

The Financial Influencer Ecosystem: A Global Perspective with a Focus on Indian Insurance Market

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Abstract

The evolution of India's financial advisory landscape has highlighted the growing need for structured regulation, especially as personal finance remains deeply individualized. SEBI's 2013 Investment Advisers Regulations formalized the advisory profession by mandating registration, risk-profiling, and minimum expertise requirements, though the number of active RIAs remains low due to regulatory costs, ongoing compliance, and competition from freely available financial content. Subsequent measures like SEBI's 2023 Advertisement Code further tightened compliance norms by restricting promotional language and imposing approval requirements, inadvertently slowing the entry and scalability of advisers. Across the Asia-Pacific region, regulators have similarly modernised their frameworks to incorporate digital advisory, as seen in Singapore's MAS 2018 guidelines and Hong Kong's SFC 2019 rules, ensuring governance, suitability, and risk controls in digitally delivered financial advice.

Parallel to formal regulation, financial influencers or finfluencers have rapidly gained influence by simplifying financial products and democratising access to financial literacy, especially for younger audiences. Studies show that a significant share of Gen Z relies on finfluencers, with many reporting improved knowledge and decision-making confidence. High consumer trust in influencers, combined with the global rise of influencer-led engagement, has created new avenues for shaping insurance awareness and behaviour. Finfluencers globally are helping raise insurance awareness, simplify complex products, and promote digital-first insurance platforms, thereby contributing to rising insurance penetration, particularly in underserved emerging markets.

India's online insurance market reflects these shifts, growing from USD 248.08 million in 2025 to USD 283.26 million in 2026 and projected to reach USD 549.89 million by 2031. This surge is driven by 600 million smartphone users, UPI-enabled digital payments, vernacular onboarding, e-KYC, and embedded insurance partnerships. Despite low insurance literacy (below 30%) and mistrust in rural areas, digital-led models and IRDAI's initiatives such as the sandbox and upcoming Bima Sugam are accelerating adoption. With insurance penetration at just 3.7% in 2025 but India positioned as the fastest-growing G20 insurance market, finfluencers offer unique potential to expand awareness, dispel misconceptions, reach youth and vernacular audiences, and provide cost-effective outreach. A structured ecosystem featuring education-first content, compliant partnerships, transparent disclosures, and potential certification can enable finfluencers to meaningfully support India's insurance goals while mitigating risks. Ultimately, integrating finfluencer-driven financial literacy with a robust regulatory framework may significantly contribute to India's ambition of achieving "Insurance for All by 2047."

Keywords: Financial Influencers, Finfluencers, Online Insurance Market, SEBI Regulations, Digital Insurance, Financial Literacy, Insurance Penetration

1. Introduction

Personal finance is inherently individualistic, with no one-size-fits-all solution for investors. Insurance is no exception to this universal rule. This is where the investment advisers come to the aid of prospective insurance buyers. Be that as it may, every ecosystem warrants supervision. Recognizing this need for supervision in financial and investment advisement, the Securities and Exchange Board of India (SEBI) introduced the SEBI (Investment Advisers) Regulations in 2013, necessitating investment advisers to register. These regulations obligate a Registered Investment Adviser ('RIA') to adhere to multiple compliance requirements, including investor risk profiling to ensure the appropriateness of the advice provided. RIAs are seasoned professionals, boasting a minimum of five years' experience in financial product advice, securities, or fund and asset management. While these regulations aim to enhance the quality and security of financial advice, the tally of registered investment advisers in India is surprisingly low, with fewer than 1000 active registered advisors recorded as of early 2026.¹ This shortfall may be attributed to various factors, including the initial costs associated with licensing and the need to stay abreast of ever evolving SEBI regulations.

In April 2023, the Securities and Exchange Board of India ('SEBI') implemented an Advertisement Code for RIAs, prohibiting the use of superlative descriptors like "best" and "leading" in their marketing materials. This code requires RIAs to secure SEBI's approval before releasing any advertisements. The stringent compliance demands and the necessity for approval are seen as obstacles that deter potential advisers from entering the profession and impede the growth of current advisers' operations. Additionally, the abundance of free financial advisory resources available online may also dissuade investors from paying for such services.

