

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1526
ANSWERED ON:01.12.2006
LOSSES TO INSURANCE COMPANIES
Saroj Shri Tufani

Will the Minister of FINANCE be pleased to state:

- (a) whether Public Sector General Insurance Companies (GICs) have been incurring losses in the health insurance schemes;
- (b) if so, the reasons therefore alongwith the quantum of losses during each of the last three years, company-wise;
- (c) whether due to under writing losses in health insurance by certain public sector companies, particularly the Oriental Insurance Company has enhanced the premium amount for various age group under the health insurance schemes; and
- (d) if so, the details thereof?

Answer

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

(a) & (b): General Insurers` (Public Sector) Association of India (GIPSA) has reported that all the Public Sector General Insurance Companies have been incurring losses in the health insurance schemes for the last three years mainly on account of escalating health care costs; adverse selection, moral hazard and low premium structure. Company-wise details of premium received and incurred claims (claims settled plus provided) in respect of Mediclaim Scheme are as under:

	2003-04	2004-05	2005-06	
Name of the Co.	(Rs.in crores)			
	Premium Incurred	Premium Incurred	Premium Incurred	Claims
	Claims	Claims	Claims	

National Ins. Co Ltd.	298 305	364 434	399 513	
New India Assu. Co. Ltd.	366 301	455 490	591 704	
Oriental Ins. Co. Ltd.	230 224	250 294	334 401	
United India Ins.Co. Ltd.	235 250	252 344	310 361	

Total: 1129 1080 1321 1562 1634 1979

(c) & (d): Yes, Sir. Oriental Insurance Company Limited has revised the Mediclaim policy by increasing the premium for different age groups. The details are given in the Annexure.