

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2656
ANSWERED ON:11.03.2011
UNCLAIMED MONEY WITH INSURANCE COMPANIES
Mishra Shri Mahabal

Will the Minister of FINANCE be pleased to state:

- (a) the details of the money lying unclaimed with the Insurance Companies including Life Insurance Corporation of India (LIC) during the last three years and as on date, company-wise;
- (b) the existing policy in regard to utilization of such unclaimed money with insurance companies;
- (c) whether the insurance companies utilised such unclaimed money for the welfare of public;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the steps taken/being taken by the Government in this direction?

Answer

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

(a): The Insurance Regulatory and Development Authority (IRDA) has intimated that they do not collect year-wise data about unclaimed money with insurance companies. As per the Life Insurance Corporation of India (LIC) the details of money lying unclaimed are as follows:

(Rs in Crores)

Year	Outstanding unclaimed amount
2007-08	55.92
2008-09	68.96
2009-10	68.90
2010-11	Will be calculated after 31.03.2011.

(b) & (c): IRDA has issued a circular on 04.11.2010 regarding the 'treatment of unclaimed amount of policy holders' in which all the insurers are advised to keep such amounts representing the unclaimed amounts as a separate line item in Schedule 13 - "current liabilities" of the balance sheet. All the insurers are also advised vide the above circular that such unclaimed amounts will not be appropriated/written back in any circumstances. As the money belongs to the policyholders' estate the money cannot be utilized for welfare of the public. Insurers have to honour their liability as and when the policyholders or their nominee claims the amount.

(d) & (e): Do not arise.