FIFTY-FIFTH REPORT

COMMITTEE ON PETITIONS

(SEVENTEENTH LOK SABHA)

MINISTRY OF FINANCE

(DEPARTMENT OF FINANCIAL SERVICES)

(Presented to Lok Sabha on 19.12.2023)

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

December 2023/Agrahayana, 1945 (Saka)

CPB No. 1 Vol. LV

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Sixteenth Edition).

CONTENTS

COMPOSITION OF THE COMMITTEE ON PETITIONS

Shri Harish Dwivedi - *Chairperson*

MEMBERS

2. Shri Anto Antony
3. Shri Hanuman Beniwal *
4. Prof. Sanjay Sadashivrao Mandlik
5. Shri P. Ravindhranath
6. Dr. Jayanta Kumar Roy
7. Shri Brijendra Singh
8. Shri Sunil Kumar Singh
9. Shri Sushil Kumar Singh
10. Shri Manoj Kumar Tiwari
11. Shri Prabhubhai Nagarbhai Vasava
12. Shri Rajan Baburao Vichare
13. Shri Bharat Ram Margani
14. Vacant
15. Vacant

SECRETARIAT

1. Shri Raju Srivastava	-	Joint Secretary
2. Shri Tenzin Gyaltsen	-	Deputy Secretary
3 Shri Anand Kumar Hansda	-	Assistant Executive Officer

---

* *Resigned his Lok Sabha seat w.e.f. 15.12.2023.*

FIFTY-FIFTH REPORT OF THE COMMITTEE ON PETITIONS (SEVENTEENTH LOK SABHA)

INTRODUCTION

I, the Chairperson, Committee on Petitions, having been authorised by the Committee to present on their behalf, this Fifty-Fifth Report (Seventeenth Lok Sabha) of the Committee to the House on the Action Taken by the Government on the recommendations made by the Committee on Petitions (Seventeenth Lok Sabha) in their Thirty-Sixth Report on the representation of Shri R. Marak regarding the need for regulating the working of Government owned General Insurance Companies especially in Meghalaya and other important issues related therewith.

2. The Committee considered and adopted the draft Fifty-Fifth Report at their sitting held on 18 December, 2023.

3. The observations/recommendations of the Committee on the above matters have been included in the Report.

NEW DELHI;

HARISH DWIVEDI
Chairperson,
Committee on Petitions

<u>18 December, 2023</u>
27 Agrahayana, 1945 (Saka)

REPORT

ACTION TAKEN BY THE GOVERNMENT ON THE RECOMMENDATIONS MADE BY THE COMMITTEE ON PETITIONS (SEVENTEENTH LOK SABHA) IN THEIR THIRTY-SIXTH REPORT ON THE REPRESENTATION RECEIVED FROM SHRI R. MARAK REGARDING THE NEED FOR REGULATING THE WORKING OF GOVERNMENT OWNED GENERAL INSURANCE COMPANIES ESPECIALLY IN MEGHALAYA AND OTHER IMPORTANT ISSUES RELATED THEREWITH.

The Committee on Petitions (Seventeenth Lok Sabha) presented their Thirty-Sixth Report to Lok Sabha on 13 December, 2022 on the representation received from Shri R. Marak regarding the need for regulating the working of Government owned General Insurance Companies especially in Meghalaya and other important issues related therewith.

2. The Committee had made certain observations/recommendations in the matter and the Ministry of Finance (Department of Financial Services) were asked to implement the recommendations and furnish their action taken replies thereon for further consideration of the Committee.

3. Action Taken Replies have since been received from the Ministry of Finance (Department of Financial Services) in respect of all the observations/recommendations contained in the aforesaid Report. The recommendations made by the Committee and the replies furnished thereto by the Ministry of Finance (Department of Financial Services) are detailed in the succeeding paragraphs.

4. In paragraphs 19, 20, 21, 22 and 23 of the Report, the Committee had observed/recommended as follows:-

"*<u>Merging of Public Sector General Insurance Companies (PSGICs)</u>*

While meticulously examining the representation of Shri R. Marak regarding the need for regulating the working of Government owned General Insurance Companies, especially, in Meghalaya vis-a-vis the comments furnished by the Ministry of Finance (Department of Financial Services)/National Insurance Company Limited (NICL), New India Assurance Company Limited (NIACL), Oriental India Insurance Company Limited (OIICL), United India Insurance Company Limited (UIICL) and General Insurance Corporation of India Limited (GIC), the Committee note that general insurance business in the country was nationalized by the General Insurance Business (Nationalisation) Act, 1972 and all

Insurers carrying out the general insurance businesses were merged and accordingly, four acquiring Companies, viz., NICL, NIACL, OIICL and UIICL were set up, and the fifth one, viz., GIC was set up as the Holding Company of the above stated four Government owned General Insurance Companies. The General Insurance Corporation of India Limited was notified as the "Indian Re-insurer" in the year 2000 and it ceased to be the Controlling Company of the above mentioned four Public Sector General Insurance Companies (PSGICs) with effect from 21st March 2003. All the four PSGICs have been working in all non-life insurance areas including motor, health, property and insurance of industrial units.

The Committee also note that out of these five PSGICs, three Government owned General Insurance Companies, viz., NICL, UIICL and OIICL are fully owned by the Government of India which has shareholding of 85.44% in NIACL as on 31st March, 2022, whereas, the General Insurance Corporation of India Limited (GIC Re.) was fully owned by the Government of India till its Initial Public Offer (IPO) and subsequent listing on the Stock Exchange(s) in October, 2017. Presently the Government of India holds 85.78% of the equity share capital of GIC Re.

As regards the insurance policies/products being offered by these PSGICs, the Committee further take note of the fact that the National Insurance Company Limited issues 249 products under 12 lines of business, as under:-

- *Aviation,*
- *Crop Insurance,*
- *Engineering,*
- *Fire, Health,*
- *Liability,*
- *Marine Cargo,*
- *Marine Hull,*
- *Motor,*
- *Personal Accident,*
- *Rural, Workmen Compensation, and*
- *Other Miscellaneous*

Similarly, the United India Insurance Company Limited has a slew of over 200 products offering in 10 lines of business, as under:-

- *Fire,*
- *Marine,*
- *Motor,*

- *Health,*
- *Personal Accident,*
- *Workmen Compensation,*
- *Liability,*
- *Engineering,*
- *Aviation, and*
- *Other Miscellaneous.*

Besides, the Oriental India Insurance Company Limited provides innovative insurance policies in all the business lines, as under:-

- *Fire,*
- *Cargo,*
- *Hull,*
- *Engineering,*
- *Aviation,*
- *Motor,*
- *Liability,*
- *Personal Accident,*
- *Health,*
- *Workmen's Compensation,*
- *Rural Sector.*

The New India Assurance Company Limited provides 329 products in 10 business lines, as under:-

- *Fire,*
- *Marine Cargo,*
- *Marine Hull,*
- *Motor OD (Own Damage),*
- *Motor TP (Third Party),*
- *Health,*
- *Personal Accident,*
- *Liability, Aviation, and*
- *Other Miscellaneous Policies.*

The General Insurance Corporation of India Limited (GIC Re.) being a reinsurance company, caters to the needs of only direct Insurance Companies. It is a B2B (Business-to-Business) Company and does not issue insurance policies like Motor, Mediclaim, etc., *directly to public, however, supports the insurance sector by providing reinsurance to direct insurance companies including the States of North-East India.*

The Committee further take note of the fact that Agriculture Insurance Company of India Limited (AIC) was set up under the Indian Companies Act, 1956 consequent to the announcement made in the General Budget Speech of FY 2002-03, and the Company commenced its business from 1 April, 2003 by taking over the mandate of the National Agricultural Insurance Scheme (NIAS) now being re-named as Pradhan Mantri Fasal Bima Yojana (PMFBY) which, until FY 2002-03 was implemented by the General Insurance Corporation of India Limited, to cater the needs of farmers better and to move towards a sustainable agricultural regime.

The Committee understand that initially, when the Insurance Industry was nationalized in 1972 by merging all insurance providers in four subsidiaries of General Insurance Corporation in India, the intention of the Government was, perhaps, to protect the interests of general public from the Private Insurers and to provide them the benefits of market competition while offering them to choose among the favourable options. These non-life insurance companies, basically, offer motor insurance, health, property and industrial units and are in operation and rendering their services for decades. The Committee would like to highlight that during their journey of existence, these Government owned Insurance Companies have earned the trust of public and are still recognised for their efficiency and transparent functioning. However, the Committee observe that all the four General Insurance Companies are doing business by selling similar types of insurance products and as a result of such overlapping of similar insurance products, these Government owned General Insurance Companies are not only eating up each other's market share which is already vulnerable to private players of the insurance sector but also they may resort to inappropriate practices, viz., undercutting premiums to maintain their profitability. The Committee, therefore, urge the Ministry of Finance (Department of Financial Services) to re-visit their earlier proposal of merging all the four PSGICs into one entity which would greatly reduce the management expenses and also provide cushion to their combined Solvency Ratio. In this regard, the Committee would like to cite the example of Life Insurance Corporation of India (LIC) which is the only Public Sector Life Insurance Company and doing its business with commendable financial performance."

5. The Ministry of Finance (Department of Financial Services)/PSGICs, in their action taken reply, have submitted as follows:-

"In the Budget speech 2018-19, the Finance Minister announced the Government's intent to merge three public sector general insurance companies, viz., National Insurance

Company Limited, United India Insurance Company Limited and Oriental Insurance Company Limited.

However, in July, 2020, it was decided not to proceed with merger but to focus on their profitable growth. Hence, the Government decided to infuse capital in these three PSGICs."