Financial regulators across the Asia Pacific (APAC) region have likewise incorporated digital tools and platforms into their regulatory frameworks. In October 2018, the Monetary Authority of Singapore (MAS) released its Guidelines on Provision of Digital Advisory Service, outlining requirements related to licensing, technology risk management, and the suitability of advice offered by digital advisors. The Securities and Futures Commission of Hong Kong (SFC) has also adopted a comparable stance. Its 2019 Guideline on Online Distribution and Advisory Platforms set out detailed expectations for governance, risk management, and oversight of financial advisory services, particularly those involving complex products delivered through digital platforms.²

Nevertheless, statistically speaking, over a period of past decade, the Financial influencers or "finfluencers" have emerged as key players in the financial ecosystem, leveraging social media platforms to provide insights and advice on a variety of financial products, including insurance. Their impact on insurance penetration is significant, as they help demystify complex insurance products, increase awareness, and encourage adoption among a broad audience.

This research explores the potential role of finfluencers in driving insurance penetration globally, with a particular focus on India and Indian insurance market, supported by relevant statistics and references to the SEBI consultation paper and the resultant advisory on finfluencers.

¹ <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

² <https://www.deloitte.com/au/en/Industries/financial-services/blogs/rising-role-social-media-finfluencers.html>

2. Role and Impact of Financial Influencers Globally

Financial influencers can be instrumental in shaping public opinion and behaviour regarding money management and investments. The influencers have democratized access to financial education, which was previously limited to those who could afford traditional financial advisors. This democratisation has been particularly impactful among younger generations who prefer consuming content in a more informal and relatable manner.

Research conducted by International Journal for Multidisciplinary Research (IJFMR) in April 2024 demonstrates that 50% of Generation Z (Gen Z) Indian consumers regularly rely on influencers' advice. Almost 70% of participants think influencers have improved their knowledge and 60% have their decisions influenced by them.³ One of the noteworthy aspects of influencer marketing is that it is still relatively untapped by insurance businesses. And therefore, there are more opportunities available for brands that get in early and have high probability of increasing their success odds.

According to data released by Matter Communications in February 2023, 69% of consumers trust influencers over information coming directly from a brand.⁴ The influencer marketing has become one of the most effective digital marketing strategies worldwide, and its impact is clearly reflected in data: according to Adobe, Google searches for the term "Influencer" in the U.K. alone surged by 400% between 2016 and 2023. This sharp rise underscores the significant brand-building potential and lasting value that this dynamic marketing channel continues to deliver.⁵

3. Global Growth of Insurance Penetration and the Role of Influencers

Insurance penetration, defined as the ratio of total insurance premium contribution to the Gross Domestic Product (GDP) of a country, has been steadily increasing in various regions across the globe. According to Allianz Global Insurance Report 2025 (published May 2025), global insurance penetration stood at 7.4% in 2024, with significant variations across regions. Developed markets like US and UK have higher penetration rates at approximately 12% each, while emerging markets, including parts of Asia and Africa, lag behind by a considerable margin.

Influencers have contributed to this growth in several ways viz;

- a. **Raising Awareness:** Influencers have been instrumental in raising awareness about the importance of insurance. In markets where insurance is underpenetrated, such as in parts of Africa and Asia, influencers have helped educate the population about the necessity of life, health, and property insurance.
- b. **Simplifying Complex Products:** Insurance products can be complex and difficult to understand. Influencers break down these complexities, making it easier for the general public to comprehend the benefits and risks associated with different insurance products.
- c. **Promoting Digital Insurance Platforms:** Influencers often partner with digital insurance platforms to promote products that can be easily accessed and purchased online. This has been particularly impactful in regions where traditional insurance distribution channels are limited.

