

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:6033  
ANSWERED ON:03.05.2013  
INSURANCE AWARENESS  
Singh Dr. Raghuvansh Prasad

**Will the Minister of FINANCE be pleased to state:**

- (a) the details of various awareness campaigns being undertaken by the Government to make common people aware of the benefits of various insurance schemes particularly those related to road accident deaths in operation in the Country;
- (b) the details of persons killed in road accidents and benefited through insurance schemes in the country during each of the last three years and the current year so far, State/UT-wise including Bihar;
- (c) whether the procedure of settlement of insurance claims is quite cumbersome;
- (d) if so, the details thereof and the reaction of the Government thereto; and
- (e) the steps taken/proposed to be taken by the Government to simplify the process of settlement of insurance claims particularly those related to road accident deaths?

**Answer**

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

(a): Recently a Pan-India Awareness Campaign initiated by General Insurance Council was launched on 12th April 2013. The campaign would focus on the people in working age group and in States of Kerala, Rajasthan, Punjab, Haryana and Madhya Pradesh initially. Further, Insurance Regulatory and Development Authority (IRDA) has informed that it has adopted a multi-pronged approach of consumer education under the brand name Bima Bemisaal Campaign, and taken up the following initiatives to enhance consumer awareness on various tenets of motor insurance, viz (i) publication of Handbooks on Motor insurance (ii) Publication of Comic series including Motor insurance (iii) Animation Films of the Comic series (iv) Printing of posters on Motor Insurance (v) Sponsoring of Consumer awareness seminars through consumer bodies on the subject of Motor insurance (vi) Launching of Consumer Education website [www.policyholder.gov.in](http://www.policyholder.gov.in) (vii) the victim can search for the insurance status of the vehicle responsible for the incident through [www.iib.gov.in](http://www.iib.gov.in) in the web portal of Insurance Information Bureau of IRDA.

(b): As per the Road Accidents in India, 2011, report published by the Ministry of Road Transport and Highways, the details of number of persons killed in road accidents during last three years are as under:

Year	Number of persons killed
2009	125,660
2010	134,513
2011 (provisional))	142,485

As per IRDA, the State-wise details of number of claims and amount of claims paid by the insurance companies during the years 2009-10, 2010-11 and 2011-12 are annexed.

c) to (e): The IRDA regulations namely IRDA (Protection of policyholders' interests) Regulations, 2002 prescribe, inter-alia, the claims procedure in respect of life and general insurance policy. The details are as under:

Claims procedure in respect of a life insurance policy:

# Any claim received shall be processed without a delay and the demand for the required documents shall be made all at once, subject to a maximum of 15 days from the receipt of claim.

# A claim shall be paid or disputed with reasons, within 30 days from the receipt of required papers, except in the case of investigations. If the case requires an investigation by the insurance company, it shall be completed within 6 months from lodging of claims.

# If the claim cannot be paid because of proper identification of the payee, the claim amount shall be held by the life insurer for the benefit of the payee and it shall carry an interest rate applicable to a savings bank account, with a scheduled bank.

# For delay in claim payment because of a reason other than that mentioned above, the interest rate would be 2% above the bank rate. Claims procedure in respect of a general insurance policy:

# Any claim received shall be responded to immediately by the insurer and if the case requires the appointment of a surveyor, it shall be done within 72 hours of receipt of intimation from insured.

# A surveyor is required to communicate his findings to the insurer within 30 days of his appointment. If the case is special in terms of its complexity, this period can be extended to a maximum of 6 months from the date of appointment.

# Post the receipt of survey report/additional survey report, the insurer shall within a period of 30 days either offer a settlement or reject the claim with reasons.

# If the insured accepts the above mentioned settlement, it shall be made within a period of 7 days from the date of acceptance by the insured and in case of a delay in payment; the claim amount shall be paid along with an interest rate of 2% above the bank rate.

As per Section 146 of the Motor Vehicles Act, 1988 no vehicle shall ply on road unless there is valid third party Insurance. This mandatory insurance helps the accident victims to claim compensation under the Motor Vehicle Act, 1988. In case of claims related to road accident the claimant is required to file relevant documents evidencing accident caused by the vehicle against the driver and owner of the vehicle.

In order to reduce pendency of motor third party claims the public sector general insurance companies are advised to organise Lok Adalats to settle the claims and give relief to the affected persons/families.