6. In paragraphs 24, 25, 26, 27, 28, 29 and 30 of the Report, the Committee had observed/ recommended as follows:-

"<u>Improving Market Share, Collection of Premium and Settlement of Claims</u>

Based on the information furnished by the Ministry of Finance (Department of Financial Services), the Committee note the trend of market share of these PSGICs vis-a-vis Private Insurers during the past five years as under:-

(i) National Insurance Company Limited - Market share of the Company has declined from 10.75% in 2017-18 to 8.93% in 2018-19, 8.08% in 2019-20, 7.12% in 2020-21 and 5.95% (provisional) in 2021-22.

(ii) United India Insurance Company Limited - Market share of the Company has also declined from 11.58% in 2017-18 to 9.66% in 2018-19, 9.25% in 2019-20, 8.41% in 2020-21 and 7.12% (provisional) in 2021-22.

(iii) Oriental India Insurance Company Limited - Market share of the Company has negligibly improved from 7.60% in 2017-18 to 7.77% in 2018-19 but thereafter declined from 7.24% in 2019-20, 6.26% in 2020-21 and 6.21% in 2021-22.

(iv) New India Assurance Company Limited - Market share of the Company declined from 15.08% in 2017-18 to 14.07% in 2018-19 and then increased from 14.33% in 2019-20 to 14.37% in 2020-21 and 14.76% in 2021-22.

The Committee are perturbed over the declining trend of market share of NICL, UIICL and OICL, whereas, NIACL has maintained its market share more or less at same level and rather showing some improvement. The Committee though, at the same time, acknowledge the fact that the four PSGICs still hold a major chunk of market share of 34.05% of insurance sector and has a pan-India presence of 6759 offices with a manpower of 44,743 personnel. Notwithstanding this, the Committee would like to urge the Ministry of Finance (Department of Financial Services) to encourage these four PSGICs to expand their area of functioning which is at presently confined to higher classes of urban areas, to un-insured rural areas and urban poor by designing innovative *and diversified insurance products which are suitable to the needs of the rural and poor people. The Committee further recommend the Ministry of Finance (Department of Financial Services) that in order to increase the penetration and density of insurance coverage to the remotest of areas, these PSGICs should take into account the regional/demographical considerations such as social and economic disparities and inequalities, etc., particularly in the North Eastern region of the country.*

The Committee are also dismayed to note that despite specifically asked for the current market share of the four Public Sector General Insurance Companies vis-a-vis Private Insurers in North Eastern States of the country [Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura], the Ministry of Finance (Department of Financial Services)/PSGICs have provided details only for three Companies, i.e., the United India Insurance Company Limited, the Oriental India Insurance Company Limited and the New India Assurance Company Limited. However, information regarding current market share of the National Insurance Company Limited and the United India Insurance Company Limited vis-a-vis Private Insurers has not been provided and also no details of market share of the New India Assurance Company Limited, particularly for North Eastern States, have been provided to the Committee. In case of the United India Insurance Company Limited, the market share of the Company in 2020-21 in North Eastern States was 9% which comes to Rs. 262 crore of the market share of total Rs. 2,984 crore of the industry premium. Similarly, the Oriental India Insurance Company Limited holds 9.13% of the market share out of total 46.19% of market share of PSGICs as on 31.12.2021 in North Eastern States as against 53.81% of market share of Private Insurers. As regards the New India Assurance Company Limited, the total market share of the Company in 2021-22 was 14.76% in comparison to 34.02% of PSGICs vis-à-vis 65.98% market share of Private Insurers for the entire country.

The Committee are also not happy to note that the Ministry of Finance (Department of Financial Services)/PSGICs have not provided comprehensive data on the percentage of market share, premium collected and claims settled in respect to the National Insurance Company Limited, the United India Insurance Company Limited and the New India Assurance Company Limited vis-a-vis Private Insurers in the North Eastern States. The Committee, therefore, urge the Ministry of Finance (Department of Financial Services)/PSGICs to compile and furnish a comprehensive, and specific data on market share, policies issued, premium collected, claim settled along with the amount thereof and also a comparative statement with Company-wise actual data as well as percentile thereof on total market share of PSGICs vis-a-vis Private Insurers in the country and specifically for the North Eastern Region as on 31 March, 2022.

As regards the total premium collected by these four Government owned General Insurance Companies during 2021-22 in the North Eastern States, the Committee note *that it was Rs. 207.62 crore by the National Insurance Company Limited, Rs. 250.41 crore by the United India Insurance Company Limited, Rs. 215.05 crore by the Oriental India Insurance Company Limited and Rs. 422.27 crore by the New India Assurance Company Limited. The Committee further note that the total sector-wise amount of claims settled by these Public Sector General Insurance Companies during 2021-22 in the North Eastern States comes to Rs. 517,57,36,301.61 with a break up, as under:-*

- *New India Assurance Company Limited - Rs. 103.66 crore;*
- *United India Insurance Company Limited - Rs. 117.31 crore;*
- *Oriental India Insurance Company Limited - Rs. 116.71 crore; and*
- *New India Assurance Company Limited - Rs. 179.89 crore.*

The Committee observe that the combined premium amount collected by the four PSGICs during the year 2020-21 was Rs. 1095.35 crore and an amount of Rs. 517.57 crore (47%) was paid by these Companies against the claims settled during the period. In this connection, the Committee further observe that amongst these four PSGICs, the New India Assurance Company Limited, which is a listed Company with 85.44% of Government holdings, was the highest aggregator, both in terms of collection of premium and settlement of claims with more than 34% of the total premium collected by all the four PSGICs. The Committee could guess that prime reason for the lower percentage of claim settlements, in comparison to insurance premium collected by PSGICs, might be due to numerous formalities and cumbersome procedure that are required to be adopted by the Public Sector General Insurance Companies which often result in rejection or delay in the settlement of claims.

In the considered opinion of the Committee, absence of any targets set for PSGICs in terms of the number of insurance covers sold, the insurance companies may be non-serious and reluctant to cover larger chunks of the population under general and non-life health insurance schemes. The Committee, therefore, urge the Ministry of Finance (Department of Financial Services)/PSGICs to set Company-wise ambitious premium income growth targets which should be based on gross premium, i.e., a sum total of new business and renewal premium of the Company. These premium growth targets can be set taking into consideration the past performance of these PSGICs, their distribution network and their current premium base by expanding their activities to rural and remote areas. The Committee further recommend that the procedure for settlement of claims should be simplified further and claims should be settled with a stipulated period of time to avoid undue harassment and hardships to the claimants."

7. The Ministry of Finance (Department of Financial Services)/PSGICs, in their action taken reply, have submitted as follows:-

"The Government has taken various initiatives to support the growth of the insurance sector and enhance insurance coverage, especially for the underserved and un-served population of the country, through its flagship social security insurance schemes, namely, the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) covering approximately 16.19 crore lives and the Pradhan Mantri Suraksha Bima Yojana (PMSBY) covering approximately 34.18 crore lives for life and accident, respectively, as on 26.04.2023. In order to bridge the gap in insurance protection and coverage and in fulfilment of the Prime Minister's vision to insure every eligible citizen of the country, efforts are made to saturate the coverage of the eligible population under PMJJBY& PMSBY in a mission mode. Salient features of the Schemes are given below:-

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) – The Scheme is available to people in the age group of 18 to 50 years having a Bank / Post Office account who give their consent to join / enable auto-debit. Risk coverage under this scheme is for Rs. 2 lakhs in case of death of the insured, due to any reason, at an annual premium of Rs. 436/- which is to be auto-debited from the subscriber's bank / Post office account.

Pradhan Mantri Suraksha Bima Yojana (PMSBY) – The Scheme is available to people in the age group 18 to 70 years with a Bank / Post Office account who give their consent to join / enable auto-debit. The risk coverage under the scheme is for Rs. 2 lakhs in case of accidental death or total permanent disability and Rs. 1 lakh for partial permanent disability;due to accident at a premium of Rs. 20 per annum which is to be deducted from the account holder's Bank / Post office account through 'auto-debit'.

The Insurance Regulatory and Development Authority of India (IRDAI) is also bringing in reforms to create a new regulatory architecture to promote 'Insurance for All' by 2047, which envisions a prosperous and inclusive India with universal insurance coverage.

Area of functioning of PSGICs is well spread across the country including the rural areas. Approximately, 2004 out of 6760 (~30%) offices of the PSGICs are situated in the rural areas of the country to take care of their regional and demographic considerations.

The Department of Financial Services vide Office Memorandum dated 27.5.2022 furnished the current combined market share of aforementioned Insurance Companies vis-a-vis Private Insurers in North Eastern States of the country. It is observed that the same is at 46.19% as compared to 53.81% of private insurers as on 31.12.2021.

The data in respect of PSGICs on policies issued, premium collected, claim settled along with the amount thereof are as under:-

In North Eastern Region of the country	No. of Policies issued	Premium (In Rs. crore)	No. of Claims Settled	Amount of Claims Settled (In Rs. crore)
PSGICs	18,06,302	1,135.97	42,789	612.25

Source: PSGICs

It is mentioned that the terms Claim Settlement Ratio and Incurred Claim Ratio are defined as under:-

(i) Claim Settlement Ratio refers to the percentage of claims that the insurance company settles in a year compared to the total number of claims received; and

(ii) Incurred Claim Ratio refers to the ratio of the amount of net incurred claims to net earned premium.

As per the IRDAI Annual Report 2021-22, The net incurred claims of the general insurers stood at Rs. 1.41 lakh crore in 2021-22 as against Rs. 1.12 lakh crore in 2020-21 reported an increase of about 26 per cent during 2021-22. The Incurred Claim Ratio (net incurred claims to net earned premium) of the general insurance industry was 89.08 per cent during 2021-22 against 81.06 per cent during the previous year. Public Sector General Insurers experienced highest Claim Ratio of 103.17 per cent whereas private sector general insurers had lowest Claim Ratio of 77.95 per cent during the year 2021-22. Incurred Claim Ratio of PSGICs has increased from 87.48 per cent during the year 2020-21 to 103.17 per cent during the year 2021-22.

