STUDY TOUR REPORT NO. 9

C.P.U. NO 831

COMMITTEE ON PUBLIC UNDERTAKINGS

(2001 – 2002)

(THIRTEENTH LOK SABHA)

STUDY TOUR REPORT

ON

ORIENTAL INSURANCE COMPANY LIMITED

&

NATIONAL INSURANCE COMPANY LIMITED

Laid in the Lok Sabha on 31 JUL 2001

Laid in the Rajya Sabha on ....

LOK SABHA SECRETARIAT

NEW DELHI

July, 2001 / Sravana 1923 (S)

CONTENTS

ANNEXURES

COMPOSITION OF COMMITTEE ON PUBLIC UNDERTAKINGS (2001-2002)

CHAIRMAN

Prof. Vijay Kumar Malhotra

MEMBERS

LOK SABHA

2. Shri Prasanna Acharya
3. Shri Mani Shankar Aiyar
4. Prof. S.P.Singh Baghel
5. Shri Sudip Bandyopadhyay
6. Shri Ram Tahal Chaudhary
7. Shri Ajay Singh Chautala
8. Shri Shiv Raj Singh Chauhan
9. Shrimati Sangeeta Kumari Singh Deo
10. Shri C.K. Jaffer Sharief
11. Shri K E Krishnamurthy
12. Shri Vilas Muttemwar
13. Shri Rajiv Pratap Rudy
14. Shri Tarit Baran Topdar
15. Shri Dinesh Chandra Yadav

RAJYA SABHA

16. Shri Suresh Kalmadi
17. Shri K. Kalavenkata Rao
18. Shri Jibon Roy
19. Shri B.P.Singhal
20. Smt. Ambika Soni
21. Shri C.P.Thirunavukkarasu
22. Shri Ranjan Prasad Yadav

SECRETARIAT

1.	Shri. N. Rajagopalan Nair,	Joint Secretary
2.	Shri S. Bal Shekar,	Director
3.	Shri Raj Kumar	Under Secretary

INTRODUCTION

In pursuance of the procedure adopted under Rule 281 of the Rules of Procedure and Conduct of Business for laying the Study Tour Reports on the Tables of both the Houses of Parliament, I, Chairman, Committee on Public Undertakings have been authorised by the Committee to lay the Study Tour Report on their behalf, lay the Study Tour Report of the Committee on their discussions with the officials of Oriental Insurance Co. Ltd. & National Insurance Company.

2. The Committee held discussions with the officials at Chennai and Port Blair on 18.1.2001 and 22.1.2001 respectively. A copy of the tour programme is annexed (Annexure-III).

3. The Committee considered and approved the Report at their sitting held on 15th May, 2001.

4. The Committee wish to express their thanks to Oriental Insurance Company Ltd. and National Insurance Company for providing facilities during the visit of the Committee and for supplying necessary material and information required in connection with the Study Tour.

5. They would also like to place on record their sense of appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

New Delhi
29MAY, 2001
8 JYAISTHA, 1923(S)

PROF. VIJAY KUMAR MALHOTRA
CHAIRMAN
COMMITTEE ON PUBLIC UNDERTAKINGS

Study Tour Notes of the Committee on Public Undertakings

Discussion with the representatives of Oriental Insurance Company Limited at Chennai on 18th January, 2001.

At the outset, the Chairman, Committee on Public Undertakings made opening remarks and requested the Chairman, Oriental Insurance Co. Ltd. (OICL) to introduce himself and his colleagues to the Committee. The Chairman, COPU also requested him to give a brief on the working of the Oriental Insurance Co. Ltd.

2. After the introduction of officers, Chairman OICL informed the Committee that the Company was incorporated on 12th September, 1947. In 1956, on nationalisation of the Life Insurance business, the Company became a. subsidiary of the Life Insurance Corporation of India. In 1973, on nationalisation of General Insurance business, the Company was de-linked from LIC and it became a wholly owned subsidiary of the newly formed General Insurance Corporation of India. The Company's operations are spread throughout the country and it is functioning through 21 Regional Offices and 952 operational offices – 311 Divisional Offices and 641 Branch Offices with an office in almost every district and with foreign operations in Nepal, Kuwait and Dubai. The Company is providing over 100 different kinds of insurance covers. The break-up of the Branches in rural, semi-rural and urban areas with the number of policy holders are given below :

Area	Number of Offices	Number of Policy Holders
Rural	186	8,01,918
Semi-Rural	205	22,57,248
Urban	561	42,22,279
TOTAL	**952**	**72,81,445**

3. The Committee were informed that the Company's manpower strengtl on 31st March, 2000 was 20171 (Class I officers-3855, Class II Developn Officers-3024 and other staff-13292). It was also informed that as per Memorandum and Articles of Association of the Company, the Board of Direc shall consist of not less than 4 and not more than 11 Directors. There wer Directors on the Board and 2 posts had been lying vacant since May September, 2000 respectively.

4. The Committee were informed that the financial performance of Company during the years 1997-98 to 1999-2000 was as under :

(Rs. In crores)

Financial Year	Net Premium	Profit (Before Tax)
1997-98	1235.84	183.88
1998-99	1423.74	67.09
1999-2000	1632.03	80.80

Giving the reasons for decline in profits during 1998-99 and 1999-200(compared to 1997-98, the Committee have been informed that during the y

1998-99, the provisioning for motor Third Party claims accounting was revised in view of the audit qualifications in the previous year. The net incurred claim has gone up to 86.6% in the year 1998-99. The severe cyclone on the western sector (Gujarat Cyclone) had created a major impact of losses to the extent of Rs. 368.25 crores (gross) and net Rs.82.42 crores. Also, with the expectation of wage revision increase w.e.f. 1.8.1997, a provision of Rs. 20 crores, adhoc was made. In the year 1999-2000, the net claims ratio had come down to 81.6% with the impact of eastern cyclone (Orissa). The gross losses due to the Orissa Cyclone is Rs. 166.50 crores. At the same time, the revision of pay scales for all employees was notified and a total provision of Rs. 89.50 crores was made. The operating expenses with the impact of revision of pay scales had gone up from 24.6% to 30.3% on net premium.

