

Survey of Emerging Risks: India Market Key Findings

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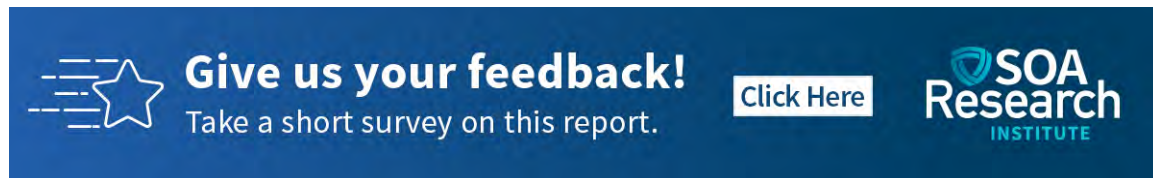




Survey of Emerging Risks:

India Market Key Findings

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Survey of Emerging Risks:

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Executive Summary

This report summarizes the key findings of an Emerging Risk Survey focusing on risks within the India market, with the survey issued to members of the Institute of Actuaries of India and the Society of Actuaries. Results on current and emerging risks are noted, as well as observations on current event topics such as the risks posed by the use of artificial intelligence (AI) and where risk management oversight for AI activities is commonly performed within organizations. Results are also compared to similar questions asked in a North American market survey in November 2024 and the resulting report entitled the *18th Annual Survey of Emerging Risks Key Findings*.¹

Risk manager concerns in the survey focus on financial volatility and disruptive technology as the most commonly referenced current risks. Climate change and disruptive technology are most frequently noted as top emerging risks that can occur and develop in the coming years for risk managers and actuaries. Energy price shocks, disruptive technology, and climate change were risks noted as having additional potential for adverse outcomes when occurring in combination with other emerging risks.

The survey respondents additionally noted that a variety of AI risks should be monitored, with the largest concern for AI causing increased cybersecurity risks, increasing the potential for manipulation and deepfakes, and causing unintended bias and discrimination through its use. Risk management of AI risks were noted by respondents to be most commonly housed with the Enterprise Risk Management and Information Technology areas of their organizations. Finally, the survey indicated some optimism for the economic outlook of the Indian market for 2025, and relatively stronger optimism for India than the economic outlook of broader global markets.

The reader should note that surveys are tied to their specific time and environment, with recency bias (a belief that recent events are more likely to reoccur) always present. The survey response period was from late January 2025 through early March 2025.

¹ <https://www.soa.org/48fe83/globalassets/assets/files/resources/research-report/2025/18th-survey-emerging-risks.pdf>

Background and Methodology

A survey was created in January 2025 for release to actuaries and risk managers in the India market using a similar background and basis to the historical annual Emerging Risk Survey from the Society of Actuaries Research Institute and the Casualty Actuarial Society. Respondents were asked to choose their top current risk, top five emerging risks, overall top emerging risk, and impactful risk combinations from 23 risks allocated to five categories.²

The survey went on to ask questions about practices related to enterprise risk management (ERM), AI, staffing challenges, and other current topics. Open-ended qualitative questions were used to directly ask for current thoughts about risk management practices. The survey, completed in early March 2025, included 36 participants. The online survey respondents were predominantly based in India (94%), with additional responses from Europe and Greater Asia.

The reader should remember that the choices between one risk and another are relative and do not necessarily mean that one risk has dissipated or increased, but rather that the chosen risk(s) were considered less or more important than the other choices. Incomplete surveys for a given question, or the selection of “Other” were removed from the numerical results.

Survey questions focused on four ways of looking at risk, from which measures of frequency were derived:

- Top current risk (participants asked to vote for one);
- Top five emerging risks (vote for up to five);
- Top emerging risk (vote for one); and
- Top emerging risk combinations (vote for three combinations of two risks).

The 23 risks were presented to the participants (list and definitions in Appendix A), and participants could add an alternative risk, except for the combination questions. These risks are grouped into five categories: economic, environmental, geopolitical, societal, and technological.

This report presents the major quantitative findings from the survey and provides additional comparisons where appropriate to the *18th Survey of Emerging Risks* released in January 2025.

