

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3472
ANSWERED ON:15.12.2006
INSURANCE FRAUD
Chowdhury Shri Adhir Ranjan

Will the Minister of FINANCE be pleased to state:

- (a) whether the law commission has observed that Indian laws are inadequate to handle insurance frauds;
- (b) if so, the facts thereof;
- (c) whether the frauds in insurance companies have increased during the last three years;
- (d) if so, the details thereof; and
- (e) the steps the Government proposes to take to make the effective laws to deal with insurance frauds?

Answer

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

(a): No, Sir.

(b): Does not arise.

(c) & (d): No, Sir. Insurance Regulatory & Development Authority (IRDA) has reported that it has not received any reports of increase in frauds either within or against insurance companies during the last three years.

(e): In the public sector insurance companies, their Vigilance Departments under the charge of Chief Vigilance Officer do investigate and take action in respect of internal frauds, if any. In respect of the individuals committing frauds on insurance companies, the companies are expected to file complaints to the police under the provisions of Indian Penal Code (IPC).