

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1382
ANSWERED ON:13.12.2013
PREMIUM OF GHOST BENEFICIARIES
Shetkar Shri Suresh Kumar;Siricilla Shri Rajaiah

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has reportedly paid premium for ghost beneficiaries to private insurance companies in the recent past;
- (b) if so, the details indicating the quantum of loss suffered as a result thereof; and
- (c) the remedial measures taken/being taken by the Government in this regard?

Answer

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

(a) to (c): No, Madam. The Central share of premium under Rashtriya Swasthya Bima Yojana (RSBY) is released to the State Nodal Agencies only after State share is paid by them to the concerned insurance companies after verifying the enrolment data submitted by the insurance companies.

IRDA has no information about "ghost beneficiaries" to private insurance companies.

However with regard to RGSSBY Scheme (Rajiv Gandhi Shilpi Swasthya Bima Yojana), we would like to inform you that there was a news item in DNA newspaper on 02.07.2012 and 03.07.2012 about certain malpractices by the ICICI Lombard General Insurance Company Ltd. The IRDA had taken up the matter with the Company.

IRDA's official had checked the records of the insurer of a particular group of khadi weavers who were covered under RGSSBY Scheme. In this case a net premium amount along with a penal interest of 10.3% of amounting to Rs.1.03 crore was refunded by the Company to the Ministry of Textiles.

The Company had replied to us vide their letter of 04.09.2013 about the disputed schemes.

As regards, Weather Based Crop Insurance Scheme, pursuant to the letter from Ministry dt.02/04/2013 relating to a complaint from the Hon'ble M.P. Shri. Tapen Sen, alleging irregularities in insurance of Govt. Sponsored Schemes which includes "Weather Based Crop Insurance Scheme" in Sri Ganganagar District of Rajasthan, of M/s ICICI Lombard General Insurance Co. Ltd., Non Life Dept., of Authority conducted on site Inspection at the Mumbai office of M/s ICICI Lombard G.I. Co. Ltd.

The insurer investigated and found that 2093 insured persons do not exist at the address provided for insurance. The Insurance company received communication from the Joint Director, Agriculture Department, Govt. of Rajasthan seeking explanation as to why the claim has not been disbursed vide their letter dated 12/10/2010. Meanwhile, the company explained the reasons to the government for non settlement of certain claims vide their letter dated 19/10/2010. The Government called for a meeting of all the stakeholders and subsequently directed the insurance company vide letter dated 29.10.2010 to pay the claims reported under Weather Insurance policy in Sri Ganganagar District. Insurance company honored the directions of Government of Rajasthan, settled all claims along with publishing a notice in local newspaper on 17.11.2010. The company has made claim payments of 14.37 crores as against premium of Rs.6.42 crores received. The insurer has further confirmed that of all the cheques distributed on individual names of farmers, none was undelivered. The Company vide their letter dated 4.9.2013, further clarified that the amount of Rs.6.42 crores was the premium received by the Company with respect to Non loanee farmers in the district of Sri Ganganagar, in Rajasthan for Rabi season of 2009-10.

Since we are receiving complaints about this matter from various organizations, IRDA has decided to carry out a focused inspection of these issues.