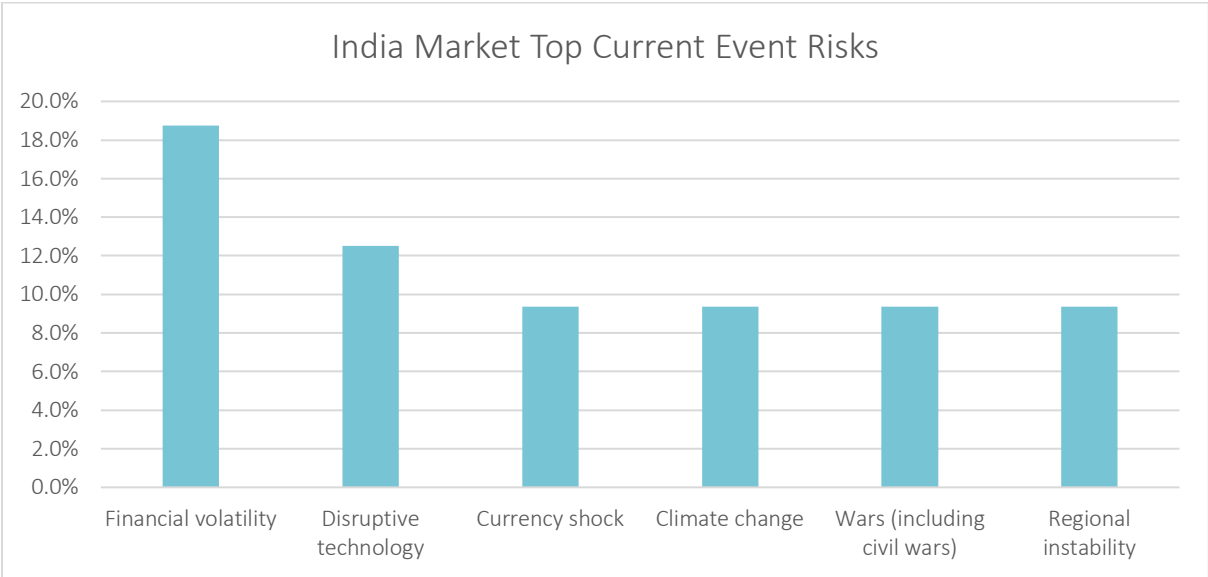
² A glossary of risks and definitions are provided to respondents and are replicated in Appendix A.

Key Finding 1 - India Market Current Concerns on Financial Volatility and Disruptive Technology

Survey recipients were asked to identify among a list of 23 risks what risk currently has the greatest impact on the Indian market. Current risks are described in the survey as those risks that require immediate action and attention.

With some ongoing uncertainty in Indian financial markets, currency exchange rates, rises in global crude oil prices, and slowing consumption and corporate earnings, risk managers and actuaries noted financial volatility as a key current risk they are paying attention to in the Indian market. 18.8% of respondents noted this as their key current risk, and top among the 23 risks presented in the survey. Disruptive technology followed as the second most highlighted current risk from 12.5% of survey respondents. Other notable current event risks identified in the survey include currency shocks, climate change, wars, and regional instability. With both currency shocks and financial volatility among this top risk list, it heightens the current focus on risk management of their financial impact to organizations.

