

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2487

ANSWERED ON:23.08.2013

INSURANCE COVERAGE

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

- (a) whether the number of persons under insurance cover are very low in the country;
- (b) if so, the details thereof and the reasons therefor along with the reaction of the Government thereto;
- (c) whether the Government has taken/ proposes to take any steps to educate the public on the merits of insurance cover and to advocate public private partnership in insurance sector to bring in more people under its cover; and
- (d) if so, the details and the outcome thereof?

**Answer**

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

(a) and (b): As per information furnished by Insurance Regulatory and Development Authority (IRDA) insurance coverage in a country is generally measured by insurance penetration, which is the ratio of premium underwritten in a given year to the Gross Domestic Product (GDP). The penetration of life sector in India has increased from 2.15% in 2001 to 3.17% in 2012 which is above Brazil, Russia, Malaysia, Pakistan, China, Srilanka, Australia, Germany but below France, Switzerland, United Kingdom, United States of America, Japan, Singapore, South Korea, Taiwan and Hong Kong.

(c ) and (d) : Following initiatives have been put in place to educate the public on merits of insurance cover and to advocate public private partnership in insurance sector to bring in more people under its cover :-

1. IRDA has launched an exclusive consumer education website during 2012 for the benefit of policyholders and the general public. This website covers various areas of insurance and hosts e-copies of IRDA's publications relating to consumer education.
2. IRDA has launched consumer awareness campaign under the banner of Bima Bemisaal through various channels-print, radio, television and social media.
3. IRDA has published Policyholder Handbooks which are also uploaded on the web. Insurance companies in India have a link on their website to IRDA's exclusive Consumer Education Website ([www.policyholder.gov.in](http://www.policyholder.gov.in)) which gives advice to the public on protecting themselves against mis-selling.
4. IRDA is working with the industry and has sponsored pan India General Insurance awareness campaign on Health, Motor, Rural and Property Insurance through General Insurance Council.
5. IRDA is coordinating with other financial sector regulators through Financial Stability and Development Council (FSDC) platform on a common approach for implementation of National Strategy for Financial Education.
6. IRDA has disseminated information among general public about IRDA's "Integrated Grievance Management System" and the Consumer Education Website, and issues alerts about fictitious callers through advertisements.