Further, as per the IRDAI Annual Report 2021-22, Claim Settlement Ratio of four PSGICs was 95.3% as compared to 91.4% of private insurers during the year 2021-22.

In the process of providing 'Insurance for all by 2047', IRDAI has envisaged 'State Insurance Plan' to accelerate the process of implementation and last-mile delivery of insurance services to the uninsured population of all States. IRDAI initiated this plan to take the General Insurance Industry to achieve milestone premium of Ten Lakh Crores by 2027. The potential of Insurance sector was highlighted and deliberated during various interactions with the industry. Considering the past performance and other factors, growth potential of individual insurers was identified. Based on the same, the annual growth potential identified for PSGICs for 2022-23 to 2026-27 is 25%.

Provision of IRDAI Regulation related to settlement of insurance claims: The timelines for claim processing and payments have been specified by the Authority vide IRDAI

(Protection of Policyholders' Interests) Regulations, 2017 (PPI Regulations). Regulation No. 5 of the PPI Regulations specifies that the Insurers should have Board approved policy for protection of interests of policy holders and all the service parameters and turnaround times for various services should be displayed in their website. Settlement of claims is based on the terms and conditions of the policies issued and Turn Around Times (TATs) for claim settlements are governed by PPI Regulations."

8. In paragraphs 31, 32 and 33 of the Report, the Committee had observed/ recommended as follows:-

"Profit/Loss after Tax Earnings of PSGICs vis-a-vis Capital Infusion

The Committee observe that sharp decline in Profit after Tax earnings of the National Insurance Company Limited is witnessed during 2014-15 to 2020-21. It was Rs. 970.11 crore in 2014-15, Rs. 149.23 crore in 2015-16, Rs. 45.84 crore in 2016-17 and thereafter, the Company suffered steep loss of Rs. 2,170.77 crore in 2017-18, Rs. 1,696.12 crore in 2018-19, Rs. 4,108.34 crore in 2019-20 and Rs. 561.85 crore in 2020-21. The Committee also observe similar decline in Profit after Tax earnings of the United India Insurance Company Limited which were Rs. 300.57 crore in 2014-15, Rs. 220.59 crore in 2015-16, Rs. 1002.66 crore in 2017-18 and thereafter, the Company suffered loss of Rs. 1913.53 crore in 2016-17, Rs. 1877.91 crore in 2018-19, Rs. 1485.85 crore in 2019-20, Rs. 984.68 crore in 2020-21, and Rs. 997.00 crore in 2021-22 (provisional). The Committee are though somehow satisfied with the Profit/Loss after Tax earnings of the Oriental India Insurance Company Limited which were gradually on the trajectory of profit for all the year(s) from Rs. 392.10 crore in 2014-15 to Rs. 1,525.44 crore in 2020-21 with a decline in profit in the year 2018-20 which was Rs. 293.66 crore. Another PSGIC, which has registered Profit after Tax earnings throughout the period from 2014-15 to 2021-22 is the New India Assurance Company Limited, i.e., Rs. 1,431 crore in 2014-15 to Rs. 1,605 crore in 2020-21 and Rs. 164 in 2021-22.

In this backdrop, the Committee note that a hefty amount to the tune of Rs. 17,450 crore has been infused by the Government in these four Public Sector General Insurance Companies to improve their Solvency Ratios. The details of capital infusion by the Government in four PSGICs, are as under:-

(i) National Insurance Company Limited - Five instalments of Rs. 9,275 crore between March, 2020 to March, 2022.

(ii) United India Insurance Company Limited - Two instalments of Rs. 3,755 crore between March, 2021 and March, 2022.

(iii) Oriental India Insurance Company Limited - Three instalments of Rs. 4,420 crore from 2019-20 to 2021-22.

(iv) Other two PSGICs, viz., the New India Assurance Company Limited and the General Insurance Corporation of India Limited (GIC Re) did not receive any infusion of money from the Government for improving their Solvency Ratios.

The Committee do not agree to the manner of financial infusion being adopted by the Government in getting the financial health of the loss-making Companies back on track and instead urge the Ministry of Finance (Department of Financial Services) to work out on a pragmatic strategy, in consultation with the Management of these PSGICs. In this regard, the Committee are of the firm opinion that a comprehensive turnaround plan to get back the financial position of the PSGICs on track, requires a progressive rise in the subscribers, an increase in revenues, and simultaneously, a gradual reduction in the administrative and operating expenses. The Committee, therefore, recommend the Ministry to chalk out a 'Revamp Plan' of doubling of business volume of the PSGICs and reducing their operating costs with a view to improving and strengthening regulation, supervision and risk management in these PSGICs. The Committee would further like to mention that the advent of technology, in recent times, has created a relentless pace for the insurance fraternity to rise up to interesting - yet challenging - demands of the millennial and as such, the General Insurance Sector needs Organisational restructuring through digitally enabled workflows to convert their operating offices into customer experience and business development centers. The Committee, therefore, recommend the Ministry of Finance (Department of Financial Services)/PSGICs to take appropriate steps to bring about a change in the business behaviour of these PSGICs to keep pace with, and adapt to the changing needs of the policyholders to enhance the market as well as profit share of these Government owned General Insurance Companies. "

9. The Ministry of Finance (Department of Financial Services)/PSGICs, in their action taken reply, have submitted as follows:-

"The Public Sector General Insurance Companies have taken various measures to reduce their expenses, improve their underwriting practices, diversify their product portfolio and rationalisation of offices etc. leverage technology to enhance customer service and satisfaction. These initiatives, in due course of time could lead to higher premium income, lower operating costs, reduced underwriting losses, and lower net losses.

Further, M/s. Ernst & Young LLP has been engaged as a consultant by the four PSGICs, for advising these companies on improving the organisational efficiencies and performance management."

10. In paragraphs 34 and 35 of the Report, the Committee had observed/ recommended as follows:-

"<u>General Insurance Corporation of India Limited (Gen Re) - the Indian Reinsurer</u>

The Committee are astonished to note that the Ministry of Finance (Department of Financial Services) do not reveal vital information on the market share, premium collected, claimed settled, nature of working of the General Insurance Corporation Limited (GIC Re.) except that the Company was first set up as a holding company of the other four PSGICs created after nationalization of Insurance Sector in 1972 and then, notified as the 'Indian Reinsurer" in 2000 when it ceased to be the controlling company of the four PSGICs. The Committee are informed that while all the four PSGICs have been working in all non-life insurance areas including motor, health, insurance of industrial units, etc., GIC Re., being a reinsurance Company, provides reinsurance support to insurance companies on portfolio basis and hence, does not have region-wise breakup of information, however, GIC Re. also received 5% of the total premium written by way of obligatory cessions. As far as position with regard to Profit after Tax earnings of the General Insurance Corporation of India Limited (GIC Re) is concerned, the Committee note that the Company maintained their accounts in profit side for all the years from Rs. 2,693.72 crore in 2014-15 to Rs. 1,920.44 crore in 2020-21 with a decline in profit in the year 2018-20 which was Rs. 293.66 crore, except for the year 2019-20 when the Company registered a loss of Rs. 359.09 crore. The Committee, therefore, urge the Ministry of Finance (Department of Financial Services) to furnish detailed information on market share, premium collected, claimed settled, Profit after Tax, Clients, nature of working, etc., of the General Insurance Corporation Limited (GIC Re).

In this regard, the Committee observe that the main source of business for GIC Re. are from the two streams, viz., Obligatory Cession of 5% by the primary insurers by way of commissions on reinsurance business and the remaining 96% as market business. The Committee opine that the Obligatory Cession of 5% by way of commissions on reinsurance business on mandatory basis besides the regular business of GIC Re., appears to be on higher side and therefore, needs a re-consideration. The Committee, therefore, recommend to look out for the possibility to lower down the rate of Obligatory Cession from present 5% to 3% as the amount of premium paid by the insurance companies to GIC Re. for reinsurance support to their business would be enough to run its business model and such reduction in Obligatory Cession would also provide further financial cushion to the General Insurance Companies."

11. The Ministry of Finance (Department of Financial Services)/GIC Re, in their action taken reply, have submitted as follows:-

"Detailed information on market share, premium collected, claimed settled, Profit after Tax, Clients, nature of working, etc., of the General Insurance Corporation Limited (GIC Re) is as under:-

General Insurance Corporation of India (GIC Re)

Year	Market Share*	Premium Collected (Rs. in Crs.)**	Claims Settled (Rs. in Crs.)***	Profit After Tax (Rs. in Crs.)
2014-15		15, 183.97	11,891.77	2,693.72
2015-16		18, 435.81	12,899.86	2,848.39
2016-17		33,585.44	21,646.41	3,127.67
2017-18	61%	41,799.37	32,953.55	3,233.58
2018-19	56%	44,238.00	33,739.95	2,224.31
2019-20	56%	51.030.13	43,035.86	-359.09
2020-21	47%	47,014.38	36,853.75	1,920.44
2021-22	61%	43,208.46	36,625.85	2,005.74

** GIC Re's market share considering the reinsurance premium*
*** Gross Premium*
**** Incurred Claims*

GIC Re being a reinsurance company caters to the needs of all direct General Insurance Companies in India. It is a B2B (Business to Business) Company which provides reinsurance coverage to direct General Insurance Companies. GIC Re has been declared as a 'Domestic Systemically Important Insurer' by the Insurance Regulator (IRDAI) and GIC Re continues to fulfil this obligation with utmost responsibility.

