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Aditya Birla Sun Life Insurance's 3f-Nishchit Index 2.0 Highlights India's Uncertainty Trends in 2025

The nationwide index pegs India's overall uncertainty score at 79

Mumbai, January 27, 2026: Aditya Birla Sun Life Insurance Company Limited ("ABSLI"), the life insurance subsidiary of Aditya Birla Capital, India's leading diversified financial services company, today announced the launch of the **3f-Nishchit Index 2.0**, a nationwide measure of household uncertainty. The nationwide index pegs India's overall uncertainty score at **79**, showcasing various aspects of uncertainties in the lives of India's citizens.

The 3f-Nishchit Index 2.0 captures uncertainty across 11 parameters and 49 attitudinal statements, broadly classified into uncontrollable external risks and potentially controllable personal factors. These factors reflect how Indians perceive risks related to economic stability, health, safety, emotional wellbeing, digital security, family responsibilities and environmental factors. Validation checks conducted as part of the study show that 73% of respondents reported being extremely worried about their future, reinforcing the robustness of the Index outcome.

Personal Finance Concerns Remain Elevated among Indian Households

The survey shows that personal finance anxiety in India is increasingly shaped by preparedness gaps rather than income levels alone. Concerns around economic and financial instability remain high at (80), led by fears of inflation eroding savings (81) and incomes failing to keep pace with rising living costs (80). This anxiety extends into long term planning, with respondents uncertain about their ability to build adequate wealth (80) and maintain emergency buffers for job loss or medical shocks (79), while a significant proportion are also unsure whether their insurance adequately covers serious illnesses (78).

Retirement related worries are also prominent, with an index score of 78, reflecting concerns around the rising cost of elderly care (79), doubts about financial independence in old age (78), and insufficient retirement planning (78). Together, the findings point to a growing shift in personal finance priorities, from wealth creation alone to ensuring resilience across working years, healthcare needs, and retirement.

Financial preparedness linked to lower uncertainty

The Index remains largely consistent for individuals holding up to three insurance/investment products, with scores ranging narrowly between 78 and 80, closely aligned with the overall index score of 79. A similar pattern is observed for investment ownership, where respondents with one to three investment instruments record stable scores of 79 to 80.

A distinct shift appears only among the cohort holding 4 or more insurance/investment products, where the index score drops to 73 for insurance and 75 for investments. This indicates that meaningful reductions in perceived uncertainty emerge only once households achieve deeper, more diversified financial coverage, reinforcing that breadth and layering of financial protection rather than basic ownership drives greater financial certainty.

Mr. Kamlesh Rao, MD & CEO, Aditya Birla Sun Life Insurance, said, "The 3f-Nishchit Index 2.0 delivers a clear message: as uncertainties across economic stability, climate impact, health risks, digital security and long-term financial security increasingly converge in everyday life, India's path to greater certainty lies in

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proactive, layered and well-understood financial preparedness that helps individuals and families move from managing uncertainty to regaining control over their future."

What Drives Uncertainty in India

Uncontrollable factors dominate the index. Economic and financial instability (Rank 1) and environmental and climate concerns (Rank 2) emerge as joint top drivers, with an 3f-Nishchit Index of 80, reflecting concerns around inflation, income volatility, climate events, and long-term sustainability. Digital and cybersecurity risks, public safety and crime (Rank 4), along with government policy and geopolitical factors such as taxes, fuel prices, and global conflicts (Rank 5), also feature among the top five drivers, each having an 3f-Nishchit Index of close to 80.

Among potentially controllable factors, health and medical risks (Rank 3) have an 3f-Nishchit Index of 80, driven by concerns around sudden medical emergencies, lifestyle diseases, and unpredictable treatment costs. This is followed closely by emotional and mental wellbeing (Rank 6), income, debt, and financial planning (Rank 7), and career and employment challenges (Rank 8), each with an 3f-Nishchit Index of 79, reflecting rising stress, financial insecurity, and job-related pressures. Family and social responsibilities (Rank 9) and retirement and ageing (Rank 10) have an 3f-Nishchit Index of 78, while education affordability and children's growth (Rank 11) records 75.

Uncertainty Cuts Across Age and Gender, but Deepens Sharply by Region and City Size

The index remains remarkably consistent across gender, age, and occupation, underscoring how uncertainty is widely shared. Scores cluster tightly between 78 and 80 across men (78), women (80), salaried professionals (79), business owners (80), and across generations, from Baby Boomers (78) to Gen X (80). 3f-Nishchit Index is lowest in the South (71) and high in all the other zones led by East (83). Uncertainty increases as city size decreases, rising from 73 in Tier 1 cities to 86 in Tier 3 towns. While married individuals with children show a marginally higher score of 80, the number of dependents does not meaningfully change the index, indicating that where people live and the level of access they have matter more than life stage or household structure in shaping perceived uncertainty.

From Adoption to Adequacy: India's Life Insurance Challenge

Awareness of individual life insurance products is reasonably widespread, though usage varies significantly across categories. Term insurance is known to 58% of respondents, with 20% currently holding a policy, while whole life insurance shows 59% awareness and 20% usage. Savings oriented products such as money back policies have 57% awareness and 25% usage, making them the most commonly held life insurance plans, whereas endowment plans see 41% awareness but only 5% adoption.

