

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2929
ANSWERED ON:26.11.2010
NORMS FOR DEATH CLAIMS
Jaiswal Dr. Sanjay

Will the Minister of FINANCE be pleased to state:

- (a) the details of the premium collected and claims settled by the LIC during the last three years and the current financial year;
- (b) the details of the claims remained unsettled by the LIC during the said period;
- (c) whether the Government has fixed norms pertaining to settlement of the death claims;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the other steps taken/being taken by the Government in this regard?

Answer

Minister of State in the Ministry of Finance(Shri Namoo Narain Meena)

(a) and (b): Life Insurance Corporation of India (LIC) has informed that the total premium collected, claims settled and outstanding claims during the last three years and current financial years is as under:

Year	Premium collected		Claims Maturity Death		Outstanding claims Maturity Death	
	(Rs. in crore)					

2007-08	1,49,705.59	31,873.35	5,138.12	112.66	222.48
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2008-09	1,57,186.55	33,377.85	4,484.38	149.63	234.76
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2009-10	1,85,985.91	44,984.60	5,609.87	208.50	208.76
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2010-11	88,598.43	15,727.91	2,901.59	326.18	632.86
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(Upto 30.09.2010)

(c) to (e): The IRDA (Protection of Policyholders` Interests) Regulations 2002, provides the claims settlement procedure pertaining to life insurance policies. The details are as under:

A life insurance policy shall state the documents which are normally required to be submitted by a claimant in support of a claim.

A life insurance company, upon receiving a claim, shall process the claim without delay. Any queries or requirement of additional documents, to the extent possible, shall be raised all at once and not in a piece-meal manner, within a period of ! 5 days of the receipt of the claim

A Claim under a life policy shall be paid or be disputed giving all the relevant reasons, within 30 days from the date of receipt of all relevant papers and clarifications required. However, where the circumstances of a claim warrant an investigation in the opinion of the insurance company, it shall initiate and complete such investigation at the earliest, in any case not later than 6 months from the time of lodging the claim.

Where a claim is ready for payment but payment cannot be made due to any reasons of a proper identification of the payee, the life insurer shall hold the amount for the benefit of the payee and such an amount shall earn interest at the rate applicable to a savings bank account with a scheduled bank (effective from 30 days following the submission of all papers and information).

Where there is a delay on the part of the insurer in processing a claim for a reason other than the one covered by sub-regulation (4)

above, the life insurance company shall pay interest on the claim amount at a rate which is 2% above the bank rate prevalent at the beginning of the financial year in which the claim is reviewed by it.