



? IRDAI Proposes Public Insurance Registry to Build Digital Public Infrastructure for India's Insurance Sector

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Recent Developments:

- The **Insurance Regulatory and Development Authority of India (IRDAI)** released a consultation paper on **1 September 2026** proposing a **Public Insurance Registry (PIR)** as a Digital Public Infrastructure (DPI) for the insurance sector.
- The proposed PIR is intended to address **information gaps, fragmented records and interoperability challenges** while creating a more transparent and efficient insurance ecosystem.
- The consultation is linked to the objectives of the **Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025**, while its implementation will also have to operate within applicable data-protection and technology laws.
- IRDAI has invited comments on issues including **data architecture, identity framework, data standards, privacy and consent safeguards, commercial confidentiality, governance and implementation readiness**, with submissions due by **30 September 2026**.

Public Insurance Registry: Concept and Objectives:

What is the PIR?

- The **Public Insurance Registry** is proposed as a **population-scale, interoperable and non-exclusionary Digital Public Infrastructure** for insurance.
- It is envisaged as a **common information-exchange layer** through which authorised participants can discover, verify and exchange insurance-related information without creating a conventional centralised database.
- The core objective is to create a **consistent and authoritative view of insurance records** while allowing relevant data to remain with the institutions that originally hold it.
- The PIR is therefore intended to function as an **information and interoperability infrastructure**, rather than merely as a repository containing copies of all insurance records.

Key Objectives:

- Promote **insurance inclusion, transparency, trust, affordability and efficiency**.
- Reduce **information asymmetry** between policyholders, insurers and intermediaries.
- Improve the quality of **underwriting, claims management, fraud detection and risk assessment**.
- Facilitate portability and informed comparison by making verified insurance information more accessible.
- Enable regulators and other authorised institutions to use reliable information for **supervision, policy design and risk management**.

Why is a Public Insurance Registry Needed?

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Existing Information Gaps:

- Insurance information is distributed across multiple insurers, intermediaries and other institutions, making it difficult to obtain a consolidated view of an individual's insurance position.
- Customers may repeatedly provide information for **KYC, policy servicing and claims**, while insurers may lack easily accessible verified historical information.
- Fragmented claims and policy histories can increase **information asymmetry**, affect underwriting and make switching between insurers more difficult.
- Limited access to verified information can also increase the scope for **mis-selling, fraud and inefficient product comparison**.
- The PIR seeks to move the ecosystem towards a model in which insurance can increasingly be **researched and purchased by informed consumers**, rather than remaining predominantly dependent on intermediary-led information.

PIR and Digital Public Infrastructure:

UPI as the DPI Model:

- **Unified Payments Interface (UPI)** demonstrates how DPI can transform an entire market by establishing interoperable infrastructure on which multiple service providers can operate.
- The significance of the DPI model lies in creating **shared foundational infrastructure**, rather than requiring every participant to build isolated systems.
- The PIR seeks to apply a similar approach to insurance by making **interoperability and trusted information exchange** foundational features of the ecosystem.

Core DPI Principles Relevant to PIR:

- **Interoperability:** Different systems should communicate and exchange information without requiring every provider to adopt an identical internal architecture.
- **Minimalist building blocks:** Public infrastructure should provide foundational capabilities while allowing private and institutional participants to develop their own applications and services.
- **Federated architecture:** Information can remain with the institution that collects or maintains it, while authorised systems interact through defined mechanisms.
- **Non-exclusion:** Infrastructure should support broad participation and should not become dependent on a single private provider or proprietary ecosystem.

Architecture and Data Governance:

Federated Data Architecture:

- The PIR proposes **source-system primacy**, under which relevant information remains with the source institution instead of being copied into one universal central database.
- This architecture can reduce the risks associated with concentrating sensitive insurance information in a single repository.
- However, a federated model does not eliminate privacy risks because **identity, authentication, authorisation, data-sharing protocols and query mechanisms** must still be securely governed.

Data Protection and Consent:

- PIR implementation must be aligned with the **Digital Personal Data Protection Act, 2023** and other applicable legal and technological safeguards.
- Key concerns include **purpose limitation, consent, access control, data minimisation, cybersecurity, commercial confidentiality and accountability**.

- The consultation itself recognises privacy, consent and commercial confidentiality as important design questions.

Institutional and Governance Framework:

Role of Insurance Information Bureau:

- The proposed governance framework envisages restructuring the **Insurance Information Bureau of India (IIB)** into a **not-for-profit entity wholly owned by IRDAI**.
- The model seeks to combine regulatory legitimacy with independent operational execution.
- Proposed features include **institutional neutrality, independent execution and rotating industry representation**.
- Effective governance will be essential to prevent conflicts of interest and ensure that infrastructure serving the entire insurance ecosystem is not dominated by particular market participants.

Phased Implementation:

- The PIR is proposed to be developed through a **phased approach**, allowing use cases and technical specifications to evolve with stakeholder participation.
- This approach can help identify interoperability, data-quality and cybersecurity problems before large-scale implementation.
- The proposal currently remains at the **consultation stage**, and a specific operational implementation date has not been established in the available regulatory material.

Stakeholder-Level Benefits:

For Policyholders:

- A consolidated view of **policies, nominees, renewals, claims and unclaimed benefits** can improve consumer awareness and policy servicing.
- Easier access to verified information can strengthen **portability, comparison and informed decision-making**.