Table 1
TOP CURRENT RISKS IN INDIAN MARKET, 2025

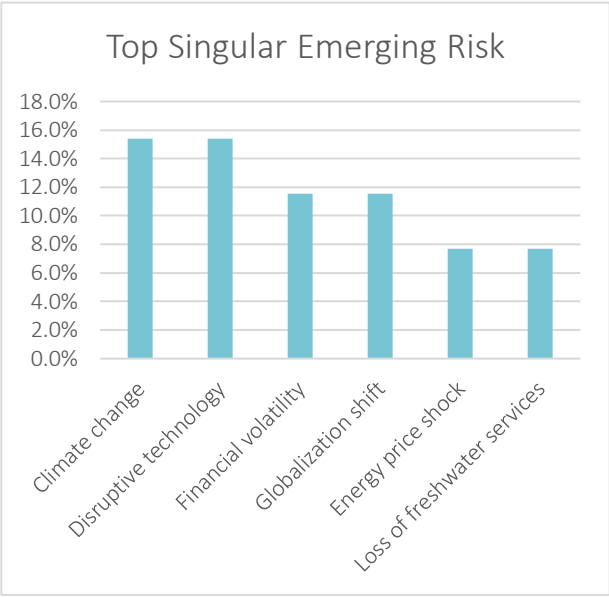
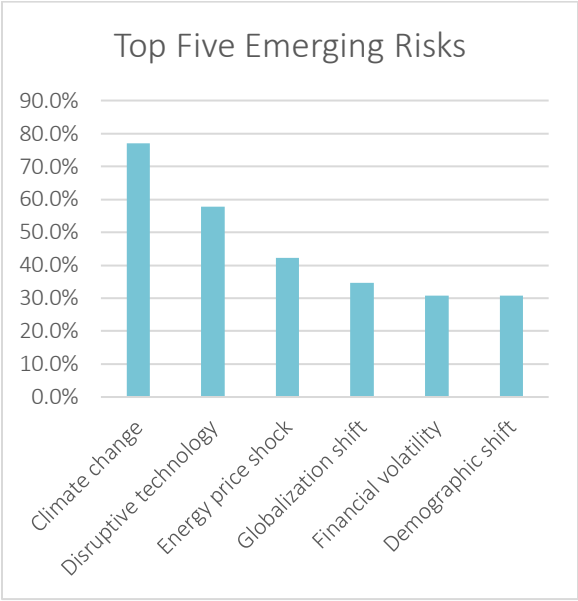


Key Finding 2 - India Market Emerging Risk Concerns add Climate Change, Energy Prices, and Globalization Shifts

Survey recipients were also asked to identify up to five emerging risks among the 23 risks that would have the greatest strategic impact on the Indian market in the future, as well as identify their top single emerging risk. When completing future emerging risks in this section of this survey, respondents were asked to consider these risks against a strategic planning time horizon of three to five years that extends beyond a short-term business plan time frame.

Financial volatility and disruptive technology continued to be among these top emerging risks, but climate change, energy price shocks, and shifts in globalization were also seen to be high ranking as well. Climate change was chosen as a top five emerging risks on over 76% of the surveys and noted as the top singular emerging risk on 15.4% of the survey responses. Disruptive technology (57.7%) and energy price shocks (42.3%) were both selected as a top five emerging risk on over 40% of survey responses, and disruptive technology was also chosen as the singular top emerging risk on 15.4% of survey responses.

Table 2 and Table 3
TOP EMERGING RISKS IN INDIAN MARKET, 2025



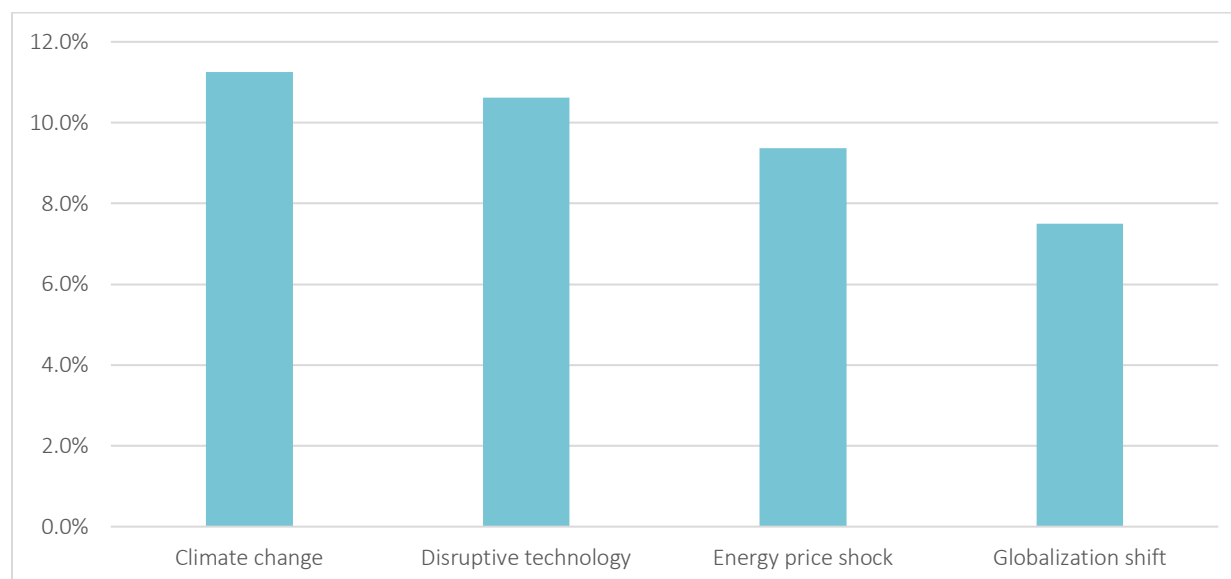
These results reinforce that the concept of emerging risks can be somewhat dependent on the geographic viewpoint of the risk manager and the market in which they operate. When comparing to the North American survey (as seen in Table 4 below), climate change and disruptive technology are similar concerns as emerging risks, but globalization shifts, financial volatility and energy price shocks are more commonly referenced as emerging risks in the Indian market. The impact of war is more commonly referenced as an impact in the North American markets as international supply chains and economic impacts of war may be more strongly tied to North American economies.

