

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1338
ANSWERED ON:30.11.2012
PENETRATION OF INSURANCE POLICY
Ramasubbu Shri S.

Will the Minister of FINANCE be pleased to state:

- (a) whether penetration of insurance policy to the masses in the country is among the lowest in the world;
- (b) if so, the details thereof;
- (c) whether the Government has any proposal to provide more tax incentives for investment in insurance and mutual funds;
- (d) if so, the details thereof and the estimated revenue likely to be mopped up through investment in insurance policies; and
- (e) the time by which the aforesaid proposal is likely to be implemented?

Answer

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

(a) and (b) : No, Sir .The Insurance Regulatory and Development Authority (IRDA) has informed that penetration of insurance (including life and non life) for India for the years 2010 and 2011 was 5.10 and 4.10 respectively. Life insurance penetration in India was higher than the world's average in 2010 and the combined average is higher than Brazil and Russia and most of other countries of Asia including Bangladesh, Pakistan, China and Sri Lanka.

(c) to (e): The Government periodically receives proposals for providing tax incentives, inter alia, for investments in insurance and mutual funds and examination of such proposals is a part of an on-going process.