

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2930
ANSWERED ON:02.12.2016
Natural Catastrophe Insurance Pool
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government provides insurance cover/security to the victims whose houses destructed during the natural calamities such as fire/floods/cyclone/ earthquake etc. enabling them to reconstruct;
- (b) if so, the details thereof along with the amount of central assistance provided during the last three years and the current year, Year/State/UT-wise;
- (c) whether the Government proposes for an Insurance Catastrophe Pool and the said proposal is kept pending since many years;
- (d) if so, the details thereof and the reasons for pendency; and
- (e) by when a final decision would be taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) to (e): Subscription to house insurance is low in India. Lack of awareness would be one of the factors behind it. In India, generally Banks/Financial institutions stipulate insurance for houses financed by them. Insurance education may help consumers to understand their needs, risks, and the benefits of purchasing insurance for managing their risks. Insurance Regulatory and Development Authority of India (IRDAI) has informed that various insured people have covered their dwellings and contents against natural calamities such as Storm, Tempest, Floods, Inundation etc under Fire and / or Householders' Policy etc. During times of natural calamities when claims are made for covered losses, the insurance industry facilitates receipt of claim intimations, appointment of surveyors and speedy disposal of claims. The IRDAI monitors the disposal of the claims periodically in order to ensure efficient and quick disposal.

The grants under State Disaster Response Fund (SDRF)/ National Disaster Response Fund (NDRF) are released to State Governments on the recommendation of Ministry of Home Affairs for immediate relief necessitated to people in the wake of natural calamities like flood, drought etc. These grants are released as per the extant norms and some of the items of expenditure under SDRF/NDRF, for gratuitous relief are agriculture input subsidy for loss of crops, financial assistance for damage to houses/ dwellings, etc.

Government releases the assistance from National Disaster Response Fund (NDRF) to States in totality on the recommendation of Ministry of Home Affairs (MHA), not component wise. The release of grants-in-aid from SDRF and central assistance in the wake of natural calamities from NDRF for the last three years and current year is annexed.