³ <https://www.ijfmr.com/papers/2024/2/15677.pdf>

⁴ <https://www.matternow.com/blog/consumers-look-for-influencers-who-keep-it-real/#:~:text=Consumers%20Want%20Real,clients'%20core%20campaign%20needs.%E2%80%9D>

⁵ <https://digitalmarketinginstitute.com/blog/20-influencer-marketing-statistics-that-will-surprise-you#:~:text=69%25%20of%20consumers%20trust%20influencer%20recommendations&text=If%20consumers%20feel%20confident%20about,on%20the%20trust%20of%20influencers.>

4. Overview of the Indian Online Insurance Market ⁶

The India online insurance market is expanding rapidly, driven by shifting consumer behaviour, regulatory reforms, and increasing digital adoption. The market grew from USD 248.08 million in 2025 to USD 283.26 million in 2026, and is projected to reach USD 549.89 million by 2031, reflecting a 14.18% CAGR. This acceleration is primarily powered by rising smartphone penetration, now at 600 million users, alongside UPI-based recurring payments and IRDAI's strong push toward e-insurance. Mobile-first onboarding, vernacular interfaces, and Aadhaar-enabled e-KYC have significantly improved accessibility, while milestones such as Tata AIA crossing 1 million app downloads in 2024 underscore the growing preference for digital insurance channels.

The mobile-centric acquisition models and micro-insurance products can reduce acquisition costs by up to 40%, enabling insurers to scale more sustainably. Embedded insurance partnerships with e-commerce and BNPL platforms are opening new customer funnels by offering contextual, one-click insurance at the point of transaction. As the market matures, digital aggregators, insurtech firms, and traditional insurers are differentiating through technology, customer experience, and API-driven distribution models. The competitive environment remains moderate, with each stakeholder leveraging distinct capabilities to strengthen its digital presence.

Regulation continues to propel innovation. IRDAI's sandbox framework enables experimentation with IoT-enabled, usage-based insurance products, validating dynamic, behaviour-linked pricing. The upcoming Bima Sugam platform is expected to unify purchase, comparison, and servicing through an open-API architecture, reducing friction and improving transparency while supporting the national mission of "Insurance for All by 2047." However, challenges persist: insurance literacy remains below 30%, and trust deficits, product complexity, and limited awareness in rural and low-income segments hinder deeper penetration. Even so, the market is clearly shifting from a secondary channel to a mainstream one, with embedded, personalised, and data-driven insurance models setting the stage for sustained digital-led growth through 2031 and beyond.

5. Financial Influencers and their Role in Insurance Penetration in India

India's insurance market has historically been underpenetrated, with overall insurance penetration being at just 3.7% as of 2025, according to the Insurance Regulatory and Development Authority of India (IRDAI). Having said that, India's insurance sector is projected to record the fastest growth among the G20 countries with the total premium expected to rise at an average rate of 7.1% in real terms during 2024-2028. In comparison, the growth rate for the global insurance market will be around 2.4 per cent⁷.

In the year 2025, India's active internet user base exceeded 950 million⁸, with projections indicating a rise to over 1.3 billion by 2030⁹. Ranking as the world's second-largest digital market, the vast majority of Indian internet users prefer mobile connectivity, leveraging cost-effective options over traditional landline broadband, which necessitates desktop computers and extensive infrastructure. The growth rate of internet users in India was noted at 18% annually. Notably, rural India accounts for approximately 548 million of

⁶ [India Online Insurance - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts \(2026 - 2031\)](#)

⁷ https://www.business-standard.com/industry/news/insurance-industry-to-grow-at-an-average-rate-of-7-1-in-2024-28-swiss-re-124011600770_1.html

⁸ [India's Internet User Base Surges Past 950 Million in 2025: Key Growth Drivers Uncovered, ETBrandEquity](#)

⁹ [India takes a 'digital leap', to have over 1.3 billion internet users by 2030 - Goa Chronicle](#)

the total internet users, with a penetration rate of 57%. Overall, more than half of its population online, India stands as a global leader in internet usage¹⁰.

According to an estimate, approximately 65% of individuals in India are inclined to utilize digital avenues like e-wallets, banking or insurance portals, and online marketplaces for future insurance acquisitions, suggesting a substantial opportunity for insurers to digitize their services and connect with the emerging digital clientele. The shift towards digital transactions among Indian consumers is anticipated to notably influence the online insurance market.

