed to monsoons, seismic events, and extreme weather. Unlike completed structures, construction sites cannot shelter from the elements—they must endure them.



Services present the most distinctive profile. As the only sector where cyber incidents (23%) and theft/fraud (27%) emerge as top concerns, it signals a fundamental shift in risk. Asset-light business models mean that intangible assets—such as data, reputation, and professional relationships dominate the loss potential. This pattern likely suggests where other sectors will move as digital transformation accelerates.

Current Exposure: Pending Claims Landscape

Among the organisations surveyed, 42% have active pending claims. Of these, 19% face claims of INR 50 lac or above - amounts that can materially impact operational budgets and require dedicated claims management attention. Within this segment, 6% face claims exceeding INR 5 Cr., representing the most severe exposure tier.

Claims at a Glance

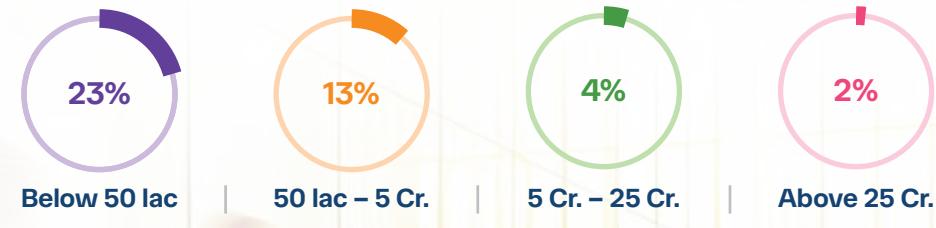
42%

of organisations have pending insurance claims

6%

face high-value claims above INR 5 Cr.

Claim Value Range



(figures in INR)

The Claims Process: Where Delays Become Disputes

Filing a claim is only the beginning; settling it is the real challenge. Our survey uncovers a striking correlation that organisations that experience claim delays also report disputes. The link is almost universal—and more importantly, the nature of the delay often predicts the type of dispute that follows. This pattern highlights systemic inefficiencies that risk managers cannot afford to ignore.

The Anatomy of Delay

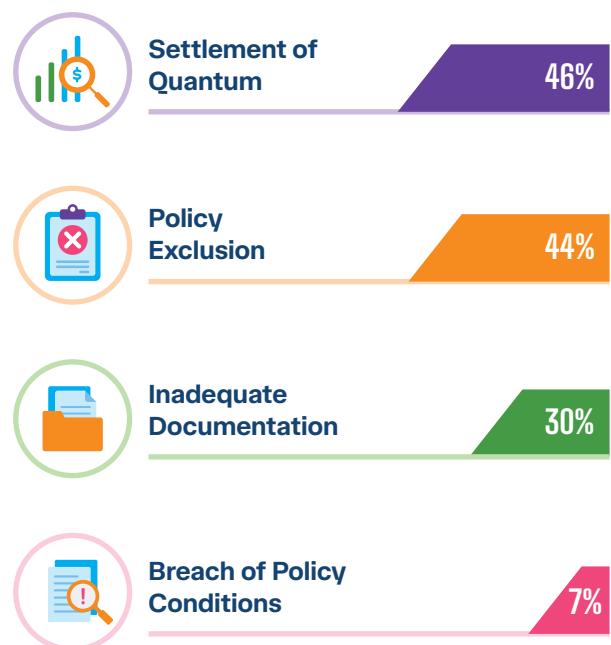
Reasons for Delay in Claims



Documentation requirements top the list at 55%. This is both expected and actionable—pre-loss documentation discipline can significantly reduce this friction. Organisations that maintain organised records, pre-agreed valuation methodologies, and clear proof-of-loss templates experience faster claims processing.

How Disputes Unfold

Types of Disputes



Settlement of quantum and policy exclusion disputes together account for 90% of dispute mentions. Both are, to varying degrees, preventable: assessment disputes through faster surveyor turnaround; exclusion disputes through better policy placement and pre-loss coverage discussions.

