

Pending Claims before Central Insurance Corporation

1421. SHRI M. V. CHANDRASHEKARA MURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a large number of claims are pending before the General Insurance Corporation for settlement in respect of motor, bus and scooter accidents in the Delhi offices and also in other State offices;

(b) if so, what is the total number of claims pending in Delhi for more than one year and less than one year and also upto now;

(c) what are the main reasons for delay in settling these claims;

(d) what is the time by which such claims are settled and the steps proposed to ensure expeditious settlement of claims;

(e) whether in order to settle the claims immediately and also to dispose of pending cases, Government have decided to appoint more Claims Inspectors;

(f) if not, the reasons therefor; and

(g) if so, by what time the same will be recruited?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). The total number of motor insurance claims pending settlement all over India on 31st December, 1981 was 1,49,893. Figures of the pendency of such claims in the Delhi offices and in other state offices are not readily available.

(c) The main reasons for delay in the settlement of third party claims are non-receipt of notice of accident in time, time taken in quantification of compensation and time taken in disposal of cases referred to motor accident claims tribunals and courts. The delay in the disposal of own damage claims is due, inter alia, to non-receipt of documents and dispute regarding the quantum of claim payable.

(d) The disposal of own damage claims is quicker and is completed as soon as necessary documents in support of the

claim have been received. The time taken in the disposal may be as short as one week. The disposal of third-party claims necessarily takes somewhat longer time. Where the claims have been referred to motor accident claims tribunals or courts, the disposal is not under the control of the insurance companies.

(e) to (g). The general insurance industry is making efforts to bring down the pendency of claims.

In its judgement, the existing number of Claims Inspector and professional surveyors and loss assessors is adequate for rendering assistance in the settlement of claims.

There is no proposal to appoint more Claims Inspectors.

Reorientation of Policies of Banks in the Overall Interest of the Poor

1422. SHRI M. V. CHANDRASHEKARA MURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether he has urged the banks to reorient their policies for the overall interest of poor sections of the society;

(b) if so, whether the nationalised banks have decided to revise their policies for the betterment of poor sections of the society and overall national interest;

(c) if so, the main features of the re-oriented policy;

(d) to what extent it will be helpful to the nation; and

(e) what are the changes likely to be made in the previous policy?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (e). Since the nationalisation of banks in 1969, a number of steps have been taken to reorient the policies of the banks to liberalise the terms and simplify the procedure for grant of loans to economically weaker sections and small borrowers. Some important steps taken in this direction are as follows:

(i) Simplified loan application-cum-interview forms.

(ii) Simplified application forms in regional languages for agricultural loans.

(iii) Relaxations in margin, security and guarantee requirements.

(iv) Delegation of adequate powers to branch Managers.

While Government attaches importance to proper implementation of these measures, simplification of procedures being a continuous process, proposals in this regard are given due consideration as and when received. Recently, the banks have been advised to raise the share of priority sectors in their credit portfolio to 40 per cent. Within the priority sector a new concept of weaker sections has also been introduced in the sub-sectors of agriculture and small scale industries. Thus, small and marginal farmers with land holdings of 5 acres and less and landless labourers as also persons engaged in allied activities whose borrowal limits in such activities do not exceed Rs. 10,000 have been recognised as weaker sections within agriculture. Similarly, units with credit limits upto and inclusive of Rs. 25,000 are to be treated as weaker sections in the small scale industries. In order to see that these weaker sections in the priority sectors are given appropriate attention by banks in the matter of allocation of credit, the banks are required to ensure that direct advances to such sections in agriculture should reach a level of at least 50 per cent of the total direct lending to Agriculture, including allied activities, by 1983. Similarly, advances to weaker sections within the small scale industries sectors should constitute 12.5 per cent of the total advances to small scale industries by 1985.

Banks also advance loans to weaker sections for house construction, education and for consumption purposes. Housing loans for amounts not exceeding Rs. 5,000/- to economically weaker sections and low income groups are granted at concessional interest, advances to indigent students for higher education, in particular to those belonging to SC/ST, are granted at comparatively lower rate of interest. Banks also advance consumption credit to weaker sections of the society for medical expenses, educational needs, marriages, funerals/

births and other religious ceremonies not exceeding, in the aggregate, Rs. 500 per borrower.

A scheme exclusively meant for weaker sections is the D.R.I. Scheme. Advances under the Scheme are available to individuals satisfying certain land holding and income criteria.

More recently, the banks have been advised that all requirements for productive purposes of industries as well as the implementation of the 20 Point Programme and the Integrated Rural Development Programme should be met fully following the measures taken by the Reserve Bank of India to relax the credit restraint in the banking system. Banks have also been advised to ensure that bank branches, particularly in rural areas, meet the credit requirements of the beneficiaries of the various anti-poverty programmes initiated by the Government.

The implementation of these policies by the banks is continuously monitored and corrective steps are taken to see that these policies serve the overall interests of the poorer sections of the society and meet the genuine productive requirements of the various sectors which directly or indirectly help the poorer sections.

Cut in Cash Compensatory support to Engineering Exporters

1423. SHRI M. V. CHANDRASHEKARA MURTHY: Will the Minister of COMMERCE be pleased to state:

(a) whether engineering exporters will have to face a cut on cash compensatory support unless they provide complete cost data to Government justifying an increase in the rate of cash assistance;

(b) if so, whether the engineering exporters have not so far done the same;

(c) if so, the reaction of Government thereto;

(d) what are the other steps Government proposed to take in this regard; and

(e) what was the total amount provided by Government as cash compensatory sup-