The IRDAI has set forth a vision of “Insurance for All By 2047” and a focus on digitally driven insurance marketing with the effective use of finfluencers in India can potentially contribute in achieving this milestone significantly. The finfluencers’ digital reach and expanse may be put to use by the market participants for below objectives:

- a. Targeting the Youth Demographic: India’s large youth population is increasingly turning to social media for financial advice. The finfluencers have successfully tapped into this demographic, educating them about the importance of starting early with life and health insurance.
- b. Vernacular Content: With India’s linguistic diversity, finfluencers are creating content in regional languages, making insurance concepts accessible to a broader audience. This is crucial in reaching rural and semi-urban populations, where insurance penetration is lower.
- c. Addressing Misconceptions: In India, there are many misconceptions about insurance, such as it being only for tax saving or that it’s unnecessary for the young population. Finfluencers help dispel these myths, emphasizing the role of insurance in financial security.
- d. Collaborations with Insurers: Indian finfluencers frequently collaborate with insurance companies to create content that explains the benefits and features of various insurance products. While these collaborations help increase awareness, they also raise concerns about the impartiality of the advice provided.
- e. Affordability in Advertising: Traditional advertising methods like television ads, direct mail, emails, and billboards are known to be costly and require significant time investment. In contrast, influencer marketing emerges as a more economical and efficient alternative. Forming partnerships with influencers, whether on a short-term or long-term basis, can effectively target the desired audience without exhausting the entire advertising budget. Many insurance companies are capitalizing on this strategy by collaborating with influencers who advocate the importance of products such as family travel insurance.
- f. Simplified collaborations: Partnering with finfluencers can be more straightforward than other marketing strategies or engaging with renowned celebrities. Establishing a connection and initiating a collaboration with an influencer can be quite effortless. For instance, IZEA’s Marketplace is a platform where one can easily locate influencers that match the company’s target audience and budget. It’s important to ensure that the content categories correspond with the insurance requirements of specific groups like homeowners, motorcycle enthusiasts, automobile aficionados etc.
- g. Community building: Collaborating with influencers is also a great way to establish the brand’s community. Working with the right influencer for the Company’s brand may help bring already interested potential customers to the social media and help grow the social media presence. If the brand

¹⁰ [India's Internet User Base Surges Past 950 Million in 2025: Key Growth Drivers Uncovered, ETBrandEquity](#)

wants to reach more regional language-speaking customers, for example, working with an influencer with a largely regional language-speaking audience can introduce the brand to their communities.

- h. **Enhancing Search Engine Optimization (SEO):** SEO can augment the impact of influencer marketing for a company. With the increasing trend of utilizing social media platforms as search engines, individuals seeking information on home, car, or travel insurance are likely to turn to these platforms instead of traditional search engines like Google (or they may find social media content through Google searches). This presents a cost-effective strategy for companies to engage in SEO without significant investment.

6. SEBI's Regulatory Stance on Finfluencers

The Securities and Exchange Board of India (SEBI) has laid down strict guidelines to safeguard investor interests, particularly concerning the association of regulated entities with finfluencers. According to SEBI's advisory:

- **Regulated Entities and Associations:** SEBI prohibits persons regulated by the Board, or their agents, from associating with any individual or entity that provides advice, recommendations, or claims regarding the performance of securities unless explicitly permitted by SEBI. This regulation is designed to prevent the dissemination of potentially misleading or harmful financial advice to the public.
- **Exemption for Investor Education:** SEBI recognizes the importance of investor education and allows for content that focuses purely on education, provided it does not include direct or indirect recommendations, advice, or performance claims related to securities.
- **Digital Platform Exception:** SEBI provides an exception for associations with specified digital platforms that have mechanisms to prevent the misuse of their services for unregulated financial advice. These platforms must demonstrate preventive and curative measures to SEBI's satisfaction.

