

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:395  
ANSWERED ON:20.08.2010  
INSURANCE COVERAGE IN RURAL AREAS  
Rawat Shri Ashok Kumar

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

- (a) the percentage of rural population covered by the insurance schemes at present;
- (b) the details of the targets set by the insurance companies including private insurance companies in respect of insurance coverage in the rural areas during the last three years and the current financial year;
- (c) whether the said companies have achieved their targets;
- (d) if so, the details thereof and if not, the reasons therefor, company-wise; and
- (e) the action taken/being taken against such insurance companies who have failed to achieve the targets set?

**Answer**

The Minister of Finance (Shri Pranab Mukherjee)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NUMBER 395 REGARDING `INSURANCE COVERAGE IN RURAL AREAS` RAISED BY SHRI ASHOK KUMAR RAWAT, MEMBER OF PARLIAMENT FOR ANSWER ON 20-08-2010.

(a) to (c): As per the Insurance Regulatory and Development Authority (Obligations of Insurers to Rural or Social Sectors) Regulations, 2002 as amended in 2007 the insurance companies are required to achieve the prescribed percentage of their policies in case of life insurers and of premium income in case of non-life insurers in the rural sector in the respective year of their operations in India. Accordingly, the company wise details of the targets and achievements of the life and non-life insurers in the rural sector are at Annex - I & II.

(d) and (e): The Insurance Regulatory and Development Authority has informed that, during the last 3 years, the following insurance companies were penalised for not complying with their obligations under the Insurance Regulatory and Development Authority (Obligations of Insurers to Rural or Social Sectors) Regulations, 2002 as amended in 2007 for non-compliance of targets under the rural sector:

S. No. Name of Insurance Company Year Amount of Penalty (in Rs.)

1. Iffco Tokio General Insurance Co. Ltd 2007-08 5,00,000/-

2. Apollo Munich Health Insurance Company 2008-09 5,00,000/-  
Limited

3. Life Insurance Corporation of India 2008-09 5,00,000/-

4. HDFC Standard Life Insurance Co. Ltd 2008-09 5,00,000/-