

Regarding denial of Insurance to MSME

SHRI KARTI P. CHIDAMBARAM (SIVAGANGA): Madam, whenever an MSME seeks a loan to buy a machinery, they are compelled to buy a machinery breakdown insurance policy. But when the machinery breaks down and they want to repair the machinery, the insurance company denies and delays the claim saying that they must pay for the repair, and only then come and claim it. This actually impedes business, and the bank will not finance the repairing and the insurance company will also not give money to repair the machinery. The small entrepreneur is hamstrung because of a broken machinery that he cannot repair.

There is nothing in the insurance policy which states that they must pay for the repair and then claim it. This is a breach of contract and it makes doing business very difficult. While this Government talks about 'Make in India', they must remove these little niggles which are practically there in the day-to-day life so that businesses can thrive.

The Finance Ministry must instruct the insurance companies to settle claims even before the payment is made and only when the invoice is raised. Thank you very much, Madam.