

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:310
ANSWERED ON:14.12.2012
DEPOSIT INSURANCE PREMIUM STRUCTURE
Jardosh Smt. Darshana Vikram

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received any proposal from the Deposit Insurance and Credit Guarantee Corporation (DICGC) for a risk-based deposit insurance premium structure;
- (b) if so, the details thereof along with the action taken by the Government thereon;
- (c) whether the Government has made an assessment of the likely financial implications of the said proposal;
- (d) if so, the details thereof; and
- (e) the time by which the aforesaid proposal is likely to be cleared by the Government?

Answer

Finance Minister (SHRI P. CHIDAMBARAM)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 310 FOR 14th DECEMBER, 2012 TABLED BY SHRIMATI DARSHANA JARDOSH REGARDING DEPOSIT INSURANCE PREMIUM STRUCTURE.

(a) to (e):- The proposal of the Deposit Insurance and Credit Guarantee Corporation (DICGC) for risk-based deposit insurance premium structure has been examined by the Government. DICGC has been advised to fine-tune its proposal keeping in view the risk profile of various banks within the same bank-group. The Government has not received the revised proposal from DICGC. Further, the Government and the DICGC have not so far assessed the financial implications of conversion from uniform premium structure to risk-based premium structure for deposit insurance since the risk-based profile of banks is not available. However, the DICGC proposes to factor in the risk profile of the banks to arrive at the financial implications of risk-based premium structure after the Reserve Bank of India (RBI) implements risk-based supervision for banks.