Market linked products remain relatively niche, with ULIPs known to 33% of respondents and used by just 2%. Long term protection focused products also show modest uptake, with pension or annuity plans at 57% awareness translating into 8% usage, and child plans at 62% awareness resulting in 10% current ownership.

This uneven conversion from awareness to active coverage is driven by a combination of affordability concerns, complexity, and trust gaps. Nearly 32% of respondents cite high premium costs as a barrier, while 30% say life insurance does not feel urgent enough at present. Decision paralysis also plays a role, with 28% unsure about which plan to choose and 17% finding policy terms and conditions too complex. Trust

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remains a critical constraint, as 29% point to negative claim experiences of friends or family and 23% report a lack of trust in insurance companies.

Furthermore, the survey reveals nearly 68% of term insurance holders have coverage below 9× their annual income, and 37% have less than 5× - far short of the 15–20× recommended by experts for adequate family protection. Only 10% reach the 10-14 times bracket, with just 7% at 15 times or higher.

Conclusion

The 3f-Nishchit Index 2.0 presents a clear and compelling picture of contemporary India: a nation progressing economically, yet living with a deep and persistent sense of uncertainty. With the index standing at 79, and three in four Indians describing themselves as extremely worried about their future, uncertainty is no longer driven by isolated events but by the accumulation of multiple, overlapping risks.

Editor's Note - How was 3f-Nishchit Index computed?

- Last year the 3f-Nishchit Index score was at 74, however, it can't be compared directly as last year there were 7 parameters and this year there are 11 parameters, sub-divided into 49 attitudinal statements, each constituting a sub parameter.
- The scoring across 49 statements was used to arrive at the index score.
 - Each statement was rated on a 0–10 scale (from lowest to highest uncertainty).
 - The average score across all 49 statements was then computed and scaled to an index of 100.
- The qualitative phase involved 21 in-depth interviews across diverse life stages and backgrounds.
- The quantitative phase comprised 3,583 Pan-India respondents through a random sampling method

Disclaimer:

This information is based on findings from a research study commissioned by Aditya Birla Sun Life Insurance Company Limited and data-validated by Drshti Strategic Research Services Pvt. Ltd. The information contained herein is provided solely for general informational and research purposes and is based on perception-based responses at a specific point in time. Nothing herein constitutes investment, financial, insurance, tax, or legal advice, nor an offer or solicitation of any product. Readers are advised to seek independent professional advice before making any financial or insurance decisions. Aditya Birla Sun Life Insurance Company Limited and Drshti Strategic Research Services Pvt. Ltd. disclaim any liability arising from reliance on this information.

About Aditya Birla Sun Life Insurance Company Limited:

Aditya Birla Sun Life Insurance Company Limited ("ABSLI") is a part of Aditya Birla Capital Ltd ("ABCL"). ABSLI was incorporated on August 4th, 2000, and commenced operations on January 17th, 2001. ABSLI is a 51:49 a joint venture between the Aditya Birla Group and Sun Life Financial Inc., an international financial services organization in Canada. ABSLI offers a range of products across the customer's life cycle, including children future plans, wealth protection plans, retirement and pension solutions, health plans, traditional term plans and Unit Linked Insurance Plans ("ULIPs").

As of September 30, 2025 total AUM of ABSLI stood at Rs.104,492 Cr. ABSLI recorded a gross premium income of Rs.8,941 Cr with Individual Business FYP with Single Premium at 10% of Rs. 1,880 Cr registering a growth of 19.2%. Renewal Premium grew by 18% with gross Individual and Group segment. ABSLI has a nationwide distribution presence through 440+ branches, 12 bancassurance partners, 6 distribution channels, over 65,200+ direct selling agents, other Corporate Agents and Brokers through its website. The company has over 30,000+ employees and 28.64 lakh active customers. IRDAI Reg no. 109.

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About Aditya Birla Capital Limited:

Aditya Birla Capital Limited ("ABCL") is a listed systemically important non-deposit taking Non-Banking Financial Company (NBFC) and the holding company of the financial services businesses. ABCL and its subsidiaries/JVs provides a comprehensive suite of financial solutions across Loans, Investments, Insurance, and Payments to serve the diverse needs of customers across their lifecycles. Powered by over 63,750 employees, the businesses of ABCL have a nationwide reach with over 1,712 branches and more than 200,000 agents/channel partners along with several bank partners. ABCL and its subsidiaries/JVs manage aggregate assets under management of over Rs. 5.50 Lakh Crore with a consolidated lending book of over Rs 1.78 Lakh Crore as of Sep 30, 2025.

Aditya Birla Capital Limited is a part of the US\$67 billion global conglomerate Aditya Birla Group, which is in the league of Fortune 500. Anchored by an extraordinary force of over 227,500 employees belonging to 100 nationalities, the Group is built on a strong foundation of stakeholder value creation. With over seven decades of responsible business practices, the Group's businesses have grown into global powerhouses in a wide range of sectors - from metals to cement, fashion to financial services and textiles to trading. Today, about 42% of the Group revenues flow from overseas operations that span 41 countries across six continents.

For more information, visit www.adityabirlacapital.com

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