Vendor Risk Transfer: The Overlooked Frontier

Not every loss originates within the organisation. Vendors, contractors, and third-party partners can trigger fires, data breaches, operational disruptions, and liability exposures. The critical question is: are organisations equipped to transfer these risks back to their source? Our survey reveals a concerning gap. Only 44% of organisations mandate insurance coverage from all vendors, while 16% restrict requirements to "critical vendors." Alarming, 40% have no vendor insurance requirement at all. This oversight leaves businesses exposed to cascading risks that could and should be contractually mitigated.

Vendor Insurance Requirement



The "critical vendors only" approach carries hidden risks. Vendor criticality assessments are often outdated, and seemingly minor vendors can cause disproportionate harm. A cleaning contractor's negligence can lead to a facility fire; a small IT vendor's breach can compromise an enterprise's systems.

The Waiver of Subrogation Gap

Among organisations that do require vendor insurance, the choice of contractual clauses reveals another gap. Additional Insured status is widely adopted (74%), but Waiver of Subrogation lags at just 42%—despite being one of the most valuable protections available.

Clause	%	Purpose
Additional Insured	74%	Adds principal to vendor's policy
Waiver of Subrogation	42%	Prevents insurer from recovery actions
Hold Harmless	30%	Contractual indemnification

Why does this matter?

When an insurer pays a claim, it acquires the right to recover from any party responsible for the loss. Without a waiver, the vendor's insurer can sue your organisation to recover amounts paid—even when both parties believed the matter settled. Additional Insured status alone does not prevent this.

Key Recommendations

For Risk Managers

Pre-loss documentation discipline pays dividends. With 55% of delays attributed to documentation requirements, organisations that maintain organised records, pre-agreed valuation methodologies, and clear proof-of-loss templates will experience faster claims processing and fewer disputes.

Vendor contracts deserve systematic attention. The 44% figure for universal vendor insurance requirements—and the 42% for Waiver of Subrogation—suggest most organisations have exposure gaps in their third-party relationships. A contract audit, focusing on vendors with physical presence or system access, is warranted.

Cyber exposure may be underappreciated. Only 8% cite cyber as a top concern, yet cyber claims show the highest severity profile (29% above INR 5 Cr.). The Services sector's elevated cyber concern (23%) may indicate where other sectors will move as digital dependency increases.



For Insurance Professionals

Assessment speed is a key priority in claims management. Delayed assessments are associated with the strongest conversion to disputes. Surveyor turnaround times should be a key performance metric, with clear escalation protocols in place for delays.

Proactive communication during delays prevents settlement disputes. General delays show the strongest correlation with settlement disputes. Regular timeline updates—even when the news is not good—help maintain trust and reduce the likelihood of adversarial escalation.

The vendor insurance conversation is an opportunity for advisory services. With 40% of organisations having no vendor insurance requirements, and 58% not using Waiver of Subrogation, there is significant scope for value-added risk advisory services.

KEY INSIGHTS:

