

**Please find below the text of the Speech of the Union Finance Minister Shri Pranab Mukherjee at the Platinum Jubilee Celebrations of the United India Insurance Company Limited in Delhi today evening:**

Let me start by congratulating the staff and the management of United India Insurance Company on the occasion of your company entering the 75th year of its existence, since incorporation on February 18, 1938. It is a proud moment not only for the Company but also for the country. Only very few countries in the world can be boast of a Public Sector insurance company striving to achieve the best in general insurance and growing stronger by day.

2. The United India Insurance Company is one among the four public sector general insurance companies in the country. The Company has consistently performed well on parameters like premium growth, profitability, customer service, net worth, financial inclusion initiatives, etc. It has a high solvency margin. The Company is also a leader in the social and rural insurance segment. It is the largest micro-insurer in the non-life insurance space. I know that United India Insurance was the only public sector general insurance company to declare dividend for the Government during 2010-11.

3. It is a matter of pride that the Company is a pioneer in the insurance inclusion of marginalized and unsecured population. It has innovated on new delivery models to address out-reach issues like micro-offices (one person office), devising and implementing community based insurance solutions and village adoption programmes as vehicles for insurance penetration. In the process, United India contributed towards the widening of business network in remote corners of the country.

4. The Insurance Industry in India has grown exponentially in the last one decade following the liberalisation of the sector. India now has close to 50 insurers operating in the life, non-life and re-insurance segment and the list is continuously on growing path. It is among the most dynamic areas in the financial sector. Along with a thriving banking industry providing timely and adequate credit to needy sectors, a buoyant stock market where capital is easily accessed, an insurance industry that adequately covers potential business risks, is vital for sustaining growth in an expanding economy.

5. Over the years, we have taken a number of initiatives to bring about healthy competition in the insurance sector. With the opening up of the sector in the year 2000, FDI has been allowed up to 26% of the equity capital and there is de-tariffing of the insurance business. As a result there has been some improvement in insurance penetration, both in life and non-life sector.

6. The sector has also witnessed significant improvements in customer services, deployment of technology in operations and product innovation. Higher disposable incomes, rising aspirations of people, growing awareness about the need for insurance are some of the factors that would continue to drive the growth of the insurance sector in India in the current decade. I am told that as per some estimates the non-life insurance sector is set to reach Rs. 1,00,000 crore by 2015 and Rs. 2,50,000 crore by 2020.

7. A concerted effort is required to create insurance literacy and awareness, especially in semi-urban and rural areas. New products may have to be designed to cater to specific groups such as women and workers in the unorganized sector. Greater transparency and accountability in the conduct of insurance companies, especially in checking mis-selling of products and ensuring quick settlement of claims is necessary. There is a need to streamline the grievances redressal mechanisms. I take this opportunity to urge all insurance companies to consciously adhere to their Citizens Charter which will ultimately minimize the trust deficit and help the sector grow on a self-sustaining basis.

8. The Industry needs to become consumer friendly and devise products which are simpler and easy to understand. This will help in improving insurance penetration. The service delivery has to be efficient. Technology should be widely deployed to deliver superior customer experience with the insurer. The Insurance Companies have to conduct their operations under an appropriate regulatory over-sight and maintain the long term health of the Industry. The Government has decided that all such district head quarters which have been left unrepresented so far and all important towns, up to Tier IV level as classified under the Census, will have an office, both in life and in non-life segment during this year.

9. With the opening up of the sector, the private companies have brought in better IT platforms and e-governance models. I am happy to see that PSU insurance companies have been able to withstand the competition successfully. There is however, scope to improve your models of recruitment, training, providing skills, mentoring and assigning responsibilities and incentivising employees. The sector needs to have its presence across geography, in various formats, so that the message of insurance and its benefits reaches the nook and corner of the country. With the Banking inclusion reaching an inflection point, it is also time to look at an insurance-led financial inclusion drive in the country.

10. I would like to conclude by once again congratulating you all on the Platinum Jubilee Celebrations of United India Insurance Company. I wish you and your stakeholders, a prosperous and bright future.

On this occasion, the Union Finance Minister Shri Mukherjee also unveiled the mnemonic to mark the Platinum Jubilee Celebrations, Customer on Line Policy Portal and New Health Insurance Policy as well. The Secretary, Department of Financial Services, Ministry of Finance Shri D.K.Mittal, CMD, United India Insurance Company Ltd. Shri G.Srinivasan, officials and staff members of the company, its esteemed customers and other distinguished guests were also present on the occasion in large number.

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