

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3359

ANSWERED ON:12.05.2006

IRDA GUIDELINES

Gaikwad Shri Eknath Mahadeo;Reddy Shri K. Jayasurya Prakash;Singh Shri Kirti Vardhan;Yaskhi Shri Madhu Goud

Will the Minister of FINANCE be pleased to state:

(a) whether some companies/ persons use insurance sector to park the ill gotten laundered funds as reported in the Hindustan Times dated April 5,2006; .

(b) if so, the number of such cases came to the notice of Government during the last one year;

(c) whether the Insurance Regulatory and Development Authority has recently issued some guidelines to insurance companies in this regard; and

(d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): Insurance Sector is vulnerable to money laundering as in the case of any financial sector like Banking and Capital Markets. However, no such case has come to the notice of the Government or Insurance Regulatory and Development Authority (IRDA).

(c) & (d): Yes, Sir. IRDA has instructed all insurance companies to put in place a policy on anti-money laundering measures by 1st July, 2006 in accordance with the guidelines issued by the Authority on 31st March, 2006 which are available on IRDA website at www.irdaindia.org.