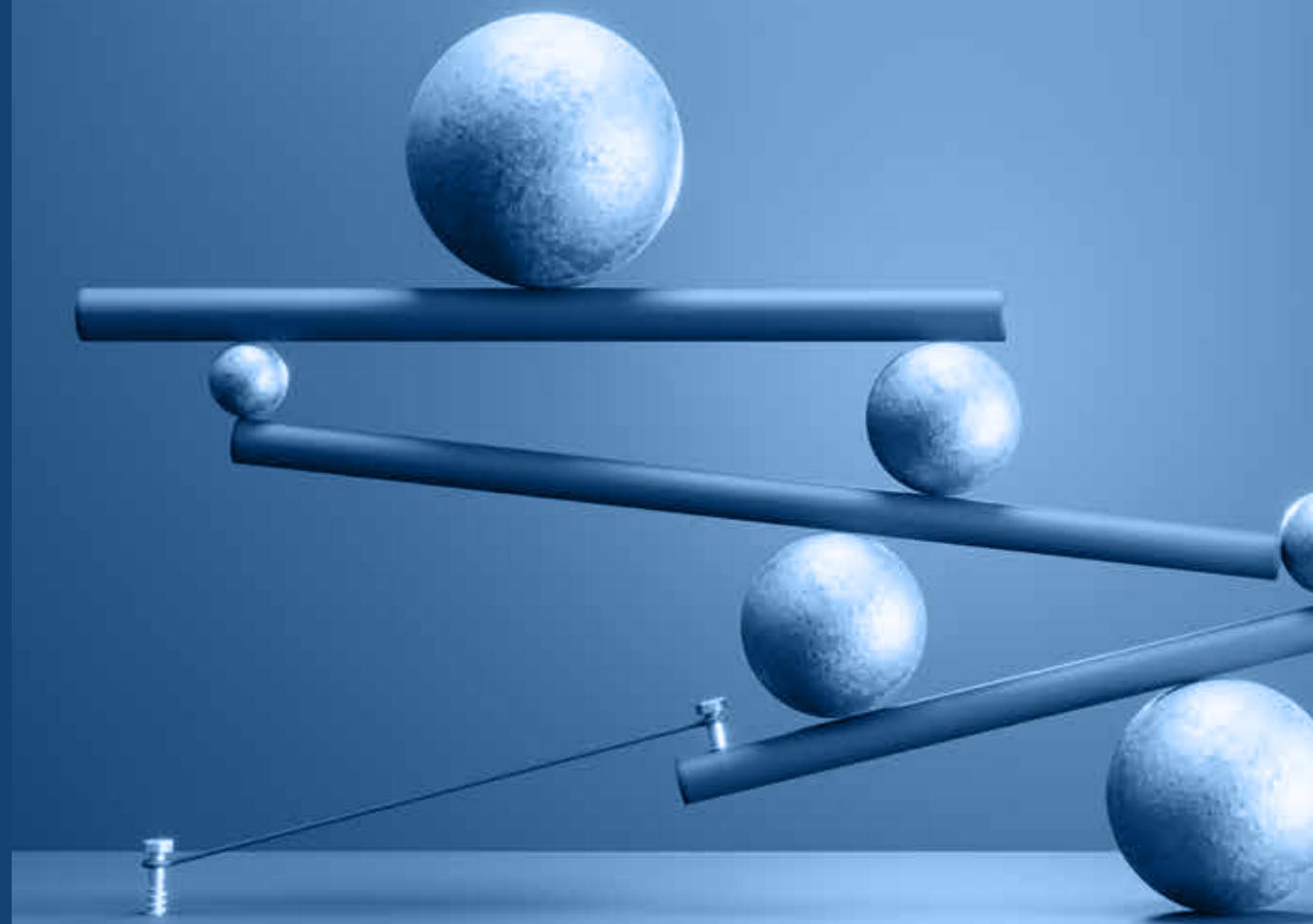
The claims journey of an enterprise—from loss concern through filing, delay, dispute, and eventual settlement—reveals systematic patterns that can be addressed through better preparation, faster processing, and more complete risk transfer mechanisms. The data presented here provide benchmarks against which organisations can assess their own practices and identify opportunities for improvement.



Conclusion

The insurance management landscape across Corporate India stands at an inflection point. Organisations are moving beyond viewing insurance as a compliance necessity toward recognising it as a strategic enabler of business resilience. The correlations identified in this analysis—between portfolio breadth and satisfaction, between review frequency and program confidence, between valuation sophistication and coverage assurance—provide a roadmap for all stakeholders to elevate their approach.

The path forward is clear: broader coverage, proactive engagement, and robust risk quantification consistently drive better outcomes. Organisations that embrace these principles, and the insurers that enable them, will be best positioned to navigate the uncertainties ahead.