Besides, the insurance industry's Third Party (TP) has been continuously having losses in motor portfolio. The motor T.P. losses have been staggering. The premium of motor TP was slightly revised in 1997-98 and not alowed to be revised subsequently by the various transport associations and the IRDA. The Courts have been liberal in granting the liablities (unlimited). In fact there are so many intermediaries operating in the legal field and the full benefit does not reach the beneficiaries in the event of death/injury claims. Unless the motor TP premium is allowed to be revised, there is no possibility of overcoming the situation.

5. As regards the financial performance of foreign branches of the company, it was informed to the Committee that premium and profit/loss position during the last 3 years viz from 1997-98 to 1999-2000 were as under :

NEPAL
Currency IRS 000

YEAR	PREMIUM	NET PROFIT(+)/ Loss(-)	% AGE TO PREMIUM
1999-2000	87952	19925	22.65
1998-1999	68899	(-) 24967	(-) 36.24
1997-98	52623	12469	23.70

DUBAI
Currency IRS 000

YEAR	PREMIUM	NET PROFIT(+)/ Loss(-)	% AGE TO PREMIUM
1999-2000	143029	(-)26375	(-)18.44
1998-1999	126551	27182	21.48
1997-98	106243	5519	5.19

KUWAIT
Currency IRS 000

YEAR	PREMIUM	NET PROFIT(+)/ Loss(-)	% AGE TO PREMIUM
1999-2000	204283	(-) 81220	(-) 37.76
1998-1999	203225	(-) 117050	(-) 57.60
1997-98	182399	(-) 98052	(-) 53.76

6. It was also informed to the Committee that the following Rural Insurance Schemes are in operation :

1. Cattle and Livestock Insurance
2. Gramin Accident and Janta Personal Accident Insurance
3. Kissan Package Insurance Policy
4. Plantation/Horticulture Insurance
5. Rajrajeshwari & Mahila Kalyan Bima Policy
6. Bhagyashree child welfare policy
7. Agriculture Pump Set Insurance Policy

The class-wise achievements made in the Rural Insurance Business from 1995-96 to 1999-2000 is given below :

Year	Target (Rs.in lacs)	Prem. completion	Cattle	JPA/GPA	AGPS	Poultry/ others
1995-96	3,032	2,710.77	2,162.91	285.12	141.66	121.08
1996-97	3,300	4,078.75	2,400	733.76	148.45	796.54
1997-98	4,863	6,680.35	2,888.65	1,906.1	214.62	1,892.08
1998-99	6,154	9,806.87	3,080.1	3,651.05	204.68	2,870.98
1999-2000	11,695	8,637.21	3,101.32	1,392.43	268.35	3,874.11

7. The Committee were informed that the Company introduced the following new products/schemes during the last three years :

1. Awasiya Rin Bima Kavach
2. Office Umbrella Policy
3. Cellular phone network policy covering mobile phones network
4. Directors and Officers liability
5. Stock Brokers Indemnity Insurance
6. Advance Loss of Profit (ALOP)/Delayed Startup (DSU) with Marine-cum-Erection/Contractor All Risk Insurance Policy.

It has been decided by the company to introduce the following new/amended versions of the existing products :

1. Nagrik Suraksha Bima Kavach :

   Coverage : Personal Accident (JPA Cover) plus Accidental Hospitalisation.

2. Apna Ghar Bima Policy (Household Insurance on First Loss Basis)

   Coverage :

   a) Building and Contents against Fire Policy
   b) Contents against Burglary, Theft and Larceny
   c) Machinery Breakdown as per Engineering Tariff
   d) Baggage (Standard Cover)
   e) Personal Accident (Standard Cover)
   f) Public Liability

3. Trader All Risk Policy (Revised Shopkeeper Policy)

   Coverage :

   a. Building and Contents against Fire Cover
   b. Money (Standard Cover)

c. Fidelity Guarantee

d. Fixed Glass and Sanitary Fittings

e. Electronic Equipments

f. Electrical/Mechanical Breakdown

g. Deterioration of Refrigerated Stock

h. Personal Accident

i. Baggage

j. Public Liability

k. Goods in Transit

8. About the Health Care product, the Committee were informed that a proposal which was placed by the GIC to its Board and Ministry of Finance, Govt. of India, for forming a Management Services Company to deal with a Managed Health Care product in India, as distinct from the present mediclaim product issued on indemnity basis, had received "in principle" approval. The proposal was based on the recommendations of a Management Consultant Firm M/s KPMG who were engaged by GIC. However, with the notification of GIC being the National Reinsurer and its virtual de-linking from the Companies, it is understood that the initiative will have to be taken by each individual Company. The proposed Managed Health Care product/services aim to achieve integration of insurance/medical service providers and the customers. As far as the customer is concerned, he will be able to avail hospitalisation services at any of the net-working hospitals without prepayment or deposit. The hospitals will directly interface with the insurance company and save the customer the waiting period as

well as the procedural formalities. Certain value-added services are also likely to be added and the entire operation would be aimed at achieving a managed care environment with proper cost control.

It is understood that the final report of KPMG is yet to be received by GIC but in the meantime they have evaluated some Third Party Administrators (TPAs), who would be capable to service the products on behalf of the insurers for successful implementation. It is now felt that each Company will have to take the initiative of launching this product in the Indian Market. Recently, the IRDA has taken a meeting of the TPAs throughout India with a view to understand the relevant issues involved in their working and also to enable them to prepare suitable regulations for the market.

9. About the insurance schemes for weaker sections, the Committee were informed that the Government of India had introduced Social Security for weaker sections of the society known as PASS & HUT. The entire amount of premium is paid by the Central Government and the scheme is being managed by the flag insurance company in their respective areas.

Personal Accident Social Security Scheme (PASS) is aimed at providing compensation of Rs. 3000/- to the family of the deceased earning members where the combined annual income of the family is Rs. 7200/-. Under HUT Insurance Scheme, a compensation of Rs. 1500/- (Rs.1000/- for destruction of hut by fire + Rs. 500/- for loss of contents) is being made to the affected family whose combined annual income is Rs. 4800/-. These schemes have been discontinued with effect from 1st November, 2000 as per directives of the Government of India throughout the country.

