

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1651  
ANSWERED ON:23.03.2012  
PAPERLESS INSURANCE  
Kumar Shri P.;Sudhakaran Shri K.

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

- (a) whether the Insurance Regulatory and Development Authority (IRDA) proposes to shift the insurance sector towards paperless model in a year;
- (b) if so, the details thereof and the reasons therefor alongwith the names of the companies shortlisted for performing such responsibility;
- (c) whether such paperless model of insurance is likely to create inconvenience to the illiterate and rural population of remote villages;
- (d) if so, the details thereof; and
- (e) the remedial measures taken/being taken by the Government in this regard?

**Answer**

Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a): Insurance Regulatory and Development Authority (IRDA) has reported that there is no proposal to shift the insurance sector to a paperless model. The insurance companies could continue to issue paper insurance policies. However, where an insurer issues e-insurance policies, the company shall do so at the option of the policyholder by utilising the services of an insurance repository licensed by the Authority. All such insurance policies in electronic form shall be treated as valid insurance contracts. The objective of an insurance repository is to provide policyholders a facility to keep insurance policies in electronic form and undertake changes, modifications and revisions in the insurance policy with speed and accuracy in order to bring efficiency, transparency and cost reduction in the issuance and maintenance of insurance policies.

(b): Further, IRDA has informed that the following entities have been granted in-principle approval to act as insurance repositories to hold insurance policies in electronic form on behalf of policy holder:

- (i) NSDL Database Management Limited;
- (ii) CDSL Ventures Limited;
- (iii) Stockholding Corporation of India Limited;
- (iv) Karvy Consultants limited; and
- (v) CAMS Repository Services Limited.

(c)to(e): The insurers issue the electronic policies only at the option of the policyholders thus the paperless model is unlikely to create inconvenience to the illiterate and rural population of remote villages.