As per Section 101A of the Insurance Act, 1938, the Insurance Companies are required to reinsure with the Indian re-insurers a certain percentage of insurance business as may be specified by the Insurance Regulatory Authority of India (IRDAI) in consultation with the Reinsurance Advisory Committee (RAC) with the prior approval of the Central Government.

The objective of obligatory business is to ensure that the maximum premium procured by the Non-life Insurance Sector in the country should be retained within the country and also that the terms of insurance contracts are drawn suiting the Indian conditions and that the claims are settled expeditiously within the country.

At the point of opening up of market (in the year 2000), the obligatory premium to be ceded by all the Non-life Insurance Companies both in Public as well as Private Sector was 20% of their gross domestic business from FY 2000-01 to FY 2006-07. In the year 2006, it was decided that to reduce the obligatory cession to 15% for the year 2007-08 and 10% for the year 2008-09. This percentage continued till 2012-13. In the year 2013-14, the obligatory cession was reduced from 10% to 5% and this percentage had continued till 2021-22. The obligatory cession was further reduced to 4% for FY 2022-23."

12. In paragraphs 36, 37, 38, 39, 40, 41, 42 and 43 of the Report, the Committee had observed/ recommended as follows:-

"<u>Declining Performance and Growth of PSGICs in the North-Eastern Region</u>

Based on the information provided by the Ministry of Finance (Department of Financial Services)/PSGICs on the sharp declining financial health of the Government owned General Insurance Companies vis-a-vis Private Insurers in the North Eastern Region, the Committee note that the National Insurance Company Limited, during the last three years, suffered negative operative result, i.e., Rs. 34.78 crore in FY 2019-20 but, thereafter, the Company registered positive operating results for FY 2020-21 (Rs. 32.19 crore) and FY 2021-22 (Rs. 21.15 crore - provisional). In case of the financial health of United India Insurance Company Limited in North Eastern States during the last five years, the Committee note that the growth in premium collection by the Company in the North Eastern region has plummeted particularly, during the last three years from Rs. 257.10 crore in 2019-20 with 13.15% accretion in comparison to Rs. 227.23 crore in 2018-19, and Rs. 261.84 crore with growth of only 1.84% in 2020-21 and then, witnessed a steep reduction in the premium collection from Rs. 250.41 crore to negative growth of 4.37% in 2021-22.

The Committee are not satisfied with the claims of Oriental India Insurance Company Limited that the Company has made a turnaround in the North Eastern States and registered operating profits during the last two financial years consecutively in spite of stiff competition from the Private Insurers. As per performance statement of the Company for the last five years in the North Eastern Region, the Committee note that the Oriental India Insurance Company Limited has registered operating profits of Rs. 1,022.29 lakh only in 2020-2021 after suffering heavy operational losses during the previous three financial years were Rs. 11,666.25 lakh in FY 2017-18, Rs. 3,390.74 lakh in FY 2018-19 and Rs. 2,348.94 lakh in 2019-20. Thereafter, in the FY 2021-22 also, the operating profit of the Company was nominal to the tune of Rs. 379.40 lakh. The Committee further note that though the premium collected by the Company was almost similar in amount during all the last five years, the main reason for the decline in the *operating profit of the Company is its high Incurred Claim Ratio, i.e., net claims settled by an insurance provider to the net premium collected in a financial year along with other reasons which include high rate of Agent/Broker Commission and Management Expenses.*

Notwithstanding the fact that the New India Assurance Company Limited is the only General Insurance Company accounts of which have been registering an increase in the premium collection for the last two financial years, i.e., Rs. 383.80 crore against 7,26,220 policies issued in 2020-21 and Rs. 406.85 crore against 7,73,756 policies issued in 2021-22 despite a reduction in staff strength of the Company in the North Eastern Region during these years, the Committee are not satisfied with the reply furnished by the New India Assurance Company Limited as it does not specifically provide the information on its financial health vis-à-vis Private Insurers with reference to the North Eastern States.

The Committee further note that the insurance sector was opened up for Private Players in the year 2000 with the focus to increase the penetration and density of insurance and as a result thereof, the insurance sector has shown constant growth over the years. The Committee also note that during FY 2020-21, Indian general insurance market generated premium of Rs. 2,20,772.05 crore with a growth of 11.10% in which, the share of PSGICs accounted for Rs. 75,116.64 crore with a growth of only 4.56% and the market share of 34.02% whereas, rest of insurance market share has gone to the Private Insurers.

On the aspect of increasing market share of Private Insurers vis-à-vis dwindling share of Public Insurers, the Committee are informed of the following primary reasons by the Ministry of Finance (Department of Financial Services):-

(i) Private Insurers have well developed IT systems, well-equipped for enhanced performance monitory and innovative services and products with better pricing thereof in comparison to Public Insurers.

(ii) Use of advance technology for settlement of smaller claims.

(iii) Better management of intermediaries.

(iv) Decline of business of Public Insurers has mainly been on account of post pandemic impact on economic activities and sharp practices of Private Players.

(v) After introduction of Motor Insurance Service Provider (MISP) Guidelines in 2017, the market share of Private Insurance Companies in auto-tie up

segment has increased considerably with sharp fall in auto-tie business of Public Insurers.

(vi) *Considerable decrease in Crop Business due to adverse loss ratio and lack of re-insurance support.*

With regard to formulation of a 'Plan' to overcome the decline in the market share and earnings of PSGICs Insurance Companies vis-a-vis the Private Insurers, the Committee are apprised of the following remedial measures being taken/initiated by these PSGICs:-

(i) *Proper pricing/re-pricing of Products and designing and launching of new innovative products/new add-on covers, based on customer requirements.*

(ii) *Increasing focus on digital platforms/Portals/Mobile Apps and online facilitation for customers including enhancing range of retail products in their Portal, online payments, online quote/buy/issue of policies, online claim settlements, etc.*

(iii) *Recalibration of business portfolio, with emphasis on profitable LoBs and weeding out loss-making business.*

(iv) *Prompt & expeditious settlement of Claims particularly using technology for faster settlement of small claims.*

(v) *Increasing employment of multiple distribution channels for business growth.*

(vi) *Focusing on using 50% of man power of operating offices dedicated towards business development.*

(vii) *Expanding Banc assurance tie-ups for increasing retail premium.*

(viii) *Special Sales drive for select products in different line of business.*

(ix) *Extensive revamping of Health Retails products such as Family Medicare and Individual Health policy, which forms the largest segment of the Health Insurance, with incorporation of attractive features.*

(x) *Zone-wise premium for retail health products commensurate with geographical risk profile.*

(xi) *Group Insurance Policies catering to the needs of small groups of workers, such as employees of MSMEs and new Startups.*

(xii) *Add on Cover for non-medical expenses specific to COVID-19 treatment, COVID-19 Top Up covers and Vaccination covers in group policies.*

(xiii) *Separate Portal Platform and Mobile Apps for Customers, Agents, other Intermediaries such as Brokers, Financiers and Motor Insurance Service Providers (MISPs)/Dealers and Surveyors.*

(xiv) *Integration with portals of Web aggregators and Insure tech firms for New and Renewal business.*

(xv) *Online Grievances registration and status update.*

(xvi) *Social Media presence (Twitter, Facebook and YouTube) : information on new products, latest Company updates, policy and claims servicing.*

(xvii) *Chatbot (Uni Help) for assisting customers with KYC updation, information on Policy status, Claims status, Office locator, TPA, Hospital and Garage locator, FAQs.*

(xviii) *SMS/eMail alerts, intimation through 24x7 call centers including for reminders at every stage of Policy Buy/Renew and Claims.*

(xix) *Integration with VAHAN (Ministry of Road Transport and Highways) database for real time validation of vehicle details.*

(xx) *Integration with Government's Digilocker for enabling view of Insurance policy documents and for verification of RC details.*

(xxi) *Online customer feedback forms on policy and claims servicing (links sent through SMS).*

(xxii) *Overseas Travel Insurance Claims servicing agency contact details available in the website.*

(xxiii) *Electronic processing of Health claims by TPA (Third Party Authorisation) based on scanned documents with TAT (Turnaround Time) of two hours for pre-authorization approval and TAT (Turnaround Time) of two hours for final discharge approval for COVID cases.*

(xxiv) Raising the goodwill of the Company by regularly interacting with the Clients by responding to their concerns and following up with feedbacks.

(xxv) Adopting the 'Go-to-Market" approach where atleast 50% manpower of Operating Offices to be dedicated to Business Development roles.

(xxvi) Designing attractive incentive schemes for Agents/POSPs/Insurance Intermediaries to attract profitable and good business.

(xvii) Better management of intermediaries.

In the context of complex official formalities that are required to be fulfilled by the public while applying for policies and settlement of claims in case of PSGICs vis-a-vis the Private Insurers which appear to be the primary reason for the gradual decline in the business activities of these PSGICs, the Committee take note of the fact that a customer who wishes to take an insurance policy fills up a Proposal Form, thereby, giving the details of the subject matter of insurance which is a regulatory requirement and common to all Insurance Companies. The Committee also note that the Proposal Form, once filled up and submitted by the insuring person, the underwritten, i.e., Insurance Company determines the coverage and the policy is issued in real time. The Committee are though satisfied with the submissions made in this regard, however, they would like to urge the Ministry of Finance (Department of Financial Services)/PSGICs to take all the necessary steps towards further simplification of the existing cumbersome procedure of applying for policies and for settlement of claims, particularly where policies are being issued in traditional/ manual method, in the interest of policyholders.

