

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 201

ANSWERED ON MONDAY, DECEMBER 4, 2023/AGRAHAYANA 13, 1945 (SAKA)

LIFE INSURANCE PENETRATION AND DENSITY

201. SHRI MARGANI BHARAT:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that life insurance penetration and insurance density in India is among the lowest in the world;
- (b) if so, the details thereof;
- (c) whether the Government has taken or plans to take any measures to address these issues; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) and (b): Since opening up of the insurance sector in India in the year 2000 the insurance penetration (the percentage of insurance premiums to GDP) of life insurance sector has gone up from 2.15% in FY 2001-02 to 3.20% in FY 2021-22 while the global average for life insurance penetration for the year 2021-22 is 2.8%. Life insurance density (the ratio of premiums to population) has gone up from \$ 9.1 in FY 2001- 02 to \$ 69.0 in FY 2021-22.

Further, as per information provided by IRDAI, the life insurance sector in India has grown from Rs 0.56 lakh crores in the FY 2001-02 to Rs 6.93 lakh crores in FY 2021-2022.

(c) and (d): For creating universal social security system for all Indians, especially the poor and the under-privileged Government of India launched two Social Security Schemes in the Insurance sector; namely the Pradhan Mantri Suraksha Bima Yojana (PMSBY) and the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) on pan India basis on the 9th of May, 2015.

PMJJBY offers risk cover of Rs. 2 lakhs in case of death of the insured, due to any reason, at an annual premium of Rs. 436/- to people in the age group of 18 to 50 years having a bank / Post office account. 18.33 crores subscribers have been enrolled under the scheme up to 25.10.2023.

PMSBY offers risk cover of Rs 2 lakhs in case of accidental death or total permanent disability and Rs. 1 lakh for partial permanent disability; due to accident at a premium of Rs. 20 per annum to people in the age group 18 to 70 years with a bank / Post office account. 40.63 crore subscribers have been enrolled under the scheme up to 25.10.2023.

Government runs various awareness/enrolment campaigns up to Gram Panchayat level for creating awareness about the micro insurance schemes. These campaigns are conducted with active involvement of the banks and the local administration.
