

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7016

ANSWERED ON:08.05.2015

INSURANCE COMPANIES

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Will the Minister of FINANCE be pleased to state:

- (a) the total number of Insurance Companies allowed to operate in India including the details of their establishment in the country;
- (b) the penetration made by each of these insurance companies in the country with the number of persons insured, the premium collected and the claims received and disbursed in the last three years;
- (c) whether any precautions have been taken by the Government against the foreign Indian Insurance Company to protect the interest of the country/ investors; and
- (d) if so, the details thereof and further steps taken by the Government in this regard?

Answer

Minister of State in the Ministry of Finance (Shri Jayant Sinha)

(a): Insurance Regulatory and Development Authority of India (IRDAI) has informed that there are 24 Life insurance companies and 29 Non life Insurance companies operating in the country and their details are as per Annexure I.

(b): The total premiums collected by each of the life and non-life insurance companies and their penetration for the last three years are attached at Annexures II and III respectively. The death claims received and disbursed by life insurance companies in the last three years is attached at Annexure IV. The claims received and disbursed by non-life insurance companies in the last three years are attached at Annexure V.

(c) and (d): Authority has informed that in terms of Section 2(7A) of the Insurance Act, 1938, no foreign entity can directly set up an insurance company in India. However foreign participation in the equity shareholding of the Indian Insurance Company is allowed up to 49%. The recent amendments in the Insurance Act also provide that the Indian Insurance Company having foreign participation should be "Indian owned and controlled". Further, the investments of Indian Insurance Companies are required to be made in accordance with the provisions of the Insurance Act, 1938 and the Regulations made there under. As per Section 27E of the Insurance Act, 1938 no insurer shall directly or indirectly invest outside India the funds of the policy-holders. Authority has further informed that any investment made for opening of branch/place of business outside India shall require the prior approval of the Authority.