

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSARRED QUESTION NO. 1655

ANSWERED ON - 09.03.2021
Issuance of e-insurance certificates

1655 # CH. SUKHRAM SINGH YADAV:
SMT. CHHAYA VERMA:
SHRI CHH. UDAYANRAJE BHONSLE:
SHRI VISHAMBHAR PRASAD NISHAD:

Will the Minister of Finance be pleased to state:

- (a) whether it is a fact that Government is considering to provide e-insurance certificates instead of issuing insurance Bonds;
- (b) the expenses expected to come down for the insurance companies by providing e-insurance certificates and whether Government proposes to extend the said benefit to the insurance customers by reducing their premium or GST; and
- (c) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) to (c): The Insurance Regulatory and Development Authority of India (IRDAI) has informed that regulation 4 of IRDAI (issuance of e-insurance policies) Regulations, 2016 stipulates that every insurer shall issue electronic Insurance policy based on specified premium or sum insured. However, these electronic policies are also required to be issued in physical form as well, except when these are issued through registered insurance repositories.

Recently, in view of the COVID-19 pandemic as a special case, IRDAI has allowed insurers to issue only electronic policy documents and exempted them from the requirement of sending insurance policies in physical form till 31st March, 2021, subject to the consent of the policyholder.

The exemption provided by IRDAI is an interim measure due to COVID-19 pandemic. However premium depends, *inter-alia*, on costs incurred by the insurer and wherever there is cost saving, it eventually is reflected in the impact on premium.