Key Takeaways

Broad Coverage Enhances Outcomes

Organisations with 9+ policies report higher program satisfaction

Review Cadence

Half-yearly reviews drive 81% satisfaction

Vendor Ecosystem

Only 44% of organisations mandate vendor insurance, while 40% leave it unchecked - leaving many exposed to avoidable risks

Specialty Lines Drive Confidence

Crime, CGL, and Cyber coverage deliver the highest satisfaction gains

Lead Demand

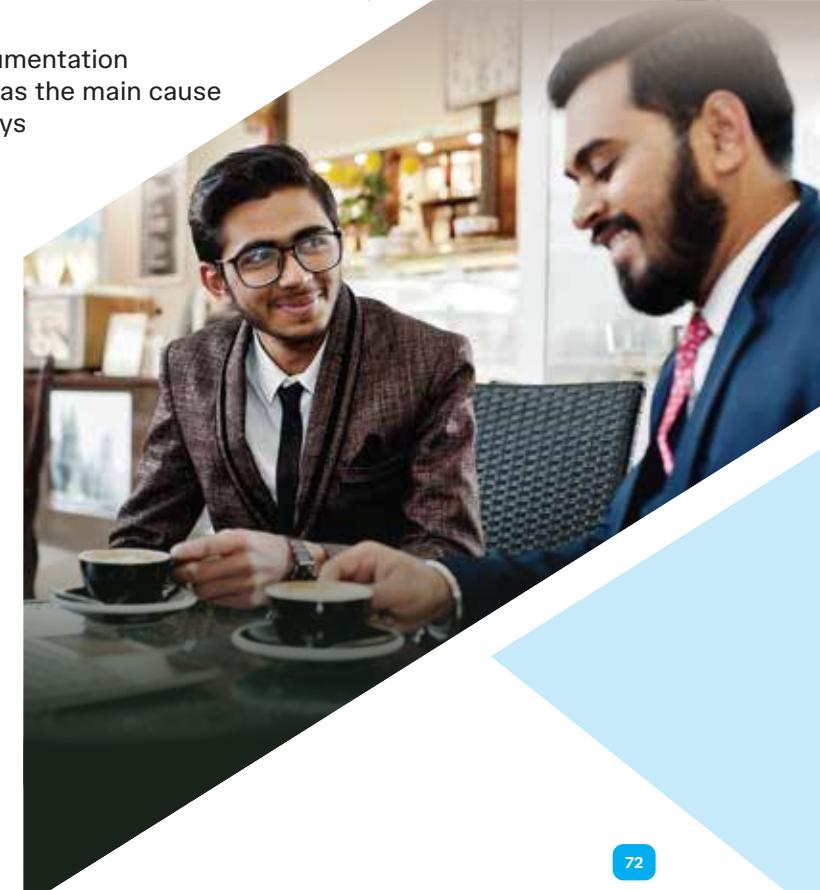
BI (44%) & Cyber Liability (43%) top demand, reflecting rising focus on operational resilience & digital risk

