

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5285

ANSWERED ON:29.04.2005

LOSSES TO GENERAL INSURANCE COMPANY

Adhalrao Patil Shri Shivaji; Satpathy Shri Tathagata; Verma Shri Ravi Prakash

Will the Minister of FINANCE be pleased to state:

(a) whether the General Insurance Company suffered losses to the tune of Rs. 955.20 crores under Motor Vehicle Insurance and miscellaneous operation between 2001 and 2004;

(b) if so, the details thereof and the reasons therefor;

(c) whether CAG has rapped non-life insurance firms and have asked the Government to investigate into the matter to fix responsibility; and

(d) if so, the action taken by the Government in this regard?

Answer

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

(a) and (b) As per the Report of C and AG "Union Government (Commercial)" No. 1 of 2005 which was placed in the Parliament on 22nd March, 2005, the general insurance companies during the year 2003-04 suffered losses of Rs. 955.28 crores consisting of Rs. 667.00 crores under motor insurance and Rs. 288.28 crores under miscellaneous insurance as against a profit of Rs. 1485.36 crores under fire and marine portfolio. According to the Report, these companies reported overall total profit of Rs. 530.08 crores during 2003-04 as against losses of Rs. 1732.11 crores and Rs. 243.34 crores during 2001-02 and 2002-03 respectively from insurance business.

(c) and (d) As a continuous process, during audit of insurance companies, C and AG has been bringing out various lapses to the notice of the management/ Government. These issues are taken up with the management of the companies for appropriate action on a regular basis.