

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2103
ANSWERED ON:12.08.2011
INSURANCE COVERAGE
Viswanathan Shri P.

Will the Minister of FINANCE be pleased to state:

- (a) whether the number of persons under insurance cover in the country is very low;
- (b) if so, the details thereof and reasons therefor;
- (c) whether the Government has taken any steps to educate the public on the merits of insurance cover and to advocate public private partnership in insurance sector to bring in more people under its cover; and
- (d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) and (b): The Insurance Regulatory & Development Authority (IRDA) has reported that the number of persons covered under insurance is low when one considers the size and population of the country, in terms of insurance penetration (percentage of insurance premium to Gross Domestic Product) and insurance density (per capita premium determined in USD). In terms of insurance penetration, the overall penetration (life and non-life insurance put together) has increased from 2.71% in the year 2001 to 5.20% in 2009. Insurance penetration in India is higher than many countries like Malaysia, Thailand, China, Brazil, Russia, Sri Lanka, Bangladesh and Pakistan. In terms of insurance density, it has increased from USD 11.5 in 2001 to USD 54.3 in 2009. However, the volumes are increasing and more people are covered under insurance over the years. During the year 2009-10, the total number of individual policies sold by life insurers was 5,31,95,191 and the total number of policies sold by non-life insurers was 8,19,52,708.

(c) and (d): The IRDA has been undertaking a sustained insurance education campaign under the brand name Bima Bemisaal. The campaign seeks to educate the uninsured and the insured about the need for insurance, rights, obligations of policyholders etc through various media channels viz. print, radio and television. IRDA also supports consumer bodies in conducting seminars and workshops on insurance in various parts of the country in order to create awareness about insurance. The Bima Bemisaal campaign is carried out in various Indian languages including Hindi, apart from English. IRDA has also brought out educational materials for the public and policyholders. Further, to create awareness, IRDA over the last two years has started conducting yearly seminars exclusively on policyholder protection and welfare that brings together all stakeholders including consumer representatives.