

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UNSTARRED QUESTION No. 1345**

ANSWERED MONDAY, 28 JULY, 2025/SRAVANA 6, 1947 (SAKA)

**Insurance Coverage Among MSMEs**

1345. Shri Manish Tewari

Will the Minister of FINANCE be pleased to state:

- a) whether the Government has assessed the extent of the insurance protection gap among Micro, Small and Medium Enterprises (MSMEs), particularly in Tier 2 and Tier 3 cities, if so, the details thereof;
- b) whether the Government is aware that a majority of MSMEs remain uninsured or underinsured despite contributing significantly to GDP and employment;
- c) whether the Government is promoting the adoption of digital insurance solutions for MSMEs, and if so, the specific measures taken by the Government to incentivise uptake through policy, regulatory or fiscal interventions;
- d) whether the Government has taken any pilot schemes to improve penetration of B2B insurance products in the MSME sector; and
- e) whether the Government intends to establish a dedicated framework or regulatory sandbox to accelerate innovation in MSME-focused digital insurance products?

**ANSWER**

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

(a) to (e): Insurance companies offer various insurance products to provide coverage to MSME segment. These products offer protection for different requirements of MSME including covers for their assets, legal liabilities, health and personal accident for their employees etc. Insurance Regulatory and Development Authority of India has also mandated all insurers to provide Bharat Sookshma Udyam Suraksha and Bharat Laghu Udyam Suraksha policies to cover the assets of MSMEs. In addition to this, several other policies such as Money Insurance, Fidelity Guarantee Insurance, Professional Indemnity, Workmen Compensation, Public Liability, Group Personal Accident, Group Health Insurance, Group Term Insurance etc., are also offered by the insurance companies to MSME across India. Some of these covers are also available in digital mode.

Further, the insurance policy level data pertaining to a specific segment such as MSMEs is not collected or compiled by IRDAI.

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