

# Model insurance villages

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**In news:** The Insurance Regulatory and Development Authority of India (IRDAI) has suggested setting up model insured villages across the country.

## **About the insurance villages-**

- It aims to increase insurance penetration in rural areas with **special focus on agriculture and allied activities.**
- The concept may be implemented in a **minimum of 500 villages in different districts** of the country **in the first year** and increased to a **minimum of 1,000 villages in subsequent two years.**
- The efforts in selected villages need to be continued for a minimum of 3 to 5 years so as to make insurance benefits visible to the community.
- According to the draft proposal, insurance for rural people should cover the entire population in villages and their property, farms/crops, farm machinery, vehicles, manufacturing enterprises and other specific insurance needs of the particular village.
- Various state and central government **awards winning villages, villages with a track record of implementing various social welfare and environmentally friendly initiatives** may be preferred for implementation.
- The draft proposal says a focused **publicity campaign** needs to be carried out for a reasonable period of time showcasing the benefits of insurance, rural insurance products and its features.
- The **campaign in vernacular** should be done through print, electronic, social media and through other traditional and innovative ways of reaching out to people.
- The draft has further proposed a **sandbox phase**, inviting innovative products from insurance companies, insurance intermediaries, other research institutions/

universities and companies dealing with rural population and agriculture and allied sector.

- These model villages are expected to **tackle losses due to natural calamities like floods and earthquakes.**
- Every general insurance company and reinsurance company accepting general insurance business and having offices in India needs to be involved for piloting the concept.