

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:781

ANSWERED ON:04.08.2011

INSURANCE COVERAGE

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Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railways have stopped buying insurance cover to its passengers since 2009;
- (b) if so, the reasons therefor;
- (c) the compensation paid by the Railways due to accident since 2009;
- (d) whether the Railways have to incur huge losses by providing compensation due to rail accidents victims from its own sources;
- (e) if so, the action taken against officials who had taken decision of not buying insurance cover;and
- (f) the corrective measures being taken by the Railways in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF RAILWAYS (SHRI K. H. MUNIYAPPA)

(a): Yes, Madam. No insurance cover has been taken after 20.9.2008 by the Railways. However, payment of compensation to the victims of train accidents or untoward incidents does not get affected whether insurance cover is there or not. The Insurance cover bought from general Insurers is an internal mechanism to get the reimbursement of the compensation paid by the Railways.

(b): Ministry of Railways decided to discontinue the Railway Passenger Insurance Scheme considering the following :

(i) The premium quoted by the lowest bidder for 2008-09 was very high.

(ii) Insurance cover was not comprehensive and amount paid by the Railways such as - compensation in case of accidents at level crossings, immediate ex-gratia relief, amount of interest awarded by the Railway Claims Tribunal/Courts etc. were not reimbursable under the insurance scheme.

(iii) Timely reimbursement was not being made by the general insurers.

(iv) dispute was created by the general insurer for calculation of premium and amount which was reimbursable to the Railways was withheld unilaterally.

(c): The compensation paid by the Railways due to accident from 2009 till date is as under:

2009-10 - Rs. 140.74 Crores

2010-11 - Rs. 182.40 Crores

(d): Loss or gain cannot be calculated without having insurance cover and comparing with the premium paid for the insurance cover.

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