10. The Committee have been informed that the Company has laid down a comprehensive procedure for settlement of various types of claims. The existing procedure for settlement of claims is substantially satisfactory. However, to meet the challenge of competition from private players and also keeping in view the growing expectations of the customers, the company is considering re-engineering of the claim settlement process by reducing the levels and higher empowerment to the dealing officers. The number of claims preferred, settled and pending from 1997-98 to 1999-2000 are given below :

Year	Number of claims				Settlement Ratio (%)
	O/s as on 1st April	Reported during the year	Settled during the year	O/s as on 31st March	
1997-98	2,06,162	4,24,380	3,92,959	2,37,583	62.32
1998-99	2,97,583	5,65,718	6,63,974	2,49,327	68.96
1999-2000	2,49,327	4,77,542	4,66,163	2,60,706	64.13

The Committee were also informed that the following customer services are provided to the policy-holders :

1. 150 different types of covers available to the Insuring Public.
2. Need based and tailor-made insurance policies to suit specific requirements.
3. Customer Seminars/Workshops

4. Timely Issuance of Insurance Documents;

5. Prompt and efficient settlement of Claims;

6. "MAY I HELP YOU" Counter for better services to Customers

7. Grievances Redressal Mechanism at Dos, Ros and HO

8. In-house Surveyors for fast Survey jobs

9. Team of qualified Engineers for Risk Management and better technical assistance

10. Product specific media campaigns for better awareness.

The status of grievences during the last three years i.e. from 1997-98 to 1999-2000 is given below :

Financial Year	Number of Grievances o/s at the beginning of the years	Number of Grievances during the year		Number of grievances o/s at the end of the year	Redressal Ratio (%)
		Reported	Disposed		
1997-98	313	1836	1909	240	88.83%
1998-99	240	1882	1926	196	90.76%
1999-2000	196	1870	1899	167	91.92%

12. When asked whether it is not worthwhile to combine all the four non-life public sector insurance companies in order compete with the private sector/foreign players, the Committee have been informed that the issue of organisational restructuring was first taken up at the GIC's Board Meeting on 23.06.1999. A sub-committee of the Board, comprising of six directors was

constituted to look into the issue. As per the report submitted by the Board Sub-Committee (otherwise known as the Poddar Committee Report), it was felt that the disadvantages outweighed the advantages as :

i) the very nature and dimension of any integration programme would be so enormous and attendant problems so numerous that the companies would be involved more in the integration issues rather in planning and implementing necessary strategic measures to meet the competition.

ii) the public sector companies would be able to meet the challenges of competition squarely keeping in view their size and volume, their manpower reserves as well as technical expertise and competence backed by adequate capital strength.

13. When asked about the impact of privatisation in Insurance Sector on the Public Sector Insurance Companies, the Committee have been informed that the Insurance Market in India is quite potential. The entry of Private Sector Companies would put the Public Sector Companies to serious test in expanding the market and tapping hither-to-fore untapped areas. As a result, the size of the market is expected to grow substantially. It is apprehended that there may be some erosion in the existing business volume but that would be more than compensated by tapping new lines of Insurance especially personal lines products with adequate infrastructure and manpower support which the Public Sector Companies have. Oriental is having large organised business through its field force and they propose to revamp their marketing force and diversify their

activities through empowerment, multiplying delivery outlets and customising existing products to develop a sound personal lines business segment. Professionalisation of marketing force and offering quality services including prompt claims services would act as business promotion. The Company has taken some Initiatives to face the competition in a positive manner.

14. When enquired whether it would not be prudent if the private sector is also compulsorily required to cover Rural/Social sectors in order to create an even playing field, the company informed that as per IRDA (Obligations of Insurers to Rural or Social Sectors) Regulations, 2000, the private sector players entering the non-life insurance market would be obliged to meet the following criteria in relation to their overall premium income during the first five financial years :

a) Rural sector

  i) 2% in the first financial year;

  ii) 3% in the second financial year;

  iii) 5% thereafter.

b) Social Sector :

  i) 5000 lives in the first financial year;

  ii) 7500 lives in the second financial year;

  iii) 10000 lives in the third financial year;

  iv) 15000 lives in the fourth financial year;

  v) 20000 lives in the fifth year.

In case of non-compliance of the Regulations, the Authority has not spelt out the criteria of punishment.

15. To a query about settlement of claims of vehicle theft cases, it was pointed out that the Insurance Company is giving the market value of the vehicle to the claimant and not the insured value of the vehicle. When asked for its justification, the company informed that the insurance policies are based on the principle of Indemnity, meaning that the insured is to be put back in the same position as he was prior to the loss. He should neither stand to lose nor gain anything out of a loss/claim for damages. The motor losses are accordingly settled after taking into account, the depreciation, salvage value, policy deductibles and the liability being limited to the amount of loss suffered by the claimant subject to the maximum liability of the company being the sum insured. In total loss/theft claims, the claim is settled on the basis of the market value of the vehicle at the time of loss or the sum insured, whichever is less. The market value is also determined based on the maintenance and condition of the vehicle immediately preceding the loss. This is fair and equitable to the insured.

16. When asked why Rural Insurance Business has not been encouraged, the Committee have been informed that in 1995-96, the premium completion for rural insurance business was Rs.27.10 crores and in 1999-2000 Rs.88.37 crores indicating a three fold increase in the rural insurance business portfolio in a span of just four years, as against the average growth of 12% approximately for the overall premium income. This clearly shows that the focus in the last few years has been largely on rural insurance products. In addition to the existing schemes, new products are likely to be introduced specifically aimed at the rural and social sector markets.

