

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2544
ANSWERED ON:09.12.2005
INSURANCE COVER FOR VEHICLES IN J & K
Bose Shri Subrata

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government undertaking Insurance Companies have refused to continue insurance cover for vehicles, both carrying passengers and cargo, when plying to Jammu & Kashmir and North Eastern States ;
- (b) if so, the details thereof ;
- (c) whether the Government has approved the pleas, if any, of these Insurance Companies ;
- (d) if so, the rationale therefor; and
- (e) if not, the steps taken to enforce continuation of insurance cover by all Insurance Companies.operating in the country for vehicles all over India uniformly ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a)&(b): Insurance Regulatory and Development Authority (IRDA) has informed receipt of complaints from

(i) Secretary, All India Motor Transport Association, Guwahati,

(ii) All India Motor Transport Congress complaining of refusal of Third Party insurance for commercial vehicles and

(iii) Deputy Commissioner, Jammu that National Insurance Company Ltd.(NIC) has stopped insuring the passenger carrying vehicles including all types of taxis/max-cab for Jammu in particular and in some other places in general.

(c)&(d): No, Sir. IRDA is seized of the matter.

(e): IRDA has issued directives to all insurers that no insurer shall deny Motor Third party Insurance to any vehicle having a valid fitness certificate. The Authority has also written a letter to Chairman-cum-Managing Director, National Insurance Co. Ltd. to explain in detail to the Authority the fact and circumstances in the matter and also instructed NIC to direct all its Regional offices not to deny Third Party Liability cover to any vehicle having valid fitness certificate.