The present study confined to insurance sector regulation which took place in 2000 with establishment of Insurance Regulatory and Development Authority of India. The study specifically focused on evaluating the role of Insurance Regulatory and Development Authority of India. The study relied on primary and secondary data.

The analysis revealed that IRDAI has been effective in promoting growth in insurance sector, spreading insurance in rural sector, regulating investments of life insurance firms and protecting interests of policyholders. However, IRDAI has been ineffective in promoting efficiency in conduct of life insurance business in India. The other findings also revealed that score card of IRDAI in not satisfactory on account of insurance density and insurance penetration as compared with world average. The agents of insurance firms tend to conceal information to prospective buyers in matters such as free look period and existing grievance redressal mechanisms.

In the light of above findings the study suggested policy prescriptions for improving the working of IRDAI. The study recommends that IRDAI should incentivize insurance firms for tapping new customers instead of indulging in recycling business for improving insurance density and penetration. Insurance firms should minimize their inputs and maximize their outputs for improving efficiency. IRDAI should organize information dissemination workshops and campaigns for spreading financial literacy and making policyholder aware about grievance redressal mechanism for protecting their interests. Lastly, IRDAI should be subjected to periodic assessment by independent agency for social cost-benefit analysis.