

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 49**

ANSWERED ON – 22.07.2024

**MANDATORY OF E-INSURANCE**

49. SHRI S JAGATHRATCHAKAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the introduction of mandatory e-insurance by the Insurance Regulatory and Development Authority of India (IRDAI) marks a significant milestone towards improving the insurance sector and streamlining processes for consumers;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

**(a) to (c):** Insurance Regulatory and Development Authority of India (IRDAI) has notified Protection of Policyholders' Interests, Operations and Other Allied Matters of Insurers Regulations, 2024 on 20/04/2024 wherein Regulation no. 13 specifically deals with e-insurance policies.

The regulations provide as under:

- i. Every insurer is required to place a Board approved policy for issuance of insurance policies in electronic form. The policy apart from various other issues shall include continuous review and upgradation of the cyber security safeguards.
- ii. Every insurer shall issue insurance policies in electronic form. However, insurers are required to issue policies in physical form, if requested by the policyholder.

This regulation marks significant milestone towards improving the insurance sector and streamlining processes for customers for the following reasons:

- **Accessibility:** The e-insurance enhances accessibility of insurance products for a broader demographic by eliminating the necessity for physical paperwork and enabling customers to purchase and manage policies online.
- **Operational efficiency:** The e-insurance contributes to the overall digitization of the insurance industry and offers benefits such as easier policy management, reduced paperwork, and faster processing time. This can potentially lead to improved efficiency in policy issuance, renewal, and claims processes.

- **Reduced costs:** By reducing paperwork and administrative overheads associated with physical policies, e-insurance can potentially lead to cost savings for insurance companies. These savings can be passed on to customers in the form of lower premiums or better coverage options.
- **Unclaimed amounts:** As a result of increased accessibility by way of e-insurance, the incidences of unclaimed amounts could be reduced as compared to the traditional paper-based policies where documents could be lost or forgotten.

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