

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:806
ANSWERED ON:01.03.2013
FRAUDS IN INSURANCE SECTOR
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Will the Minister of FINANCE be pleased to state:

- (a) whether any instances of frauds in the insurance sector have come to the notice of the Government in the recent past in the country;
- (b) if so, the details thereof for the last three years and the current year, company-wise and State UT-wise and action taken by the Government thereon;
- (c) whether the Government has not taken action against some insurance companies;
- (d) if so, the details thereof and the reasons therefore during the same period, company-wise; and
- (e) the steps taken/proposed to be taken by the Government to prevent insurance frauds in the country?

Answer

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

- (a) & (b) : As per information furnished by Insurance Regulatory and Development Authority (IRDA), the details of instances of frauds in the life and non-life insurance companies are attached at Annex-I and Annex-II respectively.
- (c), (d) & (e) : In order to enhance the monitoring and oversight of frauds, IRDA has laid down Insurance Fraud Monitoring Framework vide circular reference IRDA / SDD / MISC / CIR / 009 / 2013 dated 21st January 2013. The framework requires insurance companies to have a Board approved "Anti-fraud policy" covering aspects like systems/procedures to be in place, coordination with law enforcement agencies, reporting to Board through Risk/Audit Committee etc.