17. When asked about the recommendations of Malhotra Committee which have not been implemented the Committee have been informed that the following recommendations of the Malhotra Committee have still not been implemented :

1. A system of appointment of supervisory agents for rural areas
2. The minimum limit of Rs. 20,000/- upward of which every claim is required to be surveyed by professional surveyors, has not been raised to Rs. 1,00,000/- as was recommended.
3. Disinvestment of government holding by 50% in the share capital, with the shares being offered to the public at large including employees of the public sector insurance company has not been implemented, consequent to which the company continue to remain under the supervisions of the Central Vigilance Commission (CVC) and Comptroller and Auditor General of India

18. When asked why there has been successive underwriting losses every year for the last 10 years, the Company intimated that the underwriting losses in the company have been predominantly due to the enormous outgo on account of losses in the Motor Third Party portfolio for which they are under a legal obligation to grant cover as per the Motor Vehicles Act. The introduction of mega risk covers and the substantial reduction in premium rates across the Board have also resulted in contributing to the underwriting losses. However, the investment income has consistently made up for the underwriting losses for the last several years, in conformity with the trend existing worldwide.

19. On the question of investments made in different areas, the Committee were informed that the investments made by the Company during the last five years from 1996 to 2000 were as follows :

(Rs. In Crores)

Sl.	Type of investments	1995-96	1996-97	1997-98	1998-99	1999-00
a)	Central Government Sector	301.19	394.84	467.91	528.66	610.37
b)	State Government Securities/Other Approved Securities/ Bonds/debentures of Public Sector Undertakings	235.11	324.39	393.19	476.84	616.62
c)	Loan to HUDCO/ State Governments for Housing & Fire Fighting Equipment	127.12	129.93	161.15	184.96	234.14
d)	Debentures	182.58	223.38	250.21	268.72	323.99
e)	Preference Shares	22.09	26.16	38.04	47.31	45.87
f)	Equity Shares	345.18	379.05	417.68	482.16	587.69
g)	PSU Equity	58.55	59.26	61.69	81.59	93.07
h)	Term Loans	91.56	103.40	152.94	183.50	168.46
i)	Special Deposit		315.50	301.50	265.50	266.50
j)	Other Investment	530.70	211.68	239.08	243.32	312.89
k)	Total Investment	1894.07	2169.59	2503.39	2802.61	3259.60

The investment were made as per the guidelines laid down by the GIC.

20. When asked what steps are being taken to meet competition from the new players having their business in the urban areas, the Committee have been informed that the Oriental Insurance Co Ltd. have a strong presence in urban

areas. The organisational network consisting of 952 Divisional / Branch Offices spread throughout the country, with an office in almost every district. This clearly projects the inherent organisational strength, and resilience to competition from private players.

21. When asked whether any training programmes have been enforced / proposed to be introduced, to make employees more customer sensitive, the Company informed that the organisation has 11 IRDA accredited training centres and 4 more likely to meet IRDA approval. Training has always been a part of the ongoing activity. A few of these training programmes are now being focused on subjects related to behavioural science with a view to sensitise the employees to customer expectations.

22. It was pointed out that there appears to be a regular racket in motor claims with the same loss being paid more than once. When asked whether there is any machinery in place to identify such wrong-doings and to bring the culprits to book, the Committee have been informed that in the present system there is no possibility of the claim being paid twice. However, if the insured takes a policy with different insurers and skilfully manipulates the information, every insurer would process the claim as per the policy issued by him.

Study Tour Notes of the Committee on Public Undertakings

Discussion with the representatives of National Insurance Company Limited at Calcutta on 22nd January, 2001.

At the outset, the Chairman, COPU made opening remarks and welcomed Director & General Manager, Joint In-charge National Insurance Co. Ltd., (NICL) and requested him to introduce himself and his colleagues to the Committee. The Chairman, COPU also requested the Director & GM, Joint In-charge to give a brief account of the working of NICL.

2. After the introduction of officers of NICL the Director & GM, Joint In-charge informed the Committee that the Company 'National' was incorporated in 1906. After nationalisation in 1973, the Company was formed by amalgamating 21 foreign and 11 Indian Insurance Companies. The Company offers a product range of 180 policies which covers more than 78 lakhs policy holders. As on 1st April, 2000, the Company was having 20 Regional Offices, 271 Divisional Offices (Urban - 153, Semi-rural –88 and Rural-30), 665 Branch Offices(Urban - 185 Semi-rural- 117 and Rural-363) and 2 foreign offices respectively. The manpower strength of the Company was 19, 874(Class I-3678, Class II-2860, Class III-10043 and Class IV-3293) as on 1st April, 2000. The Company is the market leader in the Northern and Eastern Regions for the last several years and the market share in these regions is about 60%. Amongst the four PSU insurance companies, National Insurance Co. Ltd., was having All India market Share -GDPI to the tune of

20.93%, 21.10% and 21.15% during 1998-99, 1999-2000 and 2000-2001(upto November,2000) respectively.

3. About the financial position, it was informed to the Committee that the Gross Direct Premium Income (GDPI) were Rs. 1207.22 crores, Rs.1456.45 cores, Rs. 1636.54 crores, Rs. 1853.53 crores and Rs. 2042.11 crores during the years 1995-96, 1996-97, 1997-98, 1998-99 and 1999-2000 respectively. The Profit (after Tax) during these years were Rs. 126 cores, Rs. 82 crores, Rs. 1'48 crores, Rs. 80 crores and Rs. 96 crores respectively. The investments made by the Company during each of the last five years i.e. from 1995-96 to 1999-2000 were Rs. 1711.92 crores, Rs. 2028.93 cores, Rs.2376.20 crores, Rs 2669.65 crores and Rs. 3002.38 crores respectively.

4. Regarding the performance of Hong Kong and Nepal foreign offices, the Committee were informed that during the years 1998-99 and 1999-2000, the Net premium and Profit/Loss were as follows:

(Rs. In Crores)

	1998-99		1999-2000	
	Hong Kong	Nepal	Hong Kong	Nepal
Net Premium	23.61	5.80	37.78	8.28
Profit(+)/Loss(-)	(-) 5.48	1.03	(-) 0.85	1.56

5. As regards the insurance schemes for the weaker section <u>viz.</u> Personal Accident Insurance Social Security (PA SS) and Hut Insurance

Scheme, the Committee were informed that under the PAISS Scheme the maximum amount of compensation is Rs. 3000/- and the application for compensation should be made within the period of 180 days from the date of accident The Hut Insurance Scheme is applicable only for Rural Areas and the amount of compensation payable under the said scheme is Rs. 1000/- for HUT and Rs. 500/- for belongings. The application of Compensation should be made within the period of 180 days from the date of accident.

