

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3091  
ANSWERED ON:15.03.2013  
TARGET AND ACHIEVEMENT OF INSURANCE COMPANIES  
Rawat Shri Ashok Kumar

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

- (a) whether business targets set up for life and non-life insurance for rural areas were not achieved by Government/ private insurance companies during the last three years;
- (b) if so, the details thereof and the reasons therefor along with the names of such insurance companies; and
- (c) the action taken by Insurance Regulatory Development Authority (IRDA) in this regard?

**Answer**

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

(a) : Yes, Sir.

(b) & (c) : The Insurance Regulatory and Development Authority (IRDA) has informed that IRDA (Obligations of Insurers to Rural or Social Sectors) Regulations, 2002 prescribes obligation of Insurers to procure a certain percentage of their total business from Rural areas. In case of life insurance companies one instance has been found during the last three years where M/s BhartiAxa Life Insurance Company Ltd has not complied with rural sector obligation for the year 2010-11 set by the IRDA (Target was 16% of the total policies to be procured from rural areas whereas the Insurer has achieved 15.98%). Since the shortfall was nominal i.e. 0.02%, the Authority has advised the company to monitor the compliance to its obligations thereafter.

In case of non-life insurance companies there were two instances one in 2009-10 and another in 2011-12 where rural sector obligation were not complied with. The details are as follows:

year	Name of the company	Details of rural sector obligation	Reasons by IRDA	Action taken
2009-10	The New India Assurance Company Ltd	Target was 7% of the total Gross Premium Income, whereas achievement was 6.29% in the Software application	Target was 7% of the total Gross Premium Income, whereas achievement was 6.29% in the Software application	Inability to monitor penalty of IRDA levied Rs.10 lakhs
2011-12	Max Bupa Health Insurance company Ltd	Target was 3% of the total Gross Premium Income whereas achievement was 0.08%	Target was 3% of the total Gross Premium Income whereas achievement was 0.08%	IRDA is in issuing the process of show cause notice for non-compliance