

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4011
ANSWERED ON:31.07.2009
HEALTH INSURANCE
Muttemwar Shri Vilas Baburao

Will the Minister of FINANCE be pleased to state:

- (a) whether the Insurance Regulatory and Development Authority (IRDA) has recently proposed to relax norms for Health Insurance Companies and reduce the reserve requirements;
- (b) if so, the details thereof; and
- (c) the action taken/proposed to be taken by the IRDA for formulating and issuing of new guidelines in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

- (a): Yes, Sir. The Insurance Regulatory and Development Authority (IRDA) has allowed limited relaxation in case of health segment of Non-Life Insurance Companies for the purpose of creation of Reserve for Unexpired Risk (URR).
- (b): This limited relaxation is that while preparing the financial statements, the non-life insurance companies may provide for the Reserve for Unexpired Risks in the health segment on the 1/365 day method basis as provided in the IRDA (Preparation of Financial Statements & Auditors' Report of Insurance Companies) Regulations, 2002. The requirement for the said reserve being not less than as required under Section 64V (1) (ii)(b) of the Insurance Act, 1938, thus stands waived only with respect to the health segment for the year 2008-09.
- (c): Does not arise.