

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2546
ANSWERED ON:08.12.2006
RURAL INSURANCE
Nahata Smt. P. Jaya Prada

Will the Minister of FINANCE be pleased to state:

- (a) whether anti-money laundering regulation has affected rural insurance;
- (b) if so, the details thereof; and
- (c) the action taken to ensure simplification and smooth process of rural insurance?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a), (b) & (c): Anti-money Laundering (AML) guidelines to insurers were issued by the Insurance Regulatory & Development Authority (IRDA) (effective from 1st August, 2006 in the case of life insurance companies and 1st January, 2007 in the case of non-life insurance companies) to ensure compliance with `The Prevention of Money Laundering Act, 2002, These guidelines are applicable to all the products of both life and general insurance industry except for the exempted products specifically given out in the guidelines i.e. Standalone Medical/Health Insurance products, Group Insurance business and Term Life Insurance contracts. IRDA has further reported that it has not received any feed back on the impact of these guidelines on rural insurance. However, it does not envisage any adverse effect of these guidelines on rural insurance.