

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1947

ANSWERED ON:08.03.2013

GROWTH OF INSURANCE INDUSTRY

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Will the Minister of FINANCE be pleased to state:

- (a) whether the general insurance sector has registered a substantial growth in the recent past;
- (b) if so, the details thereof for the last three years and the current year, company-wise;
- (c) the details of premium collected and claims settled during the aforesaid period, company-wise;
- (d) whether the penetration of the general insurance in the country is lower than the global average ratio;
- (e) if so, the details thereof and the reasons therefor; and
- (f) the steps taken/being taken by the Government in this regard?

Answer

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

(a) & (b): As per Insurance Regulatory and Development Authority (IRDA) the general insurance sector has witnessed a growth of 16.87%, 22.91% and 24.07% during the years 2009-10, 2010-11 and 2011-12 respectively. The company-wise details are given in Annexure-I.

(c): The company-wise details of premium collected and claims settled during the last 3 years are given in Annexure-II.

(d) & (e): Insurance penetration ((ratio of premium underwritten in a given year to the Gross Domestic Product (GDP)) of general insurance in India was 0.70% as compared to the global penetration of 2.8% for the calendar year 2011.

(f): A number of proposals to increase the penetration of insurance in the country were announced in the Budget speech for 2013-14:

(i) Insurance companies will be empowered to open branches in Tier II cities and below.

(ii) All towns of India with a population of 10,000 or more will have an office of LIC and an office of at least one public sector general insurance company.

(iii) KYC of banks will be sufficient to acquire insurance policies.

(iv) Banks will be permitted to act as insurance brokers so that the entire network of bank branches will be utilized to increase penetration.

(v) Banking correspondents will be allowed to sell micro-insurance products.