The Committee are happy to note that these Government owned General Insurance Companies are well aware their shortcomings to compete with the private players and therefore, have taken specific steps to revamp their insurance business specifically in the area of marketing strategy, risk management, online core solutions in offices by adopting fast growing new information and communication technology (ICT) for providing quick response to new requests, renewals, premium collections and hassle free settlement of claims as well as facilities of online payment and provision of user friendly web-portals at each levels, viz., customer, agent, intermediaries/brokers, etc. However, the Committee, at the same time, cannot ignore the fact that after opening up of the insurance sector to both private and foreign players in the year 2000, the business of these PSGICs substantially got affected and they have to struggle to re-gain/retain the territory which was once theirs. The Committee are not convince with the contention of PSGIC that decline in their business has mainly been on account of post pandemic impact on economic activities including the smart business practices being adopted and *implemented by the Private Players, and would like to candidly express that the impact of the Covid-19 pandemic has put its impact on economic activities of all businesses including Private Insurers as well and not only to the Government owned General Insurance Companies. While pointing out the lack of professionalism, strategy for impending changing business scenario with the entry of Private Players and the spirit of healthy competitiveness in the Government owned Insurance Companies, the Committee feel that had these PSGICs anticipated these challenges beforehand they could have, somehow, been capable to maintain their market share and trust with better managerial strategies. The Committee are of the firm opinion that the steps already initiated or proposed to be taken by these PSGICs should not be remain on paper and should be implemented in totality and the present system of control and supervision of the PSGICs needs to be further strengthened for regular and effective monitoring. The Committee, therefore, recommend that the Ministry of Finance (Department of Financial Services) to explore the feasibility to appoint a Group of Experts to conduct a thorough study the challenges/weaknesses being faced by these PSGICs vis-à-vis Private Insurers, and to suggest remedial measures for strategic transformation as well as for ensuring better supervision and control of these Government owned General Insurance Companies."*

13. The Ministry of Finance (Department of Financial Services)/IRDAI/PSIGCs/NIACL, in their action taken reply, have submitted as follows:-

"Premium received and policy issued data of NIACL vis-a-vis the Private Insurers with reference to North Eastern States is as under:-

	Premium (in Rs. crore)		***Policy***	
	2021-22	*2020-21*	*2021-22*	*2020-21*
NIACL	*422.27*	*396.59*	*748786*	*741094*
Pvt. Insurers	*1978.92*	*1782.24*	*3275798*	*3426360*

Source: NIACL

IRDAI: *IRDAI, the sector regulator has formulated IRDAI (Protection of Policyholders' Interests) Regulations, 2017, which clearly stipulates provisions for the protection of policyholders. The same is equally applicable and common to both of Private or Public sector insurance companies. However, their internal operations and guidelines with respect to settlement of claims and underwriting of insurance proposals may differ from company to company.*

Further, steps taken by the PSGICs on simplification of the existing procedure of applying for policies and for settlement of claims, in the interest of policyholders are as under:-

NICL: *In this regard, NICL has informed as under:-*

- *Many products are identified under Standard Insurance Products category products which are basically off the shelf product and do not require any manual intervention.*

- *All Policies are issued through enterprise level core solution software dispensing off with the manual method of policy issuance.*

- *Dedicated a call centre has been created in order to handle all queries from the policy holders with regard to policy and claim settlement.*

- *More stress is being given for cash less settlement of claims.*

- *Intermediary Incentivisation has been a constant move to augment distribution of Products and knowledge of Customer and to increase service standards.*

NIACL: *Proposal Forms are a mandatory requirement as per IRDAI regulations but we have digitized the proposal forms in all line of business. All policies sold through on line customer portal or intermediary portal have simplified digital proposal forms.*

Every effort is made to simplify the proposal forms and simplify the process for obtaining the policies for retail clients.

Further, NIACL has initiated the following procedure for settlement of claims intimated on policies issued digitally and in traditional/manual method:

- *Provide clear information to policyholders about the claim process including what documentation is needed and the timeline for the process.*
- *Simplified documentation.*
- *Use of Technology*
- *Streamline communication – clear communication channels to keep claimants informed about the status of the claim.*
- *Set clear timelines for processing and settlement of claims. This will enable the claimants an idea as to when the claim will be settled and within what period.*
- *Improve training, this will reduce any errors or delay in processing claims.*

OIICL: *In this regard, OIICL has informed as under:-*

- *The Company has implemented Simplified pre-underwritten policies and app-based claims settlement procedures in the interest of policyholders.*

- *Standard Insurance Products have been introduced.*
- *Policies can be taken from Company's website*
- *Facility to take policy through dedicated WhatsApp number has been introduced*
- *Dedicated a call centre to handle all queries from the policy holders with regard to policy and claim settlement is in place.*
- *Focus on cash less settlement of claims.*
- *Incentives are being given to agents to focus on retail business*
- *Dedicated marketing teams have been set up*
- *Claim manual approved by Board has been in place*
- *Registration of claims can be done on Company's website*
- *Dedicate offices to handle claim settlements*

UIICL: *Proposal Forms are a mandatory requirement as per IRDAI regulations but we have digitized the Proposal Forms in Health line of business. All policies sold through online customer portal or intermediary portal (which constitute 53% of our policies and 18% of our premium for the Financial Year 2021-22) are having simplified digital proposal forms. Every effort is made to simplify the proposal forms and simplify the process for obtaining the policies for retail clients.*

General Insurance Public Sector Association (GIPSA) has stated that PSGICs are well aware of the challenges from private insurance players and in order to face the competition and improving services to the policyholders, various measures have been initiated.

Further, M/s. Ernst & Young LLP has been engaged as a consultant by the four PSGICs, for advising these companies on improving the organisational efficiencies and performance management."

14. In paragraphs 44 and 45 of the Report, the Committee had observed/ recommended as follows:-

"<u>Disposal of Complaints received by PSGICs in North Eastern Region</u>

As regards the complaints reported, complaints attended to, and complaints pending in these Insurance Companies during the year 2021-22 in the North Eastern States, the Committee are satisfied to note that all the 25, 58 and 20 complaints received by the National Insurance Company Limited, the Oriental India Insurance Company Limited, and the New India Assurance Company Limited respectively were resolved without any pendency, whereas, out of 20 complaints received by the United India Insurance Company Limited, 19 complaints were got resolved with only 1 pendency and, no complaint was received in case of GIC Re. during 2021-22 in the North Eastern States.

The Committee, however, opine that a robust and transparent grievance redressal mechanism, within an Organisation, is the barometer of its efficiency and performance as well as reflects the attitude of Organisation towards its customers. The Committee, therefore, recommend that there should be a dedicated Grievance Redressal Mechanism at the level of each PSGIC under which, the details of complaints reported, complaints attended to, and complaints pending in these Insurance Companies are invariably being updated on Company's website on real time basis for the sake of transparency and accountability. The Committee further urge the Ministry of Finance (Department of Financial Services) to encourage all the PSGICs to take necessary steps to set up the requisite dedicated Grievance Redressal Mechanism within their Organisation."

15. The Ministry of Finance (Department of Financial Services)/IRDAI/PSIGCs, in their action taken reply, have submitted as follows:-

"IRDAI prescribed the grievance redressal mechanism, as part of Protection of Policyholders Interests Regulations (PPI Regulations). Regulation No. 5 of the PPI Regulations specifies that the insurers should have Board approved policy for protection of interests of policy holders and all the service parameters and turnaround times for various services should be displayed in their website.

As per Corporate Governance Guidelines 2016, Insurance Companies shall also have a mandatory Board Sub-committee viz., Policyholders Protection Committee which shall have to meet at least on a quarterly basis to review the outstanding claims, repudiation of claim, complaints on mis-selling and various other service parameters with suggestions on necessary improvements.

In this regard, all the four PSGICs have confirmed that they have a full-fledged internal Grievance Redressal Mechanism in place. These Companies facilitate registration and status update of online complaints for its customers through dedicated grievance portal which is integrated with IRDAI's Bima Bharosa.

PSGICs also attend to and resolve the grievances registered in Centralized Public Grievance Redressal and Monitoring System (CPGRAMS) Portal.

Further to above, the Grievance Redressal Cell in the Policyholder's Protection & Grievance Redressal Department of the IRDAI looks into complaints/grievances from policyholders. This Cell takes up the grievances with the respective insurers for redressal.

Policyholders who have complaints against insurers are required to first approach the Complaints/Grievance Redressal Cell of the insurer concerned. If they do not receive a response from the insurer within a reasonable period of time or are dissatisfied with the response of the company, they may approach the Grievance Redressal Cell in the Policyholder's Protection & Grievance Redressal Department of the IRDAI.

In addition to above mentioned Grievance Redressal mechanism of PSGICs and IRDAI, Insurance Ombudsman, an alternate Grievance Redressal platform, has been setup by the Central Government with an aim to resolve grievances of aggrieved policyholders against insurance companies and their intermediaries or insurance brokers in a speedy and cost-effective manner. The Offices of Insurance Ombudsman are under the administrative control of Council for Insurance Ombudsmen (CIO), which has been constituted under the Insurance Ombudsman Rules, 2017. The object of these Rules is to resolve complaints of all personal lines of insurance, group insurance policies, policies issued to sole proprietorship and micro enterprises on the part of Insurance companies and their agents and intermediaries in a cost effective and impartial manner."