Table 4
TOP FIVE EMERGING RISKS, 2021–2024, NORTH AMERICAN SURVEY

	2024		2024m	2023	2023m	2022	2021
1	War (including civil wars)	Climate change	Disruptive technology	Climate change	Disruptive technology	Climate change	Climate change
2			Cyber/networks	Wars (including civil wars)	Climate change	Wars (including civil wars)	Cyber/networks
3	Disruptive technology		Wars (including civil wars)	Disruptive technology	Cyber/networks	Cyber/networks	Pandemics/infectious diseases
4	Cyber/networks		Climate change	Demographic shift	Wars (including civil wars)	Financial volatility	Disruptive technology
5	Demographic shift		Financial volatility	Cyber/networks	Financial volatility	Demographic shift	Financial volatility

Survey recipients were additionally asked about dangerous risk combinations, and where combinations of two risks might have a large strategic impact on the Indian market in the future. Combination risks could occur at the same time (concurrent) or follow each other (sequential). As an additional validation of the importance of emerging risks, climate change, disruptive technology, energy price shocks, and globalization shifts were also identified in the survey as the top concerning combination risks. Table 5 notes that, of all combinations identified, climate change appeared in 11.3% of the risk combinations.

Table 5
PREVALENCE OF COMBINATION EMERGING RISKS, INDIAN MARKET, 2025

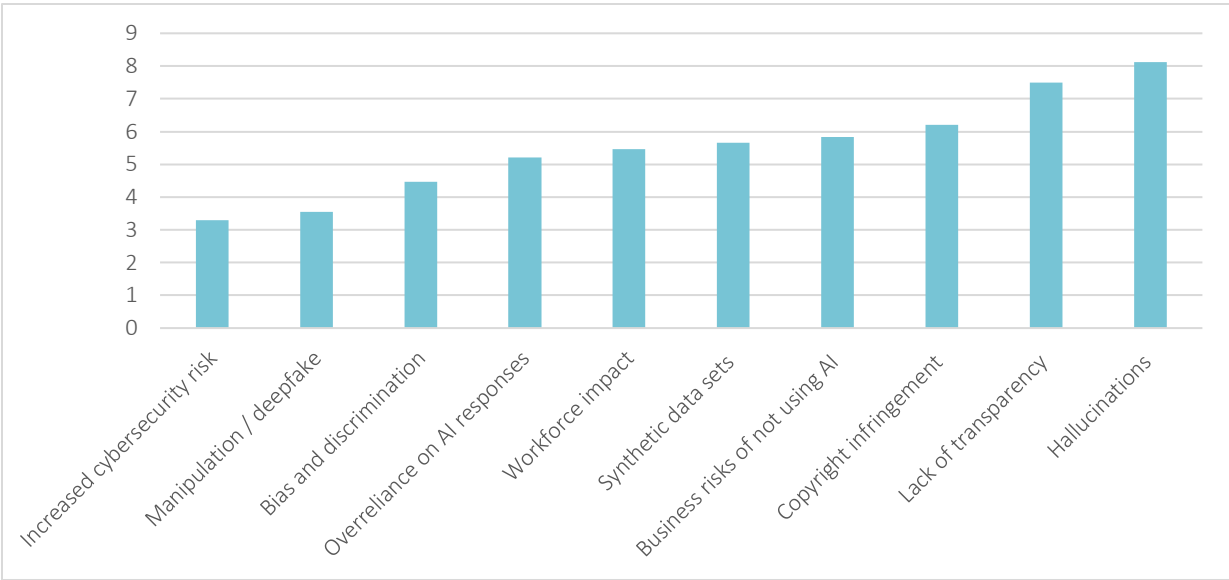


Key Finding 3 - Cybersecurity and Manipulation Concerns are Leading Concerns for AI Risk Management

A series of questions regarding the risks posed by AI and GenAI was introduced in the North American survey in late 2024 and included in the 2025 Indian survey. Survey participants were asked to rank a list of various AI risks from most prominent to least concerning.

