

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:7200
ANSWERED ON:13.05.2005
CORRUPTION IN INSURANCE COMPANIES
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Will the Minister of FINANCE be pleased to state:

- (a) the organisational set up of the vigilance division in the Oriental Insurance Corporation Ltd. and the New India Assurance Company Ltd.;
- (b) the number of cases of corruption, dishonesty and disproportionate assets investigated by the Vigilance Department during the last three years and till February, 2005;
- (c) the details of complaints pertaining to corruption, dishonesty, fraud and illegal payments, investigated in Delhi regional offices/Head office of both the companies during the above period alongwith the details of action taken or proposed to be taken in this regard; and
- (d) the steps taken by the Government to check corruption in insurance companies?

Answer

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

(a) Oriental Insurance Company Ltd. (OICL) and New India Assurance Company Ltd.

(NIACL) have appropriate vigilance setups headed by Chief Vigilance Officer, with Vigilance Officers in every Regional Office.

(b)&(c) Total number of cases of corruption, dishonesty and disproportionate assets investigated during the last three years i.e. 2002-03, 2003-04 and 2004-2005 (till February) in OICL and NIACL are 341 and 156 respectively. OICL received 86 complaints in Delhi Regional Offices/Head Office during the last three years out of which 37 cases have been investigated. Action has been taken in 23 cases and 14 have been closed. Similarly NIACL received 27 complaints out of which 23 cases have been investigated. Action has been taken in 21 cases and two have been closed.

(d) Vigilance Officers of the Insurance Companies undertake surprise inspections of the Divisional Offices/Branch Offices for taking corrective/preventive action. Appropriate action as per rules is taken against the officials found involved in corruption cases.