For Insurers and Intermediaries:

- Verified policy and claims histories can improve **underwriting, risk assessment, pricing, claims processing and fraud prevention**.
- Standardised information exchange can reduce duplication and improve operational efficiency.

For Reinsurers and Regulators:

- Aggregated and standardised exposure information can strengthen **catastrophe-risk assessment, regulatory supervision and financial resilience**.
- Better information can support more accurate assessment of **systemic and sector-wide insurance risks**.

For Financial Institutions and Government:

- Verified insurance information can help financial institutions assess **policy ownership and collateral coverage** while strengthening borrower-risk assessment.
- Government agencies can use authorised insurance information and coverage-gap insights for **policy formulation, welfare delivery and resilience planning**.

Linkages with Other Insurance Reforms:

Sabka Bima Sabki Raksha Act, Bima Sugam and PIR:

- The **Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025** provides an important statutory context for ongoing insurance-sector reforms.
- **Bima Sugam** is being developed as a digital insurance marketplace, while the PIR is intended to strengthen the underlying **information and interoperability infrastructure**.
- These initiatives address different layers of the ecosystem: **PIR focuses on trusted information infrastructure, while Bima Sugam focuses on digital access and transactions**.
- IRDAI has indicated that initial Bima Sugam products covering areas such as **motor, health and term insurance** were expected around September 2026, subject to technology integration by insurers.

Significance for the Indian Economy:

- Improved information availability can reduce **transaction costs and information asymmetry** in insurance markets.
- Better underwriting and fraud detection can strengthen insurer financial sustainability.
- Faster and more reliable claims processing can improve **consumer confidence and insurance penetration**.
- Better exposure information can strengthen **disaster-risk financing and catastrophe preparedness**.
- Verified insurance information can potentially support **credit markets**, particularly where insurance coverage forms part of risk assessment or collateral protection.
- The broader significance of PIR lies in shifting insurance competition towards **product innovation, pricing, service quality and customer experience** rather than information advantage.

Challenges and Critical Issues:

Data Privacy and Cybersecurity:

- Federated architecture reduces the need for a single central repository but does not remove risks involving **unauthorised access, identity theft, data leakage and cyberattacks**.
- Strong consent, authentication, access-control and audit mechanisms will therefore be essential.

Data Standardisation and Interoperability:

- Different insurers and institutions may use different **data formats, identifiers and legacy IT systems**.
- Effective interoperability will require common standards without forcing participants to abandon their internal systems.

Participation and Data Completeness:

- If participation begins voluntarily, incomplete adoption could produce an incomplete information layer.
- Wider participation will therefore depend on **clear incentives, regulatory clarity and demonstrable benefits**.

Governance and Institutional Independence:

- The proposed ownership and industry-representation structure must maintain **regulatory neutrality and operational independence**.
- Governance arrangements will determine whether the PIR remains a public-interest infrastructure rather than becoming vulnerable to industry concentration or regulatory capture.

Balancing Transparency with Commercial Confidentiality:

- Greater information sharing can improve market efficiency, but sensitive **commercial, actuarial and customer information** must not become unnecessarily accessible.

- Access should therefore follow clearly defined **purpose, authorisation and accountability frameworks**.

Way Forward:

- Establish **clear data-governance and consent standards** before large-scale implementation.
- Adopt interoperable data standards while preserving flexibility for insurers' internal systems.
- Implement strong **privacy-by-design, cybersecurity and audit mechanisms**.
- Use phased pilots to test high-value use cases before nationwide expansion.
- Create transparent governance mechanisms with clearly defined roles for **IRDAI, IIB, insurers, intermediaries and other stakeholders**.
- Ensure that PIR complements rather than duplicates existing platforms such as **Bima Sugam, Central KYC infrastructure and sector-specific databases**.

Value Addition for UPSC:

GS-II — Governance and Regulatory Institutions:

- **IRDAI:** Statutory regulator for the insurance sector; PIR illustrates the role of regulatory institutions in building digital public infrastructure and strengthening consumer protection.
- **Key themes:** Regulatory governance, institutional accountability, data protection, transparency and citizen-centric digital services.

GS-III — Economy and Financial Sector:

- PIR is relevant to **financial inclusion, insurance penetration, fintech, digital economy, risk management and financial stability**.
- It demonstrates how public digital infrastructure can reduce information asymmetry and transaction costs in financial markets.

GS-III — Disaster Management:

- Consolidated exposure information can strengthen **catastrophe-risk assessment, disaster preparedness and risk-financing mechanisms**.

Essay / Interview Keywords:

- **Digital Public Infrastructure**
- **Interoperability**
- **Federated Data Architecture**
- **Source-System Primacy**
- **Information Asymmetry**
- **Data Protection**
- **Financial Inclusion**
- **Consumer Protection**
- **Insurance Penetration**
- **Privacy by Design**
- **Public-Private Innovation**

Prelims Facts to Remember:

- **PIR:** Proposed Public Insurance Registry.
- **Regulator:** Insurance Regulatory and Development Authority of India.
- **Consultation Paper:** Released on **1 September 2026**.
- **Consultation Deadline:** **30 September 2026**.

- **Core Model:** Digital Public Infrastructure.
- **Architecture:** Interoperable and federated, with **source-system primacy**.
- **Related Reform:** Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025.
- **Related Digital Platform:** Bima Sugam.

Institutional Link: Insurance Information Bureau of India (IIB).