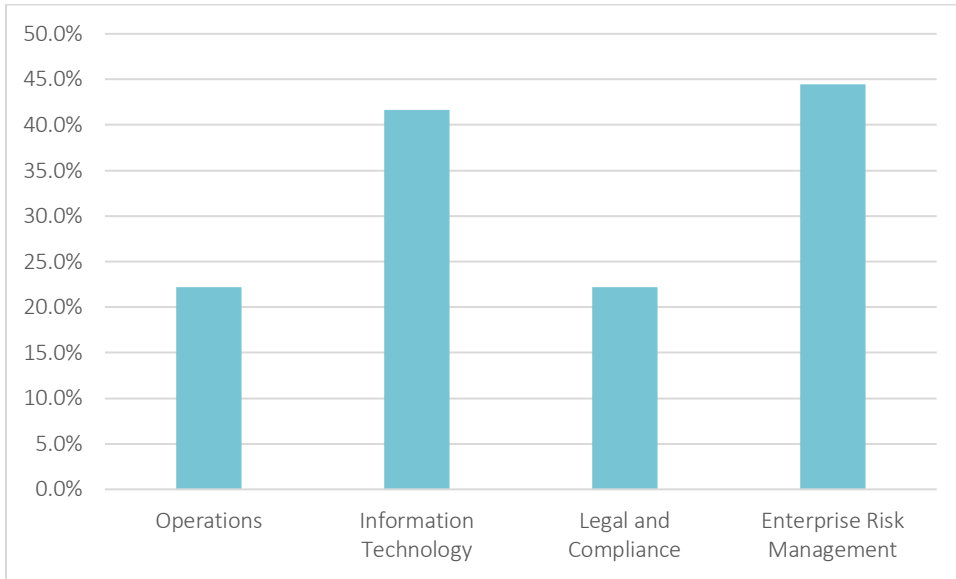
Respondents identified *Cybersecurity* and *AI manipulation* as the top two AI risks, with the concept of *Bias and Discrimination* risk also ranking high. This result is very consistent with the North American survey, which also had cybersecurity and the potential for manipulation or deepfakes as top risk concerns.

Table 5
AVERAGE RANK (1 = TOP, 10 = BOTTOM) AMONG TEN KEY AI RISKS



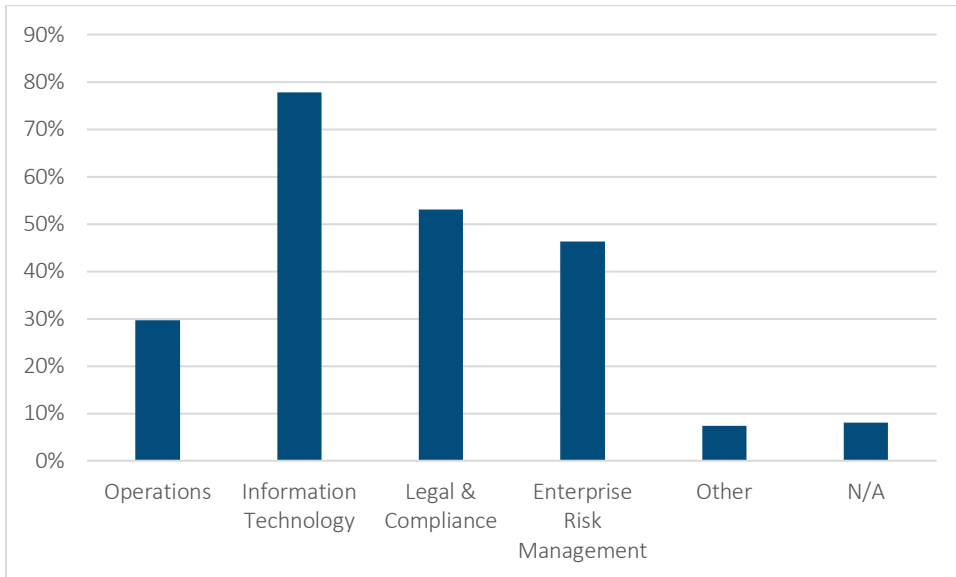
Survey recipients were also asked to identify one or more areas where risk management for AI usage fell within their organization. Of all the responses received, an organization’s Enterprise Risk Management area (44.4%) and Information Technology area (41.7%) were noted as the most common areas in the Indian Market.

