



Bima Sugam

[Source: IE](#)

Why in News?

Recently, the [Insurance Regulatory and Development Authority of India \(IRDAI\)](#) has formed a steering committee to act as the apex decision-making body for the creation of its ambitious '**Bima Sugam**' online platform.

- IRDAI says Bima Sugam is an electronic marketplace protocol which would universalise and democratize insurance. This protocol will be connected with [India Stack](#).

What is Bima Sugam?

- **About:**
 - It's an online platform where customers can choose a suitable scheme from multiple options given by various companies.
 - All insurance requirements, including those for life, health, and general insurance (including motor and travel) will be met by Bima Sugam.
- **Features:**
 - It will simplify and digitize the insurance marketplace— **right from buying policies, to renewals, claim settlement, and agent and policy portability.**
 - It will assist consumers with all insurance related queries.
- **Role:**
 - The proposed platform would act as a **single window** for the policyholder to manage his/her insurance coverage.
 - It will provide **end-to-end solutions** for customers' insurance needs i.e., purchase, service, and settlement.
- **Utility:**
 - It will facilitate insurance companies to access the validated and authentic data from various touch points on a **real-time basis.**
 - **The platform** will interface for the intermediaries and agents to sell policies and provide services to policyholders, among others, and reduce paperwork.
- **Stakeholders:**
 - Life insurance and general insurance companies will own a 47.5% stake each, while brokers and agent bodies will own 2.5% each in Bima Sugam Platform.

What is IRDAI?

- IRDAI, founded in 1999, is a **regulatory body created with the aim of protecting the interests of insurance customers.**
 - It is a statutory body under the IRDA Act 1999 and is **under the jurisdiction of the Ministry of Finance.**
- It regulates and sees to the development of the insurance industry while monitoring insurance-related activities.
- The powers and functions of the Authority are laid down in the IRDAI Act, 1999 and Insurance Act, 1938.

What is India Stack?

▪ About:

- **India Stack is a set of APIs** (Application programming interface) that allows governments, businesses, startups and developers to utilize a unique digital Infrastructure to solve India's hard problems towards presence-less, paperless, and cashless service delivery.
- It aims to unlock the economic primitives of identity, data, and payments at population scale.

▪ Features:

- **Digital transactions** through India Stack often have lower transaction costs compared to traditional methods. This benefits businesses, consumers, and the government by reducing the cost of conducting various transactions.
- Bridging the **wealth gaps and building an efficient and resilient digital economy** that drives economic growth and social development.

▪ Components:

- The key components of INDIA STACK include **Aadhaar** (unique biometric-based identification system), **Unified Payments Interface (UPI) for instant digital payments**, and **Digital Locker** for secure storage of personal documents.



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The Vision

UPSC Civil Services Examination Previous Year's Question (PYQs)

Prelims:

Q. Consider the following statements: (2018)

1. Aadhaar card can be used as a proof of citizenship or domicile.

2. Once issued, Aadhaar number cannot be deactivated or omitted by the Issuing Authority.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (d)

Exp:

- The Aadhaar platform helps service providers authenticate identity of residents electronically, in a safe and quick manner, making service delivery more cost effective and efficient. According to the GoI and UIDAI, Aadhaar is not proof of citizenship.
- However, UIDAI has also published a set of contingencies when the Aadhaar issued by it is liable for rejection. An Aadhaar with mixed or anomalous biometric information or multiple names in a single name (like Urf or Alias) can be deactivated. Aadhaar can also get deactivated upon non-usage of the same for three consecutive years.

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