16. In paragraphs 46 and 47 of the Report, the Committee had observed/ recommended as follows:-

"<u>Cases regarding Frauds and Booking of Fake Insurance Premium in North Eastern Region</u>

The Committee take note of the fact that not a single case of fraud by way of booking fake insurance premium without actual receipt of premium from the insured persons in North Eastern States has occurred in all these four PSGICs, viz., the National Insurance Company Limited, the United India Insurance Company Limited, the Oriental India Insurance Company Limited, and the General Insurance Corporation of India Limited during the last three years. Although, no case of fraud has been noticed in the New India Assurance Company Limited during 2019-20, the Committee note that three cases have come to the knowledge of the Company during 2021-22 with the following status:-

<u>Fake Policies</u> - 2 cases are reported (Tezpur DO 531100). No premium collected and no policy in the system and FIR filed;

<u>Agent Fraud</u> - Agent AG00036318 (Br. 5301019) Itanagar BO) has issued fake policies. Portal Blocked and Agent no longer attached to the Branch. No premium deposited for the Policy.

The Committee are unhappy to note that while furnishing the relevant facts to them, the Ministry of Finance (Department of Financial Services) has not shared the complete *details of these cases. The Committee have also not been able to gather as to whether the New India Assurance Company has initiated any legal action in the fraud case against the Agent AG00036318 (Br.5301019) Itanagar BO) for issuing fake policies though an FIR has been filed in the case of Tezpur DO 531100. The action taken by the Company by way of blocking the portal of Agent and disassociating him from the Branch concerned does not amount to proportional punitive action as the misconduct on part of the delinquent Agent is not less than the 'Breach of Trust'. The Committee, therefore, strongly urge the Ministry of Finance (Department of Financial Services) to direct the New India Assurance Company Limited to take legal action against the delinquent Agent under the relevant Rules/Guidelines, etc., with a view to ensuring non-recurrence of such misconduct by other Agents. The Committee further recommend the Ministry of Finance (Department of Financial Services) to issue directions to all PSGICs for taking strict punitive action on the cases of frauds and corrupt practices whenever and wherever noticed."*

17. The Ministry of Finance (Department of Financial Services)/IRDAI/NIACL, in their action taken reply, have submitted as follows:-

"IRDAI has issued Insurance Fraud Monitoring Framework for Insurers vide Circular No. IRDA/SDD/Misc/CIR/009/01/2013 dated 21st January, 2013, stipulating measures to be taken up to address and manage risks emanating from fraud. The framework stipulates all Insurers to have in place an Anti-Fraud Policy, duly approved and reviewed on annual basis, by their respective Boards.

The complete details and status of three cases of frauds and corrupt practices that have come to the knowledge of NIACL during the year 2020-21 are as under:-

Financial Year	*Incidents*	*Details*
2020-21	*3 [1. Fake Policies - 2 cases are reported (Tezpur DO 531100). No premium collected in cwiss system and no policy in the system and FIR filed*	*2 Cases in Tezpur – These are fake policies issued by using pdf converter. Someone had approached the Senior Branch Manager in Tezpur for renewal of these policies. When these policies were checked in the system, it was found that such policies have never been issued in our system. FIR has been filed in this case.*
	2. Agent Fraud - Agent AG00036318 (Br. 5301019)	*1 case of Agent at Itanagar BO – FIR was filed and investigation by the police*

	Itanagar BO) has issued fake policies. Portal Blocked and agent no longer attached to the Branch. No premium deposited for the Policy.] *Investigation is in process.*	*was in process. The agent expired and the case was closed by the police.*
2021-22	*NIL*	

In all three cases, FIRs were filed by the NIACL. In 2 cases of Tezpur, the matter is under jurisdiction of Police and investigation by the police is in progress. In case of Itanagar, FIR was filed by NIACL and investigation by the police was in process. The agent expired and the case was closed by the police.

Following actions are taken by NIACL in cases of frauds and corrupt practices:-

- *Once a fraud is detected, NIACL conducts a thorough investigation to gather evidence and determine the extent of Fraud.*
- *It is reported to the Risk Management Committee and IRDAI.*
- *A Committee of General Managers has been formed, where the findings of the investigation are placed, to decide whether to deny the claim, cancel the policy, punitive action against the fraudster or pursue legal action against the fraudster. This decision is typically based on the severity of the fraud and the company's policy on fraud prevention and detection.*
- *NIACL has initiated the process to enhance its risk management process and internal controls.*
- *Fraud detection tools are being perused to enable detection of fraud."*

Observations/Recommendations

Re-visiting the 'Merger Proposal' of Public Sector General Insurance Companies (PSGICs)

18. **The Committee, after meticulously examining the representation of Shri R. Marak regarding the need for regulating the working of Government owned General Insurance Companies, especially, in Meghalaya in light of the comments/replies furnished by the Ministry of Finance (Department of Financial Services)/National Insurance Company Limited (NICL), New India Assurance Company Limited (NIACL), Oriental India Insurance Company Limited (OIICL), United India Insurance Company Limited (UIICL) and General Insurance Corporation of India Limited (GIC), had highlighted the significance of these Government owned Insurance Companies which have earned the trust of public and are still recognized for their efficiency and transparent functioning, during their decades-long journey of performance. However, the Committee, in this connection, had also observed that all the four General Insurance Companies(GICs), *viz.*, NICL, NIACL, OIICL and UIICL are doing business by selling similar types of insurance products and as a result of such overlapping of similar insurance products, these Government owned GICs are not only eating up each other's market share which is already vulnerable to private players of the insurance sector but also they may resort to inappropriate practices, *viz.*, undercutting premiums to maintain their profitability. The Committee had therefore, urged the Ministry of Finance (Department of Financial Services) to re-visit their earlier proposal of merging all the four Public Sector General Insurance Companies (PSGICs), *viz.*, NICL, NIACL, OIICL and UIICL into one entity which would greatly reduce the management expenses and also provide cushion to their combined Solvency Ratio.**

19. **In response to the above recommendation of the Committee, the Ministry of Finance (Department of Financial Services)/PSGICs, in their action taken reply, have submitted that the Finance Minister, in the Budget Speech of the year 2018-19, had**

though announced the Government's intent to merge the three Public Sector General Insurance Companies, *viz.,* National Insurance Company Limited, United India Insurance Company Limited and Oriental Insurance Company Limited; in July, 2020, it was however decided not to proceed with merger but to focus on their profitable growth; and hence the Government decided to infuse capital in these three PSGICs.

20. In the opinion of the Committee, Insurance Sector, being one of the Strategic Sectors, where bare minimum presence of the Public Sector Enterprises has been envisioned and the remaining are to be privatized or merged with the other CPSEs or closed, as envisaged under the Government's Policy of Strategic Disinvestment; should attract more serious attention of the Government towards the Sector's reforms, growth and consolidation. However since the Government has now decided not to proceed with merger but to focus on their profitable growth and also to infuse capital in these three PSGICs, the Committee fully support the overall strategy of the Government. However, the Committee would like to urge the Government to ensure that these Companies are able to compete with the Private Companies which, in the opinion of the Committee, would only be possible if the Management of these Companies are given the desired level of autonomy in their day-to-day functioning. The Committee would like to be apprised of the steps proposed to be taken in this direction.

__Improving Market Share and Setting Company-wise targets for Collection of Premium__

21. The Committee while acknowledging the fact that the four PSGICs *viz.,* NICL, UIICL OIICL and NIACL hold a major chunk of market share of 34.05% of Insurance Sector, had however, expressed their concerns over the declining market share, particularly of three PSGICs, namely, NICL, UIICL and OIICL. The Committee had therefore, urged the Ministry of Finance (Department of Financial Services) to encourage all the four PSGICs, *viz.,* NICL, UIICL and OIICL as well as NIACL to expand their area of functioning which might

be confined to higher classes of urban areas, to the un-insured rural areas and urban poor by designing innovative and diversified insurance products which are suitable to the needs of the rural and poor people. The Committee had further urged the Ministry of Finance (Department of Financial Services) that in order to increase the penetration and density of insurance coverage to the remotest areas, all these four PSGICs should take into account the regional/demographical considerations such as social and economic disparities and inequalities, etc., particularly in the North Eastern region of the country.

22. During the course of examination of the representation of Shri R. Marak, the Committee had observed that the Ministry of Finance (Department of Financial Services)/PSGICs had not provided comprehensive data on the percentage of market share, premium collected and claims settled in respect to the National Insurance Company Limited, the United India Insurance Company Limited and the New India Assurance Company Limited *vis-a-vis* Private Insurers in the North Eastern States. The Committee had therefore, urged the Ministry of Finance (Department of Financial Services)/PSGICs to compile and furnish a comprehensive, and specific data on market share, policies issued, premium collected, claim(s) settled along with the amount thereof and also a comparative statement with Company-wise actual data as well as percentile thereof on total market share of these PSGICs *vis-a-vis* Private Insurers in the country specifically for the North Eastern Region as on 31 March, 2022.

23. In addition to the above, the Committee, while highlighting the need for setting targets for PSGICs in terms of the number of insurance policies sold under general and non-life health insurance schemes, had urged the Ministry of Finance (Department of Financial Services)/PSGICs to set Company-wise ambitious premium income growth targets which should be based on gross premium, *i.e.,* a sum total of new business and renewal premium of the Company, taking into consideration the past performance of these PSGICs, their distribution network and their current premium base by expanding

their activities to rural and remote areas. The Committee had also recommended that the procedure for settlement of claims should be simplified further and claims should be settled within a stipulated period of time to avoid undue harassment and hardships to the claimants.