Table 6
OVERSIGHT OF AI RISK MANAGEMENT, INDIAN MARKET, 2025



These results differ from the North American market where IT oversight of AI is more prominent (over 70% of responses) and the Legal and Compliance area plays a larger role (over 50% of responses).

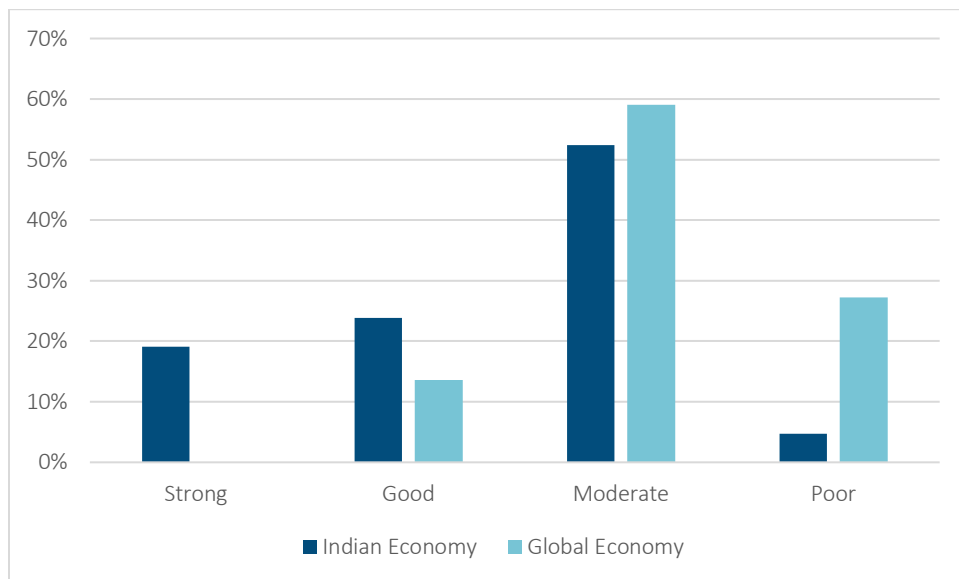
Table 7
OVERSIGHT OF AI RISK MANAGEMENT, NORTH AMERICAN MARKET, 2024



Key Finding 4 - Global Economic Outlook – Stronger Indian Economy Expectations than the Global Economy

Survey recipients were asked to rate their outlook for the local Indian Economy and also provide similar expectations for the overall global economy. Recipients ranked expectation for the local economy to be generally in the Good range, with some optimism in the Strong category. By contrast, the global economy was expected to have a relatively lower outlook, with no survey respondents ranking the outlook as Strong, and over 20% ranking the outlook as Poor.

Table 8
ECONOMIC OUTLOOK, 2025



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Appendix A: Glossary of 23 Risks across Five Categories, 2025

ECONOMIC RISKS

- Energy price shock—Price instability and extremes of energy prices.
- Currency shock—Material disruptions to currency equilibrium, including central bank devaluations (currency wars), de-dollarization, and digital currencies.
- Emergent nation destabilization—Fast growing country’s economic growth slows, potentially as a result of protectionism, demographics, internal politics, and/or economic difficulties.
- Asset price shock—Price instability and extremes of assets such as housing and equities.
- Financial volatility—Price instability and extremes of sectors, including commodities, equities, or interest rates.

ENVIRONMENTAL RISKS

- Climate change—Change in climate patterns generates both extreme events and changes in trend, impacting infrastructure, agricultural yields, soil degradation, ocean currents, ecosystem biodiversity (e.g., insects, shellfish), and human lives. Drivers of physical and transitional risks include, but are not limited to, space weather, pollution, and release of greenhouse gases.
- Loss of freshwater services—Water shortages impact agriculture, businesses, and human lives. Drivers include, but are not limited to, climate change and human influence (e.g., pollution, aquifer depletion).
- Natural catastrophe: tropical storms—Hurricanes, typhoons, and cyclones lead to disruption, catastrophic economic losses, and/or high human loss of life.
- Natural catastrophe: earthquakes—Strong seismic/volcanic activity leads to disruption, catastrophic economic losses, and/or high human loss of life.
- Natural catastrophe: severe weather—Meteorological phenomena lead to disruption, catastrophic economic losses, and/or high human loss of life. Includes inland flooding, tornados, thunderstorms, heatwaves, drought, wildfires, high winds, snowstorms, and dust storms.

