

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:562

ANSWERED ON:24.11.2006

INCREASE IN INSURANCE PREMIUM ON VEHICLES

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Will the Minister of FINANCE be pleased to state:

- (a) whether public sector insurance companies propose to increase insurance premium rates on vehicles particularly car;
- (b) if so, the details thereof alongwith the percentage increase; and
- (c) the time by which it is likely to be increased?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c): Insurance Regulatory and Development Authority (IRDA) has reported that there is no move to increase the insurance premium rates on vehicles including cars by the Tariff Advisory Committee (TAC), a statutory body established under the Insurance Act, 1938, administering the tariffs on motor vehicles. However, as per the Road Map drawn by the IRDA, all tariffs are expected to be removed from 1st January, 2007 and the insurance companies will be free to determine their own premium rates for vehicles.