The number of claims preferred, settled and pending under PAISS and HUT Schemes during the last three years i.e. from 197-98 to 1999-2000 were as follows:

	No. of Claims preferred	No. of claims settled	No. of Claims Pending
PAISS			
1997-97	3347	3138	1627
1998-99	2250	3224	953
1999-2000	2281	2904	330
HUT INSURANCE			
1997-97	31799	33692	6704
1998-99	23006	25288	4422
1999-2000	11289	14378	1333

Both the schemes have been withdrawn by the Central Government with effect from 1st November, 2000.

6. The Company also informed that as many as 35 Rural Insurance Schemes (Annexure 'I') in operation The achievements made by the

Company under the Rural Insurance Schemes during each of the last 5 years from 1995-96 to 1999-2000 are given in Annexure 'II'.

7. It was also informed to the Committee that the Company had introduced the following new products/schemes during the last three years:

(A) <u>Under Miscellaneous Insurance:</u>

1. Amartya Siksha Yojana
2. Traffic Accident
3. Niwas Yojana
4. Critical Illness
5. Extended Warranty Insurance
6. Office Package
7. NRI Accident
8. Directors ' & Officers' Liability
9. Traveling Executives
10. Pager / Cellular Telephone

B <u>Under Rural Insurance:</u>

1. Honeybee Insurance Scheme
2. Fresh Water Prawn Insurance Scheme
3. Muga Silk Worm Insurance Scheme
4. Quail Insurance Scheme
5. Coconut Plantation Insurance Scheme
6. Gladiolus Plants Insurance Scheme
7. Mushroom Insurance Scheme

8. Grapes Plantation Insurance Scheme

9. Gooseberry Plantation Insurance Scheme

Besides, the Company proposed to implement new products/schemes and also to make some modifications in the existing schemes with a view to attract prospective customers.

6. With regard to settlement of Claims, the Company informed to the Committee that the existing procedure for settlement of claims is satisfactory, since almost 75% of the claims reported are settled annually. In order to hasten the process of settlement of claims, the erstwhile Claims Management Guide which set out the procedures, have been further simplified to take objective and prompt decision. Moreover, the Financial Authority limits have been increased substantially from 1st February, 2001. Detailed instructions have been communicated to all the offices for expediting collection of documents from the Insured/third Parties/External Agencies, which form the prime cause for the delay in settlement of claims. Whenever it is thought necessary, task forces are created at HO/RO level and also special drives are undertaken by declaring "Arrears Clearance Months" to clear backlog.

The number of claims preferred, settled and pending during the last 3 years i.e. from 1997-98 to 1999-2000 is given below.

	Pending at beginning of the year	Preferred during the year	Settled during the year.	Pending at the end of the year	Settlement (%)
1997-1998	1,81,722	5,42,774	5,24,821	1,88,876	72%
1998-1999	1,88,876	5,60,231	5,34,700	2,15,406	71%
1999-2000	2,15,406	5,30,978	5,46,025	2,00,539	73%

9. About the Customer Services, it was informed to the Company that the following customer services are provided to the policy holders:

i) To acquaint customers with Product profile through advertisement/customer manual at low price. computerisation website.

ii) At the time of taking out the policy:

- Providing the proposal form to know about the nature of the risks.
- Accept the premium.
- Issue cover notes immediately on spot (certain insurances)

  OR provide policy at the earliest

- Issue the money receipt.

iii)

- Refund of premium
- Name transfer.
- Issuance of renewal notice.
- Adjustment of premium.

iv) Claims:

- Issuance of claim form.
- Appointment of spot surveyor /surveyor /investigator.
- In-house survey of claims upto Rs. 20,000/- to contain the delay.
- Processing of claim file within 30 or 60 days from the date of submission of required documents as the case may be.
- Making available to customer on request the status of the claim within 7 days.

v) Rendering a customer service by holding customer seminars both in urban & rural sector to create product awareness.

vi) Holding of Zonal Advisory Committee Meeting at four metro cities to interact with the customer to get feedback on insurance service.

vii) Customer Information Centre operational at all offices to cater customer queries.

viii) Effective Grievance Machinery under the supervision of Nodal Officer throughout the country for redressal of customer grievance.

ix) Training of marketing force to provide quality customer service.

x) For better customer service frequent interaction with corporate clients in different Insurance matters.

The level of Customer satisfaction during the years 1998-99 & 1999-2000 is given below:

	1998-99	1999-2000
Documentation	97%	98%
Claim Settlement	71%	73%
Grievance Redressal	82%	84%

10. Expressing the views on the question of merger of four general insurance PSUs, the Committee have been informed that this is for the owners i.e. Central government to consider and decide. However, the Company has adequate infrastructure and organisational base in terms of Offices, technically equipped and skilled manpower, effective delivery system etc. coupled with satisfactory financial fundamentals to take on the emerging competitive environment in General Insurance Industry on its own. With immense potentiality – technical, human and conceptual, it is hoped that Company can occupy a strong position in the Indian market. For the

present the status – quo may be continued. This may be reviewed in the light of subsequent performance.

11 About the effect of entry of private sector in the insurance sector, the Committee have been informed that privatisation of Insurance Sector will no doubt affect, to some extent Company's existing business, especially which are in the nature of Block Business. Is not possible to identify the extent of such attrition at the moment. However, it may not be high, since Company's major portfolio is retail/market business.

12. To a query about unlimited liability under Third party Claim the Committee have been informed that currently the Motor Vehicles Act provides for unlimited liability under Motor Third Party Claim. At GIC's initiative, the matter for rationalisation of the statutory provision has already been taken up with the Ministry of Surface Transport (MOST). Comparative study of various other Act provisions requiring payment of compensation in the event of death/injury to passengers carried by Railways/Waterways/Airways has also been given to MOST to make out a stronger case for amendments in the MV Act to do away with unlimited liability. On the other hand suitable increase in the Tariff provision was not allowed in the wake of public interest litigations.