GEOPOLITICAL RISKS

- Terrorism—Attacks lead to disruption, catastrophic economic losses, and/or high human loss of life.
- Weapons of mass destruction—Nuclear, biological, radiological, or chemical technologies lead to disruption, catastrophic economic losses, and/or high human loss of life.
- Wars (including civil wars)—Wars erupt between or within countries, leading to disruption, catastrophic economic losses, and/or high human loss of life.
- Failed and failing states—The trend of a widening gap between order and disorder or widening social rifts.
- Transnational crime and corruption—Corruption is endemic. Non-government entities successfully penetrate the global economy.
- Globalization shift—Preference changes to imports and immigration. Changes include populism, democracy, socialism, communism, religiosity, and political uncertainty. Changes in use of technological platforms allow misinformation and disinformation to spread. Countries retrench and become more nationalistic and protectionist or open up their economies to outsiders. Inequality, privacy, and food insecurity challenge the concepts of fairness and egalitarianism.
- Regional instability—Unstable regions cause widespread political and other crises.

SOCIETAL RISKS

- Pandemics/infectious diseases—A pandemic emerges with high mortality/incidence of diseases such as HIV/AIDS, Ebola, coronavirus, or influenza. Antimicrobial resistance becomes common.
- Chronic diseases/medical delivery—Diseases such as obesity, diabetes, cardiovascular, and substance abuse become widespread, or treatments appear. Material changes to medical delivery or financing.
- Demographic shift—Evolving populations size and mix (e.g., age, size, race, fertility rate, mortality rate, migration, skills, workplace environment) drive changes in economic growth and levels of government intervention.
- Liability regimes/regulatory framework—Costs increase faster than GDP, with increases in the spread and size of litigiousness (e.g., social inflation, climate litigation, systemic liabilities due to chemicals, microplastics or hazardous waste) and speed of regulatory revisions. Material changes in tax policy.

TECHNOLOGICAL RISKS

- Cyber/networks—A major disruption in the availability, reliability and resilience of critical information infrastructure caused by cyber risks, terrorist attacks, or technical failure. Results are felt in supply chains, major infrastructure: power distribution, water supply, transportation, telecommunication, emergency services, and/or finance.
- Disruptive technology—Unintended consequences of technology lead to abrupt change (e.g., artificial intelligence, drones, self-driving cars, additive manufacturing, internet of things, nanoparticles). Models become more complex but less descriptive over long time horizons.

About the Society of Actuaries Research Institute

Serving as the research arm of the Society of Actuaries (SOA), the SOA Research Institute provides objective, data-driven research, bringing together tried and true practices and future-focused approaches to address societal challenges and business needs. The institute provides trusted knowledge, extensive experience and new technologies to help effectively identify, predict and manage risks.

Representing the thousands of actuaries who help conduct critical research, the SOA Research Institute provides clarity and solutions on risks and societal challenges. The institute connects actuaries, academics, employers, the insurance industry, regulators, research partners, foundations and research institutions, sponsors, and non-governmental organizations, building an effective network which provides support, knowledge, and expertise regarding the management of risk to benefit the industry and the public.

Managed by experienced actuaries and research experts from a broad range of industries, the SOA Research Institute creates, funds, develops, and distributes research to elevate actuaries as leaders in measuring and managing risk. These efforts include studies, essay collections, webcasts, research papers, survey reports, and original research on topics impacting society.

Harnessing its peer-reviewed research, leading-edge technologies, new data tools and innovative practices, the institute seeks to understand the underlying causes of risk and the possible outcomes. It develops objective research spanning a variety of topics with its strategic research programs: aging and retirement; actuarial innovation and technology; mortality and longevity; diversity, equity, and inclusion; healthcare cost trends; and catastrophe and climate risk. The Institute has a large volume of topical research available, including an expanding collection of international and market-specific research, experience studies, models, and timely research.

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