

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2672  
ANSWERED ON:19.12.2003  
BRANCHES OF INSURANCE COMPANIES IN RURAL AREAS  
BODAKUNTI VENKATESHWARLU

**Will the Minister of FINANCE be pleased to state:**

- (a) whether it is mandatory for all private life insurance companies in the country to set up branches rural areas to meet rural obligation;
- (b) if so, the details thereof;
- (c) whether some private insurance companies have not able to achieve these targets in this regard; and
- (d) if so, the action taken by the Government against the companies which could not meet their targets?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL):

- (a) The Insurance Regulatory and Development Authority (IRDA) has informed that it is not mandatory for private life insurance companies in the country to set up branches in rural areas to meet rural obligation.
- (b) Does not arise.
- (c) and (d) IRDA has noticed that two private insurance companies viz. Metlife Insurance Co and Aviva Life Insurance Co. have not been able to achieve the targets. The Metlife Insurance Co. has a short fall in the social sector and Aviva Life Insurance Co. has a short fall in both the rural and social sector. IRDA has issued necessary instructions to these companies to make up short fall in the financial year 2003-04.