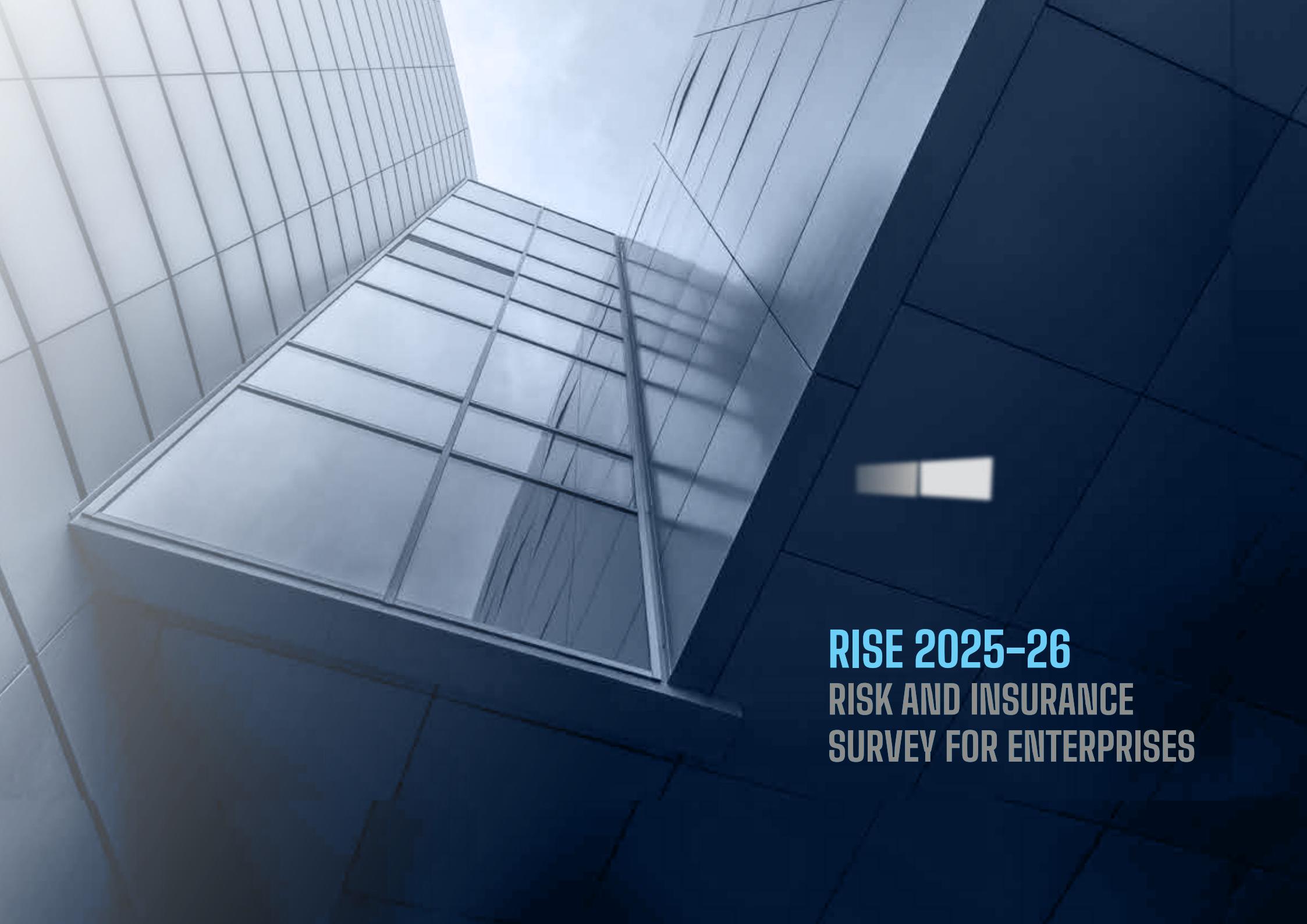
High-cost Drives Gaps

Half of Corporate India flags high premiums as the key challenge

Lengthy Documentation in Claims

55% cite documentation requirements as the main cause of claims delays





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Methodology Note

The findings from our risk survey were discussed with risk managers across industries, and the feedback received was used to validate and strengthen the conclusions of this report.

1. Risk Ranking Calculation Method (Chapter 3)

Rankings are derived using the Borda Count method, a widely-used approach for aggregating ranked preferences. Respondents ranked their top five risks, with higher ranks receiving more weight. Rankings shown reflect the aggregate priority within each industry.

2. Risk Management Maturity Levels (Chapter 3)

- Reactive** – Risks are addressed only after an incident occurs; no formal process exists
- Basic** – Some awareness of risks exists, but activities are inconsistent and largely informal
- Structured** – Defined risk processes and frameworks are in place and followed periodically
- Integrated** – Risk management is embedded into business operations and decision making across functions
- Optimised** – Risk practices are continuously improved using data, insights, and predictive capabilities

3. Weighted Average Methodology (Chapter 3)

The weighted average maturity score is derived using the formula:

$$(\text{Reactive} \times 1 + \text{Basic} \times 2 + \text{Structured} \times 3 + \text{Integrated} \times 4 + \text{Optimised} \times 5) / \text{Total Response}$$

4. Intensity Score (Chapter 3)

The intensity score measures the severity of challenges faced by organisations. It uses a weighted severity approach, where each challenge type is assigned a different weight based on its difficulty or impact.

$$\text{Intensity Score} = (\text{Tech} \times 5 + \text{Budget} \times 4 + \text{Training} \times 3 + \text{Cultural} \times 2 + \text{Leadership} \times 1) / \text{Sample Size}$$