24. In response to the above recommendations of the Committee, the Ministry of Finance (Department of Financial Services)/PSGICs, in their action taken replies, have submitted that the Government has taken various initiatives to support the growth of the insurance sector and enhance insurance coverage, especially for the under-served and un-served population of the country, through its flagship social security insurance Schemes namely, the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) covering approximately 16.19 crore lives and the Pradhan Mantri Suraksha Bima Yojana (PMSBY) covering approximately 34.18 crore lives for life and accident respectively, as on 26.04.2023. It has been further submitted that in order to bridge the gap in insurance protection and coverage and in fulfilment of the Prime Minister's vision to insure every eligible citizen of the country, efforts are made to saturate the coverage of the eligible population under PMJJBY& PMSBY, in a mission mode. In this context, the Ministry of Finance (Department of Financial Services)/PSGICs, have also submitted that the Insurance Regulatory and Development Authority of India (IRDAI) is also bringing in reforms to create a new regulatory architecture to promote *'Insurance for All'* by 2047, which envisions a prosperous and inclusive India with universal insurance coverage. For achieving the said objective, IRDAI has envisaged *'State Insurance Plan'* to accelerate the process of implementation and last-mile delivery of insurance services to the uninsured population of all the States. IRDAI has initiated this Plan to take the General Insurance Industry to achieve milestone premium of Ten Lakh Crore by 2027. In this connection, the Committee have been further informed that the potential of Insurance Sector was being highlighted and deliberated during various interactions with the Industry and considering

the past performances and other factors, the growth potential of the PSGICs was identified as 25% for 2022-23 to 2026-27.

25. As regards the current combined market share of the Public Insurers *vis-a-vis* Private Insurers in North Eastern States of the country, the Ministry of Finance (Department of Financial Services)/PSGICs, their action taken replies, have informed that the same was 46.19% as compared to 53.81% of the Private Insurers as on 31.12.2021. It has been further informed that the number of policies issued by the PSGICs in the North Eastern Region was 18,06,302, the total amount of premium collected was Rs. 1,135.97 crore and the total number and amount of claims settled was 42,789 and Rs. 612.25 crore, respectively.

26. On settlement of insurance claims, the Ministry of Finance (Department of Financial Services)/PSGICs, their action taken replies, have referred to the provision(s) under IRDAI (Protection of Policy Holder's Interests) Regulations, 2017 (PPI Regulations) which stipulates the timeline for claim processing and making payments by the Authority concerned. Regulation No. 5 of the PPI Regulations specifies that the Insurers should have Board approved policy for protection of interests of policy holders and all the service parameters and turnaround times for various services should be displayed in their website. The Ministry, in this regard, have stated that the settlement of claims is based on the terms and conditions of the policies issued and Turn Around Times (TATs) for claim settlements are governed by PPI Regulations. It has been further stated that as per the IRDAI Annual Report 2021-22, Claim Settlement Ratio in respect of four PSGICs is 95.3% as compared to 91.4% of Private Insurers during the year 2021-22.

27. The Committee acknowledge and welcome the significant role of the PSGICs in terms of their geographical reach through Government sponsored flagship Insurance Programmes/ Schemes such as PMJJBY and PMSBY which is making Government's

presence visible at the door steps. Although, such Schemes may not be commercially viable given their huge social orientations, these require exclusive monitoring as these cater to the social security needs of all sections of the society, thereby fulfilling social obligations of the State especially at the times of distress. The Committee, therefore, urge the Ministry of Finance (Department of Financial Services) to encourage all the four PSGICs, *viz.,* NICL, UIICL, OICL and NIACL to focus on their area of business operation to the remotest of areas targeting the un-insured population with boosting innovation and distribution efficiencies and offering them the diversified insurance products suitable to their requirements. While doing so, the PSGICs should take into account the regional/ demographical considerations such as social and economic disparities and inequalities, etc., particularly in the North Eastern region of the country. As the growth potential of the PSGICs has been identified for 2022-23 to 2026-27 as 25%, the Committee hope and trust that the Ministry of Finance (Department of Financial Services) and the PSGICs would put in their concerted efforts to achieve the milestone premium of Ten Lakh Crore by 2027 and the objective of *'Insurance for All'* by 2047.

28. In this sequel, the Committee would further like to reiterate their earlier recommendation that the Ministry of Finance (Department of Financial Services)/PSGICs should set Company-wise ambitious premium income growth targets based on gross premium, *i.e.,* a sum total of new business and renewal premium, taking into consideration the past performance of the PSGICs, their distribution network and their current premium base by expanding their activities to rural and remote areas. The Committee would also like the Ministry of Finance (Department of Financial Services) to ask the PSGICs to compile and provide a comprehensive and specific individual Company-wise and collective data on their market share, policies issued, premium collected, claim settled along with the amount thereof and also a comparative statement *vis-a-vis* Private Insurers in the country and specifically for the North Eastern Region as on 31 March, 2023. The Committee would like to be apprised of the necessary steps

proposed to be taken on all the above aspects. Further, the Committee desire that all the relevant information/data as mentioned above be shared with them for their consideration.

<u>Initiatives for doubling business volume and reducing operating cost</u>

29. The Committee while suggesting for a comprehensive turnaround plan to get back the financial position of all the loss-making PSGICs on track, envisaging a progressive rise in the subscribers, an increase in revenues, and simultaneously, a gradual reduction in the administrative and operating expenses, had recommended the Ministry of Finance (Department of Financial Services) to chalk out a 'Revamp Plan' in consultation with Management of such PSGICs for doubling their business volume and reducing their operating cost with a view to improving and strengthening regulation, supervision and risk management in these PSGICs. In this context, the Committee had further recommended the Ministry of Finance (Department of Financial Services)/PSGICs to take appropriate steps to bring about a change in the business behaviour of these PSGICs to keep pace with, and adapt to the changing needs of the policyholders to enhance the market as well as profit share of these Government owned General Insurance Companies.

30. In pursuance of the above recommendations of the Committee, the Ministry of Finance (Department of Financial Services)/PSGICs, in their action taken replies, have submitted that the Public Sector General Insurance Companies have taken various measures to reduce their expenses, improve their underwriting practices, diversify their product portfolio and rationalisation of offices etc., leverage technology to enhance customer service and satisfaction. It has further been submitted that M/s. Ernst & Young LLP has been engaged as a Consultant by the four PSGICs, for advising these companies on improving the organisational efficiencies and performance management.

31. The Committee note that the Ministry of Finance (Department of Financial Services)/PSGICs have not provided the specific details of measures/initiatives being taken by the Public Sector General Insurance Companies for doubling their business volume and reducing their operating cost with a view to improving and strengthening regulation, supervision and risk management in these PSGICs. Further, the Ministry of Finance (Department of Financial Services)/PSGICs have also not provided the specific details of advices/suggestions given by the Consultant, i.e., M/s. Ernst & Young LLP *vis-a-vis* follow-up action taken by the PSGICs for improving their organisational efficiencies and performance management. The Committee, therefore, would recommend the Ministry of Finance (Department of Financial Services)/PSGICs to furnish specific and detailed information on all the above aspects as well as initiatives proposed to be taken by the PSGICs which could lead to higher premium income, lower operating costs, reduced underwriting losses, and lower net losses in the times to come.

General Insurance Corporation of India Limited (Gen Re) - the Indian Reinsurer

32. The Committee while examining the representation of Shri R. Marak on the subject, had observed that the Ministry of Finance (Department of Financial Services) had not provided the vital information on the market share, premium collected, claimed settled, nature of working of the General Insurance Corporation Limited (GIC Re). The Committee had, therefore, urged the Ministry to furnish detailed information on market share, premium collected, claimed settled, Profit after Tax, Clients, nature of working, etc., of the General Insurance Corporation Limited (GIC Re).

33. On this aspect, the Committee had further recommended to look out for the possibility to lower down the rate of Obligatory Cession from present 5% to 3% as the amount of premium paid by the Insurance Companies to GIC Re for reinsurance support

to their business would be enough to run its business model and such reduction in Obligatory Cession would also provide further financial cushion to the General Insurance Companies.

34. In response to the above recommendations, the Ministry of Finance (Department of Financial Services)/GIC Re, the Committee are happy to note that in the year 2021-22, the market share of GIC Re considering the reinsurance premium was 61%, gross premium collected was Rs. 43,208.46 crore, claimed were settled to the tune of Rs. 36,625.85 crore and Profit after Tax was Rs. 2,005.74 crore. The Committee are however, not happy to note that the Obligatory Cession in respect to reinsurers was reduced from 5% (FY 2021-22) to merely 4% for FY 2022-23. The Committee, therefore, reiterate its earlier recommendation that the Ministry of Finance (Department of Financial Services)/IRDAI should look out for the possibility of further reducing the rate of Obligatory Cession so that more and more foreign as well domestic reinsurers are attracted towards the Indian market in order to develop the Country as a 'Re-insurance Hub'. The Committee would like to be apprised of the necessary steps taken/proposed to be taken in this regard.

Improving organisational efficiencies and performance management in the PSGICs

35. On the aspects of declining market share and earnings of PSGICs *vis-à-vis* Private Insurers, the Committee had acknowledged several primary reasons for the same as well as various remedial measures taken by the PSGICs, during the course of examination of the representation of Shri R. Marak on the subject. The Committee, in the context of complex official formalities that are required to be fulfilled by the public while applying for policies and settlement of claims in case of PSGICs *vis-a-vis* the Private Insurers which appear to be the primary reason for the gradual decline in the business activities of these PSGICs, had taken note of the fact that a customer who wishes to buy an insurance policy fills up a Proposal Form, thereby, giving the details of the subject matter

of insurance which is a regulatory requirement and common to all Insurance Companies. The Committee had further observed that the Proposal Form, once filled up and submitted by the insuring person, the underwritten, i.e., Insurance Company determines the coverage and the policy is issued in real time. In regard to the above, the Committee had urged the Ministry of Finance (Department of Financial Services)/PSGICs to take all the necessary steps towards further simplification of the existing cumbersome procedure of applying for policies and for settlement of claims, particularly where policies are being issued in traditional/ manual method, in the interest of policyholders.

