

**GOVERNMENT OF INDIA
MINISTRY OF COOPERATION**

**LOK SABHA
UNSTARRED QUESTION NO.2862
TO BE ANSWERED ON 10th March 2026**

Cooperative Insurance

2862. Shri Arup Chakraborty:

Will the Minister of COOPERATION (सहकारिता मंत्री) be pleased to state:

- (a) whether the Government has examined the potential role of cooperative insurance institutions in expanding insurance penetration and financial inclusion, particularly in rural, semi-urban and underserved regions and if so, the details thereof;
- (b) whether the Government has identified regulatory, financial and capacity-related challenges limiting the growth of cooperative insurers in the country, including capital requirements, governance norms and access to technology and if so, the steps taken or proposed to be taken to address these challenges; and
- (c) whether the Government proposes to introduce regulatory reforms, financial support mechanisms, or capacity-building initiatives to strengthen cooperative insurance entities and enable them to function as effective contributors to India's insurance ecosystem and if so, the details and timelines thereof?

ANSWER

**THE MINISTER OF COOPERATION
(सहकारिता मंत्री) (SHRI AMIT SHAH)**

(a) Yes, Sir. In order to enhance the role of cooperatives in expanding insurance penetration and financial inclusion, in alignment with the goal of Insurance for All by 2047 and to realize the vision of Sahakar se Samriddhi, a special drive has been undertaken by the Ministry of Cooperation.

Under the campaign, efforts are made to enable Cooperative Banks to act as distributors of insurance products by becoming Corporate Agents, thereby strengthening last-mile outreach, particularly in rural, semi-urban and underserved areas.

Further, the Ministry of Cooperation prepared Model Bye-laws for Primary Agricultural Credit Societies (PACS) and circulated them to all States/UTs. As a result, PACS have been enabled to undertake distribution of insurance products. PACS are also functioning as Common Service Centres (CSCs) and are facilitating distribution of various insurance products at the grassroots level. Till 24th February 2026, 52369 PACS are activated as Common Service Centres.

Further, as per IRDAI, as on 03rd March 2026, more than 150 cooperative banks and societies are registered as Corporate Agents to distribute insurance products.

Cooperative Banks maintain over 22 crore deposit accounts and have more than 13 crore farmer members (of PACS), providing strong grassroots presence and extensive coverage.

(b) & (c) The Insurance Act, 1938, as amended by Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025 recognises co-operative societies registered under any of the following laws as eligible entities to set-up insurance co-operative society in India:

- i. the provisions of the Co-operative Societies Act, 1912;
- ii. any other law for the time being in force in any State relating to co-operative societies;
or
- iii. The provisions of the Multi-State Co-operative Societies Act, 2002.

Thus, in terms of the IRDAI (Registration of Corporate Agents) Regulations, 2015 cooperative societies are permitted to register as Corporate Agents and are allowed to distribute insurance products.

IRDAI has issued regulations promoting digitization and electronic policy servicing, enabling cooperative entities working as corporate agents to leverage technology platforms provided by insurers for seamless onboarding and servicing of policy holders.

Further, the Ministry of Cooperation has promoted the establishment of Sahakar Sarathi Private Limited (SSPL) for Rural Cooperative Banks and National Urban Cooperative Finance and Development Corporation (NUCFDC) for Urban Cooperative Banks. These entities facilitate technological upgradation, capacity building, and system integration of Cooperative Banks, thereby enabling them to function effectively as distributors of insurance products.

With respect to capacity building, the employees of cooperatives, who are registered as corporate agents to distribute insurance products are required to undergo mandatory training for professional competence and get certification from IRDAI-recognized institutions, such as the Insurance Institute of India.
