

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1706
ANSWERED ON:22.08.2012
COLLECTION OF PREMIUM
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Will the Minister of FINANCE be pleased to state:

- (a) whether the life insurance firms premium collection had gone down by 16.3% in April 2012 compared to the last three years
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps being taken to boost collection of life insurance premium in future?

Answer

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

(a) and (b): The Insurance Regulatory & Development Authority (IRDA) has reported that the details of the first year premium for the months of April 2012, April 2011, April 2010 and April 2009 is as under:

(Rs crore)

Particulars	Apr-12	Apr-11	Apr-10	Apr-09
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Private Sector	1125.29	1344.6	1572.64	1488.47
Growth %	-16.31	-14.5	5.65	-2.86

Public Sector	3811.72	3718.77	4173.69	2113.1
Growth %	2.5	-10.9	97.51	69.33

Life Industry	4937.01	5063.37	5746.33	3601.58
Growth %	-2.5	-11.89	59.55	29.55

From the above table, the first year premium indicates that the private life insurers showed a decline of 16.31% whereas the public sector life insurer grew by 2.50%. The life industry overall exhibited a negative growth of 2.50% for the month of April 2012 as against April 2011.

(c): IRDA has informed that the following are the steps taken to boost collection of life insurance premium.

- (i) Increasing awareness by publicity through print and other Audio Visual Media.
- (ii) Improving accessibility by creating a competitive insurance market in terms of insurers and insurance intermediaries.
- (iii) Enhancing affordability by encouraging micro insurance products and prescribing regulatory limit for Rural and Social sector.