5. Average Score (Average Challenges per Organisation) (Chapter 3)

The average challenges score indicates how many challenges an average organisation faces. Unlike the intensity score, it is a simple count metric, with no severity weighting.

$$\text{Average Challenges} = \text{Total number of challenges selected} \div \text{Number of respondents}$$

6. Risk Governance Framework & Risk Management Program (Chapter 3)

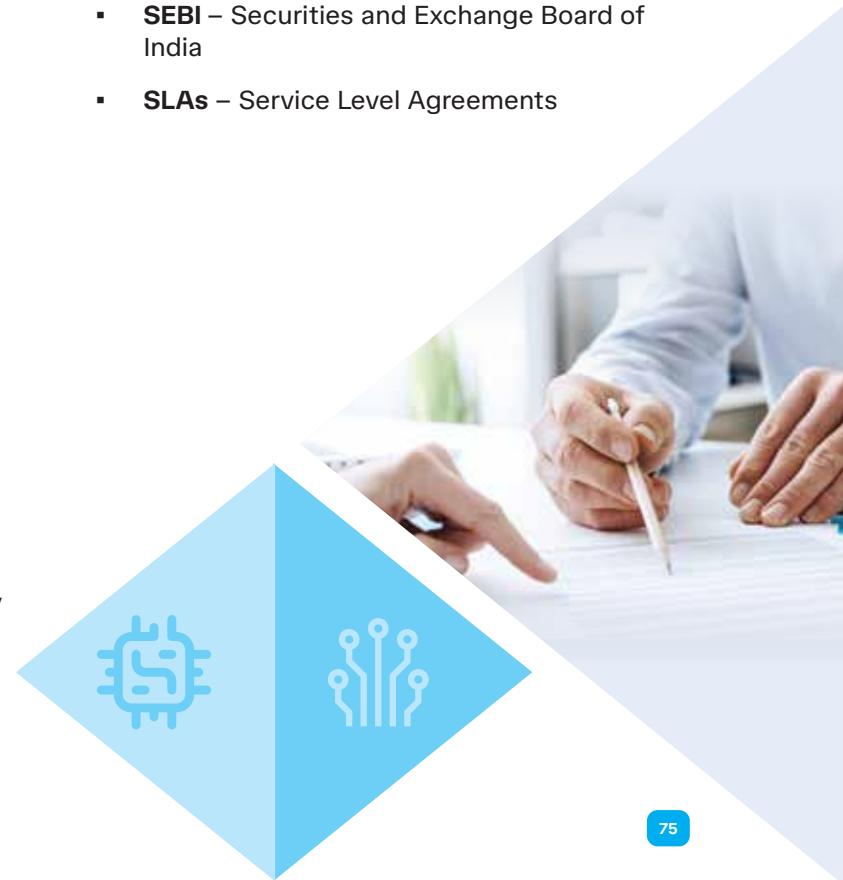
The percentages have been calculated based on the number of options selected by the respondents.



Glossary

Abbreviations

- **ADAS** – Advanced Driver Assistance Systems
- **AI** – Artificial Intelligence
- **API** - Active Pharmaceutical Ingredient
- **BC/DR** – Business Continuity and Disaster Recovery
- **BCM** – Business Continuity Management
- **BFSI** - Banking, Financial Services, and Insurance
- **BIM** – Building Information Modelling
- **CBAM** - Carbon Border Adjustment Mechanism
- **CCPA** - Consumer Protection Act, 2019 (India)
- **CFRP** – Carbon Fiber Reinforced Polymer (also referred to as Carbon Fiber Reinforced Plastic)
- **CIP** - Critical Infrastructure Protection
- **CRDMO** – Contract Research, Development, and Manufacturing Organisation
- **EAF** – Electric Arc Furnace
- **ERM** – Enterprise Risk Management
- **ESG** - Environmental, Social, and Governance
- **EU** – European Union
- **EV** – Electric Vehicles
- **GDPR** - General Data Protection Regulation (EU)
- **GenAI** – Generative AI
- **GRC** - Governance, Risk, and Compliance
- **GxP** – Good Practice standards (umbrella term for GMP, GLP, GCP, etc.; the “x” means “various”)
- **IATF** – International Automotive Task Force (commonly refers to IATF 16949, the automotive quality standard)
- **IoT** – The Internet of Things
- **IP** - Intellectual Property
- **IPO** – Initial Public Offering
- **IT/ITES** – Information Technology/Information Technology Enterprise Solutions
- **ITDR** – IT Disaster Recovery
- **KPI** – Key Performance Indicator
- **M&A** – Mergers & Acquisition
- **NABL** – National Accreditation Board for Testing and Calibration Laboratories
- **NERC** - North American Electric Reliability Corporation's (NERC) Critical Infrastructure Protection standards
- **NIST** - National Institute of Standards and Technology
- **OT** – Operational Technology
- **PCI-DSS** – Payment Card Industry – Data Security Standard
- **R&D** – Research & Development
- **RMI** – Risk Maturity Index
- **SCADA** - Supervisory Control and Data Acquisition
- **SEBI** – Securities and Exchange Board of India
- **SLAs** – Service Level Agreements



