



Federation of National Postal Organisations



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SIVAJI VASIREDDY

Secretary General

No: FNPO/DoP/Revenue Loss/Suggestions

dated 10.03.2026

To
Dr. Pemmasani Chandra Sekhar Garu,
Hon'ble Minister of State for Communications
& Rural Development,
New Delhi – 110001.

Respected Sir,

Subject: Strategic Recommendations to Enhance Revenue and Strengthen Profitability of the
Department of Posts –regd.

Ref:- My federation letter even number dated 11.02.2026

I write in my capacity as Secretary General of FNPO representing stakeholders across India to submit a comprehensive set of policy suggestions aimed at enhancing revenue generation and transforming the Department of Posts into a sustainable profit centre while continuing its vital social service mandate.

India Post possesses unparalleled reach, infrastructure, trust capital, and workforce strength. With strategic reforms and focused execution, the Department can significantly increase profitability. I respectfully present the following sector-wise recommendations:

1. Insurance (PLI & RPLI Strengthening): Urgent Reforms Required in Postal Insurance for Revenue Enhancement

Postal Life Insurance introduced in 1884 and Rural Postal Life Insurance launched in 1995 reflect the visionary legacy of India Post in providing life insurance services. However, despite steady annual growth in premium collection, our insurance business has not reached its full potential when compared with the vast postal network and growing market demand. Private insurers offer diverse products such as term plans, health insurance, limited premium options, and high-value guaranteed return policies without restrictive ceilings on sum assured, whereas PLI currently has a ₹50 lakh cap and eligibility-linked limitations. Modern customers seek higher coverage and flexible products based on financial capacity rather than employment category or educational qualification.

In view of changing market dynamics, there is an urgent need to reform and redesign our insurance products to compete effectively. It is proposed to enhance or remove the sum assured ceiling, introduce market-oriented policies, allow universal eligibility based on financial assessment, and digitize the entire insurance lifecycle. Further, instead of depending on collaborations through India Post Payments Bank with private insurers, strengthening our own Postal Insurance portfolio and merging PLI and RPLI under a unified brand will expand coverage from rural workers to high-income individuals. Such structural reforms will transform Postal Insurance into a strong profit centre and significantly enhance revenue for the Department.

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