

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2114
ANSWERED ON:11.08.2006
COMMON FORMAT FOR LIFE INSURANCE
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Will the Minister of FINANCE be pleased to state:

- (a) whether different Insurance Companies have different policy documentation and languages ;
- (b) if so, the details thereof ;
- (c) whether the Government has directed the life insurance companies to work out a common formal language for life insurance players; and
- (d) if so, the details thereof and the response of insurance companies thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a)&(b) : Yes, Sir. The Insurance Regulatory & Development Authority (IRDA) has reported that the terms and conditions outlined in a policy document depend upon the benefits offered under the policy. The features offered which vary from one company to other, determine the contents of the policy documents. With regard to the language, it also varies across the companies with some companies adopting bilingual formats (English & Hindi) while majority of them communicate in English. However, in case of micro insurance products, IRDA has stipulated that vernacular language has to be used in the policy document.

(c)&(d) The IRDA has informed that identifying the need to work out a common format across the industry, it has entrusted the National Insurance Academy, Pune for the work of drafting standard policy bonds for all products with suitable wordings. These standard policy bonds are intended to be adopted by all the life insurance companies.