Insurance Nomenclature

Asset Valuations

The assessment of the current value of assets for insurance, financial reporting, or transaction purposes.

Additional Insured

An additional insured is a person or company added to another insurance policy to receive protection from claims arising from the named insured.

Business Interruption (BI)

Covers loss of income and increased costs following disruption caused by insured damage to property.

Construction All Risks (CAR)

Covers physical loss or damage to contract works, materials and plant during construction projects.

Crime Insurance

Protects against losses caused by criminal acts such as fraud, theft, forgery, or employee dishonesty.

Cyber Insurance

Covers losses arising from cyber incidents, including data breaches, system outages and cyber extortion.

Directors & Officers Liability (D&O)

Covers personal liability of directors and officers arising from management decisions and corporate governance issues.

Employers Liability

Covers legal liability for injury or illness sustained by employees in the course of employment.

Environmental Liability

Covers pollution-related liabilities, including clean-up costs and third-party claims.

Erection All Risks (EAR)

Covers risks associated with the installation and erection of plant and machinery.

Errors & Omissions (E&O)

Covers financial losses arising from professional negligence, errors, or failure to perform services as promised.

General Liability

Covers legal liability for bodily injury or property damage to third parties arising from business activities.

Hold Harmless

A contractual clause where one party agrees not to hold the other liable for specified losses or claims.

Industrial All Risks (IAR)

Provides comprehensive coverage for physical loss or damage to industrial assets, except for specified exclusions.

Loss of Profit

Covers loss of income and increased costs incurred due to business interruption following insured damage.

Machinery Breakdown (MBD)

Covers sudden and accidental mechanical or electrical breakdown of plant and machinery.

Marine Cargo

Covers loss of or damage to goods while being transported.

Marine Hull

Covers physical damage to vessels and associated marine risks.

Marine In-transit

Insurance coverage for loss or damage to goods while in transit by sea, air, road, or rail, from the point of origin to the final destination.

Mergers & Acquisitions Insurance (M&A)

Includes transactional covers such as Warranty & Indemnity insurance to protect buyers and sellers in corporate transactions.

Non-Damage Business Interruption (NDBI)

Covers loss of income due to business disruption without any physical damage to assets.

Peer Benchmarking

The process of comparing performance, practices, or costs against industry peers to assess competitiveness.

Professional Indemnity (PI)

Covers claims arising from professional negligence, errors or omissions in the provision of services.

Property All Risks (PAR)

Covers physical loss or damage to property from all risks unless specifically excluded in the policy.

Property Damage (PD)

Covers physical loss of or damage to buildings, plant, machinery and other insured assets.

Public Liability (PL)

Covers claims from third-parties for injury or property damage occurring in connection with business operations.

Stock Throughput

Covers goods from production through storage and transit until delivery to the end customer.

Surety Insurance

A guarantee that contractual or legal obligations will be fulfilled; compensates the beneficiary if the principal defaults.

Trade Credit Insurance (TCI)

Protects against financial loss arising from customer insolvency or failure to pay trade debts.

Terrorism Insurance

Covers property damage and business interruption resulting from acts of terrorism.

