

5. Bima Sugam Portal – Economy

Bima Sugam entity's website launched, insurance e-market rollout in phases. Bima Sugam is a unified digital insurance marketplace launched by IRDAI to function like a "UPI for insurance," simplifying access and boosting penetration. It is a key part of the 'Bima Trinity' reforms aimed at achieving "Insurance for All by 2047."

Bima Sugam – India's Unified Insurance Marketplace

The Insurance Regulatory and Development Authority of India (IRDAI) has officially launched Bima Sugam, a revolutionary one-stop digital marketplace for all insurance needs in India. The launch was announced by the Bima Sugam India Federation (BSIF), which also unveiled the portal's official website.

About Bima Sugam

A One-Stop Digital Platform – Bima Sugam serves as a unified digital marketplace designed for all insurance stakeholders. This includes consumers, insurers, intermediaries (like brokers), and agents.

Core Purpose – The primary goal is to enhance transparency, boost efficiency, and foster collaboration across the entire insurance value chain, from policy purchase to claim settlement.

Regulatory Backing – It is a flagship initiative of the IRDAI, which operates under the purview of the Ministry of Finance, Government of India.

Industry Support – The platform is backed by two major industry bodies – the Life Insurance Council and the General Insurance Council (GIC).

Vision and Objectives

Bima Sugam is envisioned to function as the "Unified Payments Interface (UPI) or Amazon of insurance," providing a seamless digital experience for all insurance-related activities.

Its key objectives are –

Empower Policyholders – To provide customers with greater control through transparent information and simplified processes.

Deepen Insurance Penetration – To support the national mission of "Insurance for All by 2047", aligning with the Viksit Bharat 2047 vision.

Enable End-to-End Digital Services – To create a complete digital lifecycle for policies, including buying, renewing, secure storage, and processing claims.

Promote Innovation – To create an environment that encourages the development of innovative, sand-box, and customized insurance products.

Build Trust – To establish a secure, compliant, and scalable digital infrastructure that builds confidence among all users.

Key Features

Comprehensive Coverage – The platform will host a wide array of insurance products, including –

1. Life Insurance (Term Plans, Annuity, ULIPs)
2. Health Insurance
3. Motor Insurance
4. Travel Insurance
5. Property Insurance
6. Agriculture Insurance
7. Commercial Insurance

Centralised Database – It will act as a secure repository for all policies, allowing policyholders to easily access their documents, raise queries, and file claims from a single point.

Low-Cost Model – The portal is designed to operate on minimal charges. This is possible because all insurance companies are members and equity stakeholders in the Bima Sugam India Federation (BSIF), which operates the platform.

Advanced Technology – Bima Sugam leverages automation, digitization, and seamless integration with external data sources for efficient and quick service delivery.

Collaboration – It creates a unified ecosystem where insurers, brokers, banks (as corporate agents), and individual agents can collaborate effectively.

Unique Aspects of Bima Sugam

A Global First – It is the world's first unified insurance marketplace that integrates life, health, general, and commercial insurance products onto a single platform.

Digital Public Infrastructure (DPI) Model – Bima Sugam is structured as a Digital Public Infrastructure, similar to how UPI transformed digital payments in India. It is a foundational service for the entire sector, not just a commercial enterprise.

Industry Ownership – Unlike private insurance aggregators, the platform is operated by the BSIF, with all insurers as equity stakeholders. This ensures that its objectives are aligned with the overall growth and health of the insurance industry rather than purely commercial interests.

Complete End-to-End Services – It goes beyond simple comparison and purchase, offering a complete policy lifecycle management system, including renewals, claim settlement, and secure digital storage of policies.

The 'Bima Trinity' – A Holistic Reform

Bima Sugam is a crucial component of the “Bima Trinity,” a comprehensive reform package conceived by IRDAI to revolutionize the insurance sector. The other two pillars are –

1. **Bima Vistaar** – An affordable, composite insurance product that bundles life, health, and property cover into a single policy, aimed at the rural population.
2. **Bima Vahak** – A women-centric distribution channel at the Gram Panchayat level to enhance the reach and accessibility of insurance products in rural India.

The Insurance Sector in India

Market Overview

Market Size – India is the 10th largest insurance market globally and the 2nd largest in emerging Asia, indicating significant scale and future potential.

Insurance Penetration – This metric, calculated as Insurance Premium as a % of GDP, stood at approximately 4.2% in 2023. This is lower than the global average of around 7%, highlighting a vast opportunity for growth.

Insurance Density – This metric, representing the Premium per Capita, was about \$91 in 2023. This low figure further reflects the large untapped potential in the Indian market.

Sector Structure – The industry is broadly divided into life insurance, non-life/general insurance, reinsurance, and health insurance.

Key Regulators and Institutions

IRDAI (Insurance Regulatory and Development Authority of India) – Established in 1999, IRDAI is the apex regulatory body for the insurance sector. It is a statutory body formed under the IRDAI Act, 1999. As an autonomous body, it regulates and supervises the development of the insurance sector to protect the interests of policyholders, ensure the financial stability of insurers, and promote orderly growth.

Life Insurance Corporation of India (LIC) – India's largest and state-owned life insurer, holding a dominant market share.

General Insurance Corporation of India (GIC Re) – The state-owned national reinsurer.

Private Insurers – The market is competitive, with over 20 private life insurance companies and more than 30 private non-life (general) insurance companies operating alongside public sector undertakings (PSUs).

Recent Reforms and Initiatives

Bima Trinity – The comprehensive reform package of Bima Sugam, Bima Vistaar, and Bima Vahak to improve access, affordability, and availability of insurance.

Foreign Direct Investment (FDI) – The FDI limit in insurance companies was increased from 49% to 74% in 2021, inviting more foreign capital and expertise.

Pradhan Mantri Fasal Bima Yojana (PMFBY) – The government's flagship crop insurance scheme to protect farmers against crop failure.

Ayushman Bharat (PM-JAY) – The world's largest government-funded health insurance scheme, providing health cover to vulnerable families.

Digital Push – A strong focus on leveraging technology through initiatives like insurance repositories, e-KYC for faster onboarding, and the promotion of InsurTech platforms.

Source – <https://www.thehindu.com/business/bima-sugam-entitys-website-launched-insurance-e-market-rollout-in-phases/article70062180.ece>

