

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3997
ANSWERED ON:26.08.2011
PROFITABILITY AND COVERAGE OF INSURANCE SECTOR
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Insurance Industry has steadily developed as a profitable industry during the last three years and the current year;
- (b) if so, the details thereof;
- (c) the annual average growth rate of the industry during the said period; and
- (d) the percentage of people covered under various insurance schemes in the country, as on date?

Answer

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

(a)&(b): As informed by Insurance Regulatory and Development Authority (IRDA), the overall profit/loss after Tax of the Indian insurance industry is as under:

(Rs. in crore)

Financial Year	Life Insurance	General Insurance	Total
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2007-08	-3415.34	2862.99	-552.35
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2008-09	-4882.98	842.33	-4040.85
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2009-10	-988.80	1201.71	212.91
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2010-11	2647.29	-197.56	2449.73
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(c): The annual average growth of life insurance industry in terms of total insurance premium is 17.18% for the period 2007-08 to 2010-11. The annual average growth of general insurance industry in terms of Gross Direct Premium is 15.92% for the period 2007-08 to 2010-11.

(d): The growth in insurance sector is internationally measured in terms of insurance penetration (percentage of insurance premium to Gross Domestic Product) and insurance density (per capita premium determined in US\$) of Indian insurance industry. The details are as under:

Insurance Penetration (Premium as % of GDP)

Year	Total	Business	Life	Non Life
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2005 3.14 2.53 0.61

2006 4.80 4.10 0.60

2007 4.70 4.00 0.60

2008 4.60 4.00 0.60

2009 5.39 4.73 0.66

Insurance Density (Premium per capita in INR)

Year Total Business Life Non Life

2005 1039 838 201

2006 1758 1520 238

2007 2133 1849 284

2008 2169 1886 284

2009 2485 2183 302

Note: Insurance density is converted to INR(1 US\$ = 45.7695 INR).
Source: IRDA