

## Summary

### Microinsurance Conference 2007

13–15 November 2007, Mumbai, India



#### **Parallel Session 1 – Regulation, supervision and policy Facilitated discussion on the Indian approach to microinsurance regulation**

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*Participatory analysis from the perspective of risk carriers, delivery channels and regulators*

One of the main priorities of the liberalization of Insurance Industry in India was to spread Insurance to rural and semi urban areas and also to reach all sections of the society including economically weaker sections. With this in mind, IRDA Regulation stipulates mandatory rural and social sector obligations on each of the Insurers. It is observed that Insurance Companies due to various constraints, were not able to tap the rural markets to the desired level. Further IRDA notified Micro Insurance Regulation on 10th November, 2005 and it is designed to provide a broader framework to Insurers for reaching the lower and targeted market segments by offering them customized insurance solutions, leveraging on Institutions already involved in promoting the other comprehensive financial solutions.

The regulations focus on the direction, design and delivery of the products.

- A tie up between life and non life insurance players for integration of product to address risks to the individual, his family, his assets and habitat.
- Monitoring product design through File and Use.
- Introduction of a Standalone Micro Insurance delivery channel – NGO, SHG and MFI.
- Enlarged servicing activities entrusted to micro insurance agent.
- Issue of Policy documents in simple vernacular language.

Risk management, distribution, administration, effective servicing & deployment of technology are some of the core issues to be tackled for the spread of Micro Insurance.

Creating the necessary awareness among all the stake holders at various levels is of utmost importance, in making success of the Micro Insurance initiatives.

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