13. Asked about the steps taken to simplify the procedure for settlement of claims, the Committee have been apprised that the efforts for simplifying an effective procedure for expeditious settlement of claims are being taken on a continuous basis. Recently Company's Board has approved

enhancement of Financial Authority to ROs/DOs/BOs to facilitate quicker disposal of claims on one hand and increase accountability on the other. The internal claim processing guidelines followed by the four Companies have also been simplified considerably in the recent revision.

14. Asked to state the reasons for discontinuance of PASS & HUT Schemes, the Committee have been informed that these schemes have been discontinued by Central Government w.e.f. 01.11.2000. The Company had no other option but to carry out the decision of Central Government. So far, no new Schemes have been introduced by Central Government in general Insurance Sector replacing the PASS & HUT Schemes. Though these Social Schemes were introduced by Central Government in consultation with GIC, they were withdrawn without reference to the Company.

15. On the question of Rural Insurance Business, the Committee have been infomed that the Company have devised a number of Rural Insurance Schemes at a low premium with the prime object of catering to the insurance needs of the poor sections of the society and provide financial cover for their small income generating assets on which their livelihood depends. Development of sufficient number of rural marketing force is difficult in view of the following:

i) Premium Income generated by selling rural product is meagre.

ii) Cost of procurement of Rural business for us is high.

iii) Affordability of insurance premium amongst rural people is very limited due to their very limited economic status.

There are numerous schemes to cover cattle, calf, foetus, sheep & goat, pig, horse, elephant, camel, poultry etc. Some schemes are governed by Market Agreement and others Schemes are devised by the Company. The Company also devise from time to time new schemes for animal insurance to cater to the needs of the clients e.g. Sea Lion Insurance Scheme, Ornamental Fish Insurance Scheme, Sweet Water Prawn Insurance Schemes, Quail (Bird) Insurance Scheme, etc.

16. When asked whether any Comparative study of the Company vis-à-vis foreign Companies, in terms of scale of operation, has been made, the Committee have been intimated that there are innumerable Non-life Insurance Companies operating in various countries of the World of which there would be a large number whose operational size could be smaller than that of National Insurance Company. Either they would have given to operate recently and/or are niche players confining their operation to a particular branch of Insurance and/or restricted in their operations in a particular area of a Country/Region. As regards Foreign Companies who are about to commence operation in India in Joint Venture with local partners, in view of their limited capitalisation to start with and the absence of any reserve at the moment, they will have to be limited in their operation very considerably and will not be comparable to our operation for quite sometime to come. However, they will be expected to accumulate reserves over the

years and may eventually find themselves stronger to enlarge their scales of operations.

17. It was pointed out that the Company's premium income growth rate though higher than the Industry average, it has shown a declining trend in the recent past. When asked about the reasons, the Committee have been informed that the growth in premium income is closely linked to the prevailing macro economic scenario. It may be noted that for the last decade starting from 1991 till 1999-2000, the Company has registered a Compounded Annual Growth Rate (CAGR) of 15% in premium income. The growth rate peaked in 1995-1996 when the Company registered 26% growth rate. But since then the growth rate has shown a declining trend. It is to be noted that during the last couple of years the economy grew at a sluggish pace accompanied by an industrial recession. In fact, during 1998-99, the industrial growth rate hit an all time low of 3.8%, and during 1999-2000, the agriculture sector registered a negative growth rate, and savings/investment rates had also fallen. All this, coupled with weak domestic demand, contributed in some measure to the declining growth rate in premium income especially during the previous two performance years.

18. The Expenses of Management of the Company and its percentage ratio to direct premium for the year 1999-2000 was Rs. 500.87 crores and 25.13% respectively as against Rs.454.96 crores and 24.98% in the previous year. Asked to state the reasons for increase in the expenses ratio in the year 1999-2000, the Committee were informed that it was mainly due to the

making of provisions in the accounts in respect of arrears of salary, pension, leave encashment, productivity linked lumpsum incentive payment etc. Had these provisions not been made, the ratio of Expenses of Management would be 21.51% of Indian Gross Premium.

The Expenses of Management ratio of Regional Offices as on 30.9.2000 stands at 24.46%, which includes the amount paid for arrears of salaries. The amount of Rs.67 crores which was provided at Head Office in earlier years towards payment of arrears Salaries has been reversed in the half-yearly accounts of the current financial year. The expenses ratio after such adjustments would be 20.72% as compared to 21.29% for the corresponding period of the previous financial year. Major portion of Management Expenses is on account of committed expenses like Salary etc. Recently, provision was also made for arrears on Salary which inflated the expenses further.

As regards comparative Management Expenses vis-à-vis private players, it is to be noted they have not yet started their operations and it is difficult to make any assessment. In any case, by virtue of their being in the private sector their operations are expected to be leaner and hence less costly.

18. Asked to state the reasons for decline in percentage of investment growth, the Company informed that Investment growth declined from 1995-96 to 1999-2000. Referring to working results of the Company it may be observed that underwriting results ; i.e. insurance business results)

consistently declined over these years. During the period the country experienced varying degree of devastation due to natural calamity. As a result, accretion of fund from insurance business was negative. Rather, in some cases fund generated in the Investment Department had to be diverted for meeting the Company's insurance obligation.

20. On the question of Market Investment, the Company intimated that the investments are divided into two classes: (a) Priority sector i.e. monetary investments which is statutory obligation. (b) Market Sector investment means any investment other than priority sector investment comprising of investment in corporate sector in the form of equity/preference shares/debentures/term loan, commercial paper and other short term loan. The money market investment in the form of call money deposits, fixed deposits, certificate of deposits and certificate deposits with the Banks are also considered as market sector investment.

