

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:1893
ANSWERED ON:15.12.2003
INSURANCE DEAL OF IA
SATYAVRAT CHATURVEDI;SUNDER LAL TIWARI

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Insurance deal of Indian Airlines for the year 2003-2004 has again been awarded to the New India Assurance Company;
- (b) if so, whether open tender were not invited for the said purpose nor the guidelines of the Central Vigilance Commission were complied with;
- (c) if so, whether the Government has received complaints from the representatives of the people in this regard; and
- (d) if so, the details thereof and action taken thereon?

Answer

MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI RAJIV PRATAP RUDY)

(a): Yes, Sir.

(b): The insurance policy of the aircraft fleet of Indian Airlines is renewed on 1st October every year. Indian Airlines takes its aviation insurance policy from one of the four Public Sector Insurance Companies. In view of high-insured value and risk exposure and financing and lease requirements, the Indian insurers place majority of the risks with international re-insurers.

With a view to avail of the best expertise available with the insurance companies, a committee consisting of both the Dy. Managing Directors, Director (Flight Safety), Director(Operations), Director (Engineering) and Director (Finance) was constituted in Indian Airlines to interact with all the four public sector insurance companies so as to try and ensure a good deal for Indian Airlines for the last renewal effective 1st October, 2002.

Considering all the relevant factors such as operational and financial strength, experience and exposure in aviation insurance, credit rating etc., the Committee had recommended New India Assurance for renewal of Indian Airlines aviation insurance policies for the year 2002-03.

(c) and (d): Complaints were received through Members of Parliament and Central Vigilance Commission in this regard. The position, in detail, has been clarified to the CVC who has agreed with the clarifications and has advised closure of the matter.