

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2406
ANSWERED ON:07.12.2012
CLAIMS OF MOTOR INSURANCE
Purkayastha Shri Kabindra

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to stop the invariability of cover note for the claiming of motor insurance;
- (b) if so, the details thereof including the steps taken by the Government for early settlement of motor insurance claims to help the general public; and
- (c) the time by which the Government is likely to implement the above proposal?

Answer

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

(a) to (c): Insurance Regulatory and Development Authority (Protection of Policyholders Interests) Regulations' 2002 define "cover" to mean an insurance contract whether in the form of a policy or a cover note or a certificate of insurance or any other form prevalent in the industry to evidence the existence of an insurance contract.

The cover note has all the necessary details such as motor vehicles registration number, engine and chassis number, period of insurance, insurance premium, name and address of the insured. Cover notes help spread insurance to far flung remote areas, as an insurance policy cannot be printed at that spot. Further, keeping in view the fact that Public Sector General Insurance Companies (PSGICs) are implementing IT core system which allows system generated policies and hence there is minimum use/utility of cover note, the companies have, therefore, started restricting issuance of cover notes.