36. The Committee while emphasizing the need for strengthening the present system of control and supervision of the PSGICs for their regular and effective monitoring with a view to overcoming the shortcomings, thereby arresting the decline in their market share and increasing their earnings in comparison to the Private Insurers, had recommend that the Ministry of Finance (Department of Financial Services) to explore the feasibility to appoint a Group of Experts to conduct a thorough study the challenges/weaknesses being faced by the PSGICs *vis-à-vis* Private Insurers, and to suggest remedial measures for strategic transformation as well as for ensuring better supervision and control of these Government owned General Insurance Companies.

37. From the action taken replies furnished by the Ministry of Finance (Department of Financial Services)/IRDAI, the Committee note that IRDAI, the sector regulator has formulated IRDAI (Protection of Policyholders' Interests) Regulations, 2017, which stipulates provisions for the protection of policyholders which are equally applicable to both, the Private and Public Sector Insurance Companies. However, their internal operations and guidelines with respect to settlement of claims and underwriting of insurance proposals may differ from Company to Company. In this connection, the Committee also note that various steps are being taken by the PSGICs for simplification of the existing procedure of applying for policies and for settlement of claims, in the

interest of policyholders. The Committee further note from the action taken replies furnished by the Ministry of Finance (Department of Financial Services)/PSGICs, that as per General Insurance Public Sector Association (GIPSA), PSGICs are well aware of the challenges from private insurance players and in order to face the competition and improving services to the policyholders, various measures have been initiated. Further, M/s. Ernst & Young LLP has been engaged as a consultant by the four PSGICs, for advising these companies on improving the organisational efficiencies and performance management.

38. Notwithstanding the above, the Committee urge the Ministry of Finance (Department of Financial Services)/IRDAI to ensure that the existing guidelines, process and procedure prescribed thereunder with respect to applying for policies and settlement of claims and underwriting of insurance proposals are periodically reviewed by the PSGICs in order to simplify the same to the maximum extent. The Committee further urge the Ministry to ensure that the Proposal Forms, which are a mandatory requirement as per IRDAI Regulations, for obtaining policies for retail clients, are digitized in respect of all lines of business being undertaken by the PSGICs. As regards improving the organisational efficiencies and performance management in the PSGICs, the Committee while noting that M/s. Ernst & Young LLP has been engaged as a Consultant by the four PSGICs, would like to know as to what specific initiatives/measures and follow-up action(s) are being taken by each of the PSGIC in pursuance of the suggestions/ recommendations made by the Consultant, i.e., M/s. Ernst & Young LLP. The Committee would like to be apprised of the necessary action taken/proposed to be taken on all the aspects mentioned above.

Ensuring disposal of complaints received by PSGICs, in a speedy, impartial and transparent manner.

39. The Committee while pointing out that a robust and transparent grievance redressal mechanism, within an Organisation, is the barometer of its efficiency and performance as well as reflects the attitude of Organisation towards its customers, had suggested that a dedicated 'Grievance Redressal Mechanism' should be set up at the level of each PSGIC under which, the details of complaints reported, complaints attended to, and complaints pending in these Insurance Companies are invariably being updated on Company's website on real time basis for the sake of transparency and accountability. In this context, the Committee had urged the Ministry of Finance (Department of Financial Services) to encourage all the PSGICs to take necessary steps to set up the requisite dedicated Grievance Redressal Mechanism within their Organisations.

40. Based on the action taken replies furnished by the Ministry of Finance (Department of Financial Services)/IRDAI/PSGICs, the Committee are happy to note that there already exits multi-level Grievance Redressal Mechanism with respect to Insurance Companies. Starting from IRDAI, which prescribes the grievance redressal mechanism, as part of the Protection of Policyholders Interests Regulations (PPI Regulations). The Grievance Redressal Cell in the Policyholder's Protection & Grievance Redressal Department of the IRDAI looks into complaints/grievances from policyholders which takes up the grievances with the respective insurers for redressal. The Committee further note that as per Corporate Governance Guidelines, 2016, Insurance Companies shall have a mandatory Board Sub-committee *viz.,* Policyholders Protection Committee which shall have to meet at least on a quarterly basis to review the outstanding claims, repudiation of claim, complaints on mis-selling and various other service parameters with suggestions on necessary improvements. The Committee have been informed that all the four PSGICs have confirmed that they have a full-fledged internal Grievance Redressal Mechanism in place which facilitates registration and status update of online complaints for its customers through dedicated grievance portal which is integrated with IRDAI's Bima Bharosa. Further, PSGICs also attend to and resolve the grievances registered in the

Centralized Public Grievance Redressal and Monitoring System (CPGRAMS) Portal. In addition to above mentioned Grievance Redressal mechanism of PSGICs and IRDAI, the Offices of Insurance Ombudsman (under the administrative control of Council for Insurance Ombudsmen (CIO), an alternate Grievance Redressal Platform, has also been set up by the Central Government under the Insurance Ombudsman Rules, 2017 with an aim to resolve grievances of aggrieved policy holders against Insurance Companies and their intermediaries or insurance brokers.

41. Keeping in view the various determining factors explained by the Ministry of Finance (Department of Financial Services), the Committee hope and trust that the PSGICs would now ensure that 'Grievance Redressal Mechanism' at all levels would function effectively in order to resolve the grievances in a speedy, impartial and transparent manner.

Formulation of stringent Anti-Fraud Policy to deal with cases of Frauds and Booking of Fake Insurance Premium in North Eastern Region

42. During the course of examination of the representation of Shri R. Marak on the subject, the Committee were informed that three cases of fraud and booking of fake policies had come to the knowledge of New India Assurance Company Limited during 2021-22 in the North Eastern Region. In this connection, the Committee had urged the Ministry of Finance (Department of Financial Services) to direct the New India Assurance Company Limited to take legal action against the delinquent Agent under the relevant Rules/Guidelines, etc., with a view to ensuring non-recurrence of such misconduct by other Agents. The Committee had further recommended the Ministry of Finance (Department of Financial Services) to issue directions to all PSGICs for taking strict punitive action on the cases of frauds and corrupt practices whenever and wherever noticed.

43. As regards issue of dealing with the fraud cases, the Ministry of Finance (Department of Financial Services)/IRDAI/NIACL, in their action taken replies, have stated that IRDAI had issued Insurance Fraud Monitoring Framework for Insurers on 21st January, 2013, which stipulates measures to be taken up to address and manage risks emanating from fraud and provides for Anti-Fraud Policy to be formulated by all the Insurers, duly approved and reviewed on annual basis, by their respective Boards. It has further been informed that FIRs were filed in all the three cases of frauds and corrupt practices which had come to the knowledge of NIACL during the financial year 2020-21. However, one case of agent fraud at Itanagar BO was closed by the Police since the agent already expired; and the remaining two cases of fake policies at Tezpur DO are still under investigation by the Police.

44. In this connection, the Committee urge the Ministry of Finance (Department of Financial Services) to ensure that the 'Insurance Fraud Monitoring Framework' issued by the IRDAI be followed scrupulously in all the PSGICs by formulating their own stringent Anti-Fraud mechanism having provisions for strict legal and punitive actions, which could deter the Agent(s) from resorting to corrupt practices and committing frauds. The Committee further urge the Ministry to direct the NIACL for pursuing the cases of fake policies at Tezpur DO with the Police Authorities concerned so that the investigation into the matter is completed at the earliest and appropriate legal action is initiated against the delinquent Agent(s).

New Delhi;

18 December, 2023
27 Agrahayana, 1945 (Saka)

HARISH DWIVEDI,
Chairperson
Committee on Petitions

MINUTES OF THE THIRTIETH SITTING OF THE COMMITTEE ON PETITIONS (SEVENTEENTH LOK SABHA)

The Committee met on Monday, 18 December, 2023 from 1500 hrs. to 1715 hrs. in Committee Room No. 3, Parliament House Annexe Extension, New Delhi.

PRESENT

Shri Sunil Kumar Singh - In the Chair

MEMBERS

2. Shri Brijendra Singh
3. Shri Sushil Kumar Singh
4. Shri Manoj Kumar Tiwari
5. Shri Prabhubhai Nagarbhai Vasava
6. Shri Rajan Baburao Vichare

SECRETARIAT

1. Shri Raju Srivastava - Joint Secretary
2. Shri Tenzin Gyaltsen - Deputy Secretary

WITNESSES

*** *** *** ***

2. At the outset, in the absence of the Chairperson, the Committee under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha chose Shri Sunil Kumar Singh to act as Chairperson for the sitting.

3. Thereafter, the Chairperson welcomed the Members to the sitting of the Committee.

4. *** *** *** ***
5. *** *** *** ***
6. *** *** *** ***
7. *** *** *** ***
8. *** *** *** ***
9. *** *** *** ***
10. *** *** *** ***
11. *** *** *** ***
12. *** *** *** ***
13. *** *** *** ***
14. *** *** *** ***

15. The Committee, thereafter, took up for consideration the following draft Action taken Reports:-

(i) *** *** *** ***

(ii) Action Taken Report on the action taken by the Government on the recommendations made by the Committee on Petitions (Seventeenth Lok Sabha) in their Thirty Sixth Report on the representation of Shri R. Marak regarding the need for regulating the working of Government owned General Insurance Companies especially in Meghalaya and other important issues related therewith;

(iii) *** *** *** ***
(iv) *** *** *** ***
(v) *** *** *** ***
(vi) *** *** *** ***
(vii) *** *** *** ***
(viii) *** *** *** ***

16. After discussing the above mentioned eight draft Action Taken Reports in detail, the Committee adopted these Reports without any modification and authorised the Chairperson to finalise the draft Action Taken Reports and present the same to the House during the ensuing Session.

17. *** *** *** ***
18. *** *** *** ***

The Committee, then, adjourned.

*** *Does not pertain to this Report.*