21. As regards financial assistance to the States, the Committee have been apprised that the investments are widely varied. The investment includes both priority sector and corporate sector investments. As such, investment in industrially advanced States in the form of market sector investment is substantially higher than the States which are industrially backward. The industrially backward States are, however, getting priority for financial assistance as per Government's guidelines in the form of Government Securities. Further it has been observed that in the last 3 years some of the States namely Arunachal Pradesh, Assam, Meghalaya, Sikkim,

Tripura and U.P. had not lifted the loans for housing of weaker section of Society.

22. About the criteria for choosing the States for financial assistance, the Company informed that the loans to State Governments are mainly for (a) loans for housing of weaker section of society and purchase of fire-fighting equipments and (b) subscription to State Government. The housing allocations are made by Planning Commission in Joint Consultation with the Ministry of Finance and Ministry of Urban Development and the loans to State Government for purchase of fire fighting equipments are also allocated by the Ministry of Finance. Subscription to the State Governments are guided by the prescribed norms. The total allocations absorbed 10% of the total accretion and it is distributed amongst the State in the manner given below:

The States are classified in three classes as detailed below:

(a) States with a per capita income of Rs.10,000/- and above will absorb 15% of the total investment in the State Government Securities.

(b) States with a per capita income of Rs. 6,000/- but less than Rs. 10,000/- will absorb 25% of the total investment in the State Government Securities.

(c) States with a per capita income below Rs. 6,000/- will absorb 60% of the total investment in State Government Securities.

In the above three categories allocation will be apportioned according to the issue size of the State. Thus it may be observed that at the time of subscription to the State Government Securities, State belonging to the category 'C' are given more emphasis.

23. To a question about performance of the Company in the North-East region, the Committee have been informed that the operations in the North-East part of the country has not been showing an encouraging trend due to adverse economic and geographical situation in the area. Steps contemplated for improving operations in the sector could be through redeployment of manpower and through appropriate incentive scheme to motivate people posted in the area after due consultation with Government

24. Asked about the Plan to invade foreign market, the Committee have been informed that the scales and spread of operation affords Insurers strength to write more insurance business. The Company too aspire to expand and take operations beyond the borders of India and, in the first instance, would like to explore the potentiality of expansion in the markets near at hand i.e. first in the immediately neighbouring SAARC Countries and then endeavour to widen the sphere of influence and activity to Far-East, Middle-East and East Africa

The Company is presently having business in Nepal and Hong Kong through its Branch Offices in these two centres. While Nepal operations are already viable, the results of Hong Kong operations and not extremely satisfactory. However, it is deemed necessary to continue its presence in Hong Kong to keep alive the existing operational licence, which may be difficult to obtain once relinquished It is also necessary to use this base as a spring board for attempting entry into other potential markets nearby. Incidentally, some endeavours have already been made to control operations in Hong Kong and the immediate results justify the hope of turning the corner soon.

When asked about the reasons as to why the Hong Kong Branch of the Company has been showing poor performance, the Committee have been apprised that Hong Kong operations is showing adverse results due to non-availability of quality business caused by the predominance of chinese dominated financial institutions who have their own insurance companies. To compound further, the rate of brokerage/commission is high and the unusual long credit terms available for paying outstanding premium. Liability business are judicial-system driven and are always claim prone. However, expenses of management are very low. Efforts are on to turn around the Branch.

25. On the question of operation of private sector Insurance Companies, the Committee have been informed that while the initial scale of operation for the private Sector Insurance Companies will necessarily prevent them from reaching more number of potential Insurers and wider geographical circles in the Country, by the very nature of their incorporation and holdings, they will be perceived to be more flexible in taking decisions as they will not be subject to the usual scrutiny of bodies like CVC , CAG, etc. It is also possible that the foreign component of the JVs in the Private Sector Insurance Companies may bring to bear on their operation some of their

foreign operational expertise and experience; but this aspect is not likely to be of any particular difference from the operational expertise that the Public Sector Insurance Companies in the Country already possess. The challenges for the Public Sector Insurance Companies are obviously those of the incumbent market share holders vis-à-vis new entrants whose track record have not given an opportunity of critically negative to cite. The Public Sector Companies are, additionally, burdened with social responsibilities by virtue of provisions in their incorporation as enshrined in the objectives of their nationalisation in 1972-73. In this juncture of opening up of the market, the Public Sector Insurance Companies are also retaining a far larger manpower strength than the Private Sector Companies are likely to have at any juncture and this is bound to reflect on the additional expenses of the PSB. However, the number of employees can also be effectively and productively redeployed and utilised to counter to certain extent this constraint.

26. It was pointed out that in vehicle theft cases, the Insurance Company is giving the market value of the vehicle to the claimant and not the insured value of the vehicle. When asked for the justification in giveing the market value to the Claimant, the Company informed that the contract of the insurance is based on the principle of indemnity whereby the Insured is placed in the same pecuniary position as he was before the loss. Market Value of the vehicle is, therefore, used as the basis for providing such indemnity. In other words has there been no loss and if the Insured had sold

the vehicle on the particular date, the amount that he would have received, i.e. Market Value, is given as the compensation under the Insurance policy. Hence, by this practice, the customer will neither make a profit from the accident nor will he be at a loss. This is a practice which is widely followed even in the international Market.

OBSERVATIONS OF THE COMMITTEE.

MERGER OF ALL SUBSIDIARIES WITH GIC

1. The Committee note that initially when the insurance industry was nationalised, four subsidiaries of GIC were formed to provide the insuring public the benefits of competition. But with the entry of private and foreign companies into the Indian insurance market, the Committee feel that there is no need to have four different subsidiaries to provide competition, as this would be readily forthcoming from the private sector. The need of the hour is to have one merged entity which would greatly reduce management expenses and also simultaneously enhance Per Capita Premium Productivity and Reserve Position of the merged entity. Such an arrangement would help reap the advantages of economy of scale and financial synergy. The Committee, therefore, recommend that the government should merge all the four subsidiaries of the General Insurance Corporation with the main GIC and also create a separate new corporation for the purpose of carrying on the business of re-insurance.

