



Bima Vistaar

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Why in News?

Recently, the [Insurance Regulatory and Development Authority of India \(IRDAI\)](#) has proposed to **price Bima Vistaar**, its ambitious all-in-one affordable insurance mass product aimed at the rural areas of the country, at Rs 1,500 per policy.

What is Bima Vistaar?

- **About:**
 - Bima Vistaar, which is part of the [Bima Trinity](#). The first-of-its-kind all-in-one affordable insurance product, Bima Vistaar will offer **life, health and property cover**.
 - The product has been designed to provide a basic social safety net cover with combined features of **life, health, personal accident and property insurance**.
- **Key Features:**
 - The product includes Life cover premium of Rs 820, Health cover Rs 500, Personal accident cover at Rs 100, and Property cover at Rs 80.
 - If taken for the entire family on a floater basis, the policy will cost Rs 2,420, with an additional Rs 900 charged for the rest of the family members.
 - The sum assured for life, personal accident, and property covers is Rs 2 lakh each, while the health cover (hospital cash) offers a sum assured of Rs 500 for 10 days, with a maximum amount of Rs 5,000 available without producing bills or documents.
 - Agents selling Bima Vistaar policies stand to earn a commission of 10%, incentivising wider distribution and adoption of the product.
- **Benefits for Broader Insurance Landscape in India:**
 - Bima Vistaar is expected to provide a reliable insurance solution at a reasonable cost, thereby promoting **financial inclusion**.
 - Bima Vistaar policy underscores its importance in safeguarding individuals and families against various risks and uncertainties.
 - It is considered a mass product for **increasing insurance penetration in the country**, it is expected that, unlike **micro insurance products**, it will generate a large sales volume.
- **Future Prospects:**
 - IRDAI, along with the **General Insurance Council (GIC)** and [Life Insurance Council \(LIC\)](#), is working towards creating a "**Bima Trinity**" - **Bima Sugam (digital platform)**, **Bima Vistaar (product)**, and Bima Vahak (women-centric distribution channel) - to effectively distribute and promote these products.
 - The competitive pricing and comprehensive coverage of Bima Vistaar are expected to make it a viable and sustainable solution in the long run.

Insurance Regulatory and Development Authority of India (IRDAI)

- The (IRDAI) is an **autonomous and statutory body** formed under the **Insurance Regulatory and Development Authority Act, 1999 (IRDA Act, 1999)**. It is responsible for managing and regulating the insurance and reinsurance industry in India.
- It is a 10-member body- a chairman, five full-time members and four part-time members.

Headquartered in Hyderabad.

- **The Role of IRDAI:**

- It has to protect the interests of insurance policyholders and ensure that they are treated in a just manner. It also has to monitor policy issuers to ensure that the common man's interests are not subverted.

History of India's Insurance Industry

- In 1950, the Government of India nationalised India's insurance industry and established the **Life Insurance Corporation (LIC) of India**.
- In the 1990s, the government decided to open up the insurance sector to private players. A committee was set up to propose reforms and the IRDAI was formed.
- **In 2000**, when the market was opened up, foreign firms were allowed to buy up to **26% stake in Indian insurance companies**.
 - Later, **foreign direct investment** in the insurance sector was capped at 49%.
- In the financial year 2022-23 (FY23), India's overall insurance penetration was **down at 4% from the level of 4.2% in FY22**, according to a **Swiss Re Sigma report**. This is much below the **global insurance penetration of 6.8%**.
 - In FY23, the insurance density in India increased from USD 91 in FY22 to USD 92.
 - Insurance density is the **ratio of insurance premiums collected by insurance companies** to the total population of a country, usually expressed in US dollars.

Read more: [No Age Bar for Health Insurance in India](#)

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