7. Introducing the Finfluencer Ecosystem in the Indian Insurance Industry

To leverage the potential of finfluencers in boosting insurance penetration while adhering to SEBI's regulatory framework (though not strictly applicable to insurance ecosystem at large), the following strategies can be implemented:

- a. **Educational Content with Clear Boundaries:** Focus on Education: Finfluencers can play a crucial role in educating the public about insurance products, including the importance of life, health, and property insurance. The content should be strictly educational, avoiding any explicit or implicit claims of returns or performance. For instance, finfluencers can explain how different types of insurance work, the importance of risk management, and how to choose the right insurance product based on individual needs. Regulatory Compliance: Finfluencers should be trained and informed about the regulatory boundaries set by the regulatory body(ies). This includes avoiding any form of direct or indirect advice that could be construed as a recommendation or performance claim.
- b. **Partnerships with Regulated Insurance Entities:** Compliant Collaborations: Insurance companies and other regulated entities can collaborate with finfluencers to create content that educates the public about insurance. However, these collaborations should be structured to ensure compliance with regulations. For example, finfluencers can discuss general insurance concepts without making specific product recommendations unless those products are explicitly permitted by the Board.

- c. **Utilization of Specified Digital Platforms:** Platform Based Distribution: Insurance companies can leverage specified digital platforms that are compliant with regulatory guidelines to distribute influencer content. These platforms should have robust mechanisms in place to prevent the misuse of their services for providing unregulated financial advice. Monitoring and Reporting: These platforms should implement monitoring and reporting mechanisms that can track and flag content that may violate regulatory prescriptions. This ensures that any potential issues are identified and addressed promptly.
- d. **Transparency and Disclosure:** Clear Disclosures: Finfluencers should be required to make clear disclosures about the nature of their content, explicitly stating that it is for educational purposes only and not to be construed as financial advice. This aligns with SEBI's emphasis on transparency and helps build trust with the audience. Avoiding Conflicts of Interest: Finfluencers should avoid any potential conflicts of interest, such as promoting specific insurance products for financial gain without proper disclosure. Transparency about sponsorships and affiliations is crucial to maintaining credibility and compliance.
- e. **Regulatory Certification for Finfluencers:** Certification Programs: SEBI, in collaboration with the IRDAI, could introduce certification programs for finfluencers in the insurance sector. This certification would ensure that finfluencers possess a basic understanding of insurance products and regulations, allowing them to create compliant and valuable content. Continuous Education: Certified finfluencers could be required to undergo continuous education to stay updated on regulatory changes and industry developments. This would ensure that their content remains relevant and compliant with current regulations.
- f. **Proactive Engagement with Regulators:** Industry Dialogues: Insurance companies and digital platforms should engage in ongoing dialogues with SEBI and IRDAI to ensure that the evolving role of finfluencers is adequately addressed in the regulatory framework. This proactive approach can help pre-empt potential issues and ensure that the influencer ecosystem develops in a manner that benefits both consumers and the industry.

Feedback Mechanisms: Establishing feedback mechanisms where finfluencers, insurers, and regulators can collaborate to refine guidelines and address emerging challenges would ensure the sustainable growth of the influencer ecosystem in the insurance sector.

Conclusion

The emergence of financial influencers in India has presented a mix of prospects and challenges. These influencers have significantly contributed to enhancing financial literacy among the masses. However, the necessity for a solid regulatory framework is paramount to supervise their actions and prevent unethical practices like the dissemination of deceptive advice. The task of regulating digital content presents its own set of difficulties. The expansive and swift dissemination of information on social media platforms means that dubious content could potentially impact numerous investors before coming under the scrutiny of regulatory bodies. Moreover, the global accessibility of online content raises complex jurisdictional issues. Given the rapid technological progress and the continuous introduction of new social media platforms, gauging the level of oversight achievable by regulatory bodies is complex. Observing how regulatory bodies navigate these obstacles will be compelling. It is crucial not only to devise effective regulations for influencers but also to implement these regulations adeptly to forestall any future exploitable gaps. By and large, it can be fairly said that the rapidly growing online insurance market, if supported through



innovative influencers marketing strategies, will certainly contribute significantly to the goal of “Insurance for All by 2047”.