

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1796
ANSWERED ON:12.12.2003
THIRD PARTY MOTOR INSURANCE
BASUDEB ACHARIA

Will the Minister of FINANCE be pleased to state:

- (a) whether attention of the Government has been drawn to the violation of directives of the Government by the private insurance companies in regard to third party motor insurance;
- (b) if so, whether the Government has taken up steps against the refusal to give third party insurance by the private insurance players;
- (c) if so, the details thereof; and
- (d) the steps taken/proposed to be taken to ensure -compliance of the commitment?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL):

(a) Yes, Sir.

(b) to (d) With the enactment of Insurance Regulatory and Development Authority Act, 1999, the Insurance Regulatory and Development Authority (IRDA) has been vested with the powers and functions to regulate, promote and ensure orderly growth of insurance business in India. Accordingly, the matter was taken up with IRDA. The Authority, on receipt of complaints regarding non-acceptance of motor insurance proposals by Insurance Companies, has issued directions stating that insurers whether in public or private sector shall not refuse to underwrite motor insurance business in respect of any class of vehicles. It was also reiterated by the Authority that no insurer shall refuse proposals in respect of liability only covers. The Authority is strictly monitoring the compliance of the orders.