

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7226
ANSWERED ON:12.05.2000
TARIFF ADVISORY COMMITTEE
VIRENDRA KUMAR

Will the Minister of FINANCE be pleased to state:

- (a) the steps taken for effective functioning of the Tariff Advisory Committee as a research and statistical body for the non-life insurance and also for rationalization of the tariff;
- (b) whether there is any proposal under consideration to revoke tariff;
- (c) if so, the details thereof; and
- (d) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH)

- (a) The Tariff Advisory Committee (TAC) has been recently reconstituted making it more broad based. The Chairperson of Insurance Regulatory & Development Authority (IRDA) who is also Controller of Insurance has been made Chairman of the TAC. Earlier the Members of the Committee were pre-dominantly drawn from the general insurance industry but now in the reconstituted TAC the number of representatives from the Insurance Industry has been kept at seven out of sixteen Members, with other Members from State Governments, Industry and professionals. So as to function as a Research & Statistical Body also in the field of non-life insurance, the TAC has set up a small sub-Committee called VISION-2000 to recommend the steps to be taken in this behalf.
- (b) At present there is no decision to move away from the tariff regime.
- (c) Does not arise.
- (d) The TAC has reported that possibly after five to ten years acting on the recommendations of the Malhotra Committee, tariffs will be eased out and thereafter there may not be any tariff in the Industry.