Warranty & Indemnity (W&I)

Covers financial losses arising from breaches of warranties or indemnities in M&A transactions.

Waiver of Subrogation

A provision where an insurer waives its right to recover losses from a third-party after paying a claim.

Strategic & Emerging Risks - Definitions

Data Privacy

The risk arising from unauthorised access, use, disclosure, or loss of sensitive or personal data, which may result in regulatory penalties, legal action, financial loss, and reputational damage.

Digital Fraud & Scams

The risk of financial loss, data compromise, or reputational damage arising from fraudulent digital activities such as phishing, identity theft, cyber-enabled fraud, or unauthorised transactions targeting systems, employees, or customers.

Emergence of New Technologies

The risk that rapid technological advancements may disrupt existing business models, create competitive disadvantages, or require significant investment and capability upgrades to remain relevant and secure.

Political & Trade Tensions

The risk of disruption to business operations, supply chains, or market access due to geopolitical instability, government actions, trade restrictions, tariffs, sanctions, or changes in diplomatic relations between countries or regions.

Regulatory or Policy Changes

The risk associated with new, amended, or repealed laws, regulations, or government policies that may impact business operations, compliance requirements, costs, or strategic direction.

Supply Chain Disruptions

The risk of interruption or delay in the flow of goods and services due to factors such as supplier failures, logistics challenges, natural disasters, etc. potentially impacting business continuity, costs, and customer satisfaction.

Sources

All industry market size figures and projections are estimates based on publicly available data from the Indian Brand Equity Foundation (IBEF) - www.ibef.org accessed in December 2025. Actual market performance may vary due to economic, regulatory, and market dynamics.

Prudent Insurance Brokers Pvt. Ltd. does not guarantee the accuracy of this data and shall not be liable for decisions made based on this information.

Note: The conversion rate used for **1 USD = INR 85**



Automobile

- Data is until FY 2025
<https://www.pib.gov.in/PressNoteDetails.aspx?NotId=154025&ModuleId=3®=3&lang=2>
- <https://www.newsonair.gov.in/india-becomes-worlds-third-largest-automobile-market-nitin-gadkari/>
- <https://www.grandviewresearch.com/industry-analysis/india-automotive-market>

Auto Components

- The Automotive Component Manufacturers Association of India (ACMA) - Data is for FY 2025
- Invest India
<https://www.investindia.gov.in/sector/auto-components>

Construction

- <https://www.ibef.org/industry/infrastructure-sector-india>

Engineering

- <https://www.ibef.org/industry/engineering-india>
- Data is for FY 2025
- Press Information Bureau (PIB)
- Department for Promotion of Industry and Internal Trade (DPIIT)
- Ministry of Heavy Industries (MHI)
- National Automotive Testing and R&D Infrastructure Project (NATRIP)
- Industry Associations & Councils:
- Engineering Export Promotion Council (EEPC India)

- The Confederation of Indian Industry (CII)
- Indian Electrical & Electronics Manufacturers' Association (IEEMA)
- National Association of Software and Service Companies (NASSCOM)

Pharmaceuticals

- <https://www.ibef.org/industry/indian-pharmaceuticals-industry-analysis-presentation>

Chemicals

- Data is for FY 2025
- <https://www.ibef.org/industry/chemical-industry-india>

Energy, Utilities

- <https://www.pib.gov.in/PressNoteDetails.aspx?NotId=156480&ModuleId=3®=3&lang=1>

Telecom

- <https://www.ibef.org/industry/telecommunications>

IT & ITES

- Data is for FY 2025
- <https://www.ibef.org/industry/information-technology-india>

Manufacturing

- **NASSCOM India Industry 4.0 Adoption Report
- ***McKinsey Supply Chain Risk Pulse Survey 2025

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When we envisioned RISE 2025-26, our goal was to create data-backed risk & insurance intelligence to enable our clients in better decision-making. The insights within these pages are already guiding our consulting and client strategies. This launch edition reinstates our commitment to thought leadership, with each subsequent edition building on this foundation to provide a longitudinal view of evolving Corporate India's Risk & Insurance landscape.



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