INSURANCE SCHEMES FOR THE WEAKER SECTIONS

2. The Committee note that the Social Security Scheme for the weaker sections of the society known as Personal Accident Social Security (PASS)- providing a compensation of Rs. 3000/- to the family of deceased and HUT Insurance Scheme- providing a compensation of Rs. 1500/- to the affected family, introduced by the Central Government have been discontinued with effect from 1st November, 2000 without assigning any reasons. The Committee have been informed that no new schemes have been introduced by the Central Government in the General Insurance sector replacing PASS and HUT Schemes. They, therefore, desire that the Government should either continue these schemes or introduce new schemes in its place to provide adequate amount of compensation to the weaker sections of the society.

RURAL INSURANCE BUSINESS

3 The Committee note that the extent of coverage under Rural Insurance Business sector by of the general insurance companies is not satisfactory.. The Committee urge upon the public sector general insurance companies to take concrete steps to develop the Rural Insurance Business by giving due publicity and by launching public awareness campaigns in the rural areas. about the rural insurance schemes. They also desire that the Government should take action to implement the recommendation of Malhotra Committee regarding appointment of supervisory agents for rural areas for development of rural insurance business.

HEALTH CARE PRODUCT

4. The Committee note that Managed Health Care products/services aimed at achieving integration of insurance services and medical service providers and customers are proposed to be offered to the insuring public so that the insured would be able to avail hospitalisation services at any of the net-working hospitals without prepayment or deposit. In this regard, the IRDA has taken a meeting of Thirty Party Administrators to enable them prepare suitable regulations for the market. The Committee recommend that work relating to this product should be expedited so that it is launched at an early date

THIRD PARTY MOTOR CLAIM/PREMIUM

5. The Committee find that unlimited liability under the Motor Third Party Claim and 'Motor Third Party Premium are some of the factors responsible for the decline in profits of the public sector general insurance companies. The Committee have been informed that the matter for rationalisation of the statutory provision in the Motor Vehicles Act has been taken up with the Ministry of Surface Transport(MOST) by the General Insurance Corporation of India (GIC). The Committee recommend that the Government should take a quick decision in the matter and bring an appropriate amendment to the Motor Vehicles Act. They also desire that the question of revision of premium with reference to Third Party insurance coverage may be examined at the earliest to protect the interests of the industry.

SETTLEMENT OF CLAIMS

6. The Committee find that numerous formalities and cumbersome procedures are adopted by the public sector general insurance companies which often delay the settlement of claims. They are also of the opinion that involvement of middlemen and settlement of false claims is a matter of routine in these general insurance companies. The Committee desire that the procedure for settlement of claims should be simplified further and claims should be settled within a specified period of time to avoid undue hardship to the claimants. They also desire that corrective measures should be taken to check false claims and middlemen involvement in settlement of claims. The Committee also recommend that the Malhotra Committee recommendation relating to raising the minimum limit to Rs. 1 lakh for engagement of professional surveyors may also be implemented, as this would help early settlement of claims.

ANNEXURE- I

LIST OF RURAL INSURANCE SCHEME

1. Cattle Insurance (Market Agreement)
2. Calf/Heifers Rearing Insurance (Market Agreement)
3. Foetus Insurance (Market Agreement)
4. Sheep & Goat (Market Agreement)
5. Pig Insurance
6. Camel Insurance
7. Work Horse Insurance
8. Elephant Insurance
9. Rabbit Insurance
10. Dog Insurance
11. Animal Driven Cart Insurance
12. Hand Drawn Vehicle Insurance
13. Pedal Cycle Insurance
14. Cycle Rickshaw Insurance
15. Poultry Insurance (Market Agreement)
16. Duck Insurance
17. Fish Insurance (Inland)
18. Brackish Water Prawn Insurance (Market Agreement)
19. Silkworm Insurance (Mulberry)

E. Rubber (Matured) Plantation Insurance

F. Mushroom Insurance

G. Sugar Cane Plantation Insurance

H. Chikoo Plantation Insurance

I. Citrus Plantation Insurance

J. Eu-calyptus (Nursery) Plant Insurance

K. Cardamom Plantation Insurance

L. Sweet Chilli Plantation Insurance

M. Oil Palm Plantation Insurance

N. Teakwood Plantation Insurance

O. Strawberry Plantation Insurance

P. Tea Plantation

Q. Mango Plant Insurance

R. Vegetable (Selective) Insurance

S. Coconut Plant Insurance

T. Betelvine Insurance

29. Floriculture Insurance

A. Rose Flower Plant

B. Crysenthumum Flower Plant

C. Jasmine Flower Plant

D. Gladiolus Plant

E. Orchid

30. Property under IRDP Insurance
(Other than Livestock)

31. Composite Package Insurance for Tribals

32. Sea Lion Insurance

33. Insurance of Ornamental Fishes

34. Honey Bee Insurance

35. Group Personal Accident Insurance for Rickshaw Pullers

ANNEXURE - II

RURAL INSURANCE SCHEMES

FIG IN "000"

Class of Business	1995 - 1996 Target fixed	1995 - 1996 Actual Prem.	1995 - 1996 Achievement(%)	1996 - 1997 Target fixed	1996 - 1997 Actual Prem.	1996 - 1997 Achievement (%)	1997 - 1998 Target fixed	1997 - 1998 Actual Prem.	1997 - 1998 Achievement(%)	1998 - 1999 Target fixed	1998 - 1999 Actual Prem.	1998 - 1999 Achievement(%)	1999 - 2000 Target fixed	1999 - 2000 Actual Prem.	1999 - 2000 Achievement (%)
Cattle & Livestock	254349	225407	88.62	272141	242791	89.21	288629	288632	100.104	289730	297678	102.74	380875	262421	68.89
Poultry & Other Bird	19030	14403	75.68	22654	9692	42.78	15748	15748	100.00	16942	16330	96.38	30935	17362	56.12
Aggricultural Pumpset	21402	13833	64.63	16534	15747	95.24	12255	12256	100.00	32791	17529	53.45	36239	11950	32.97
Janata P A including GAP	22905	32323	141.11	34701	91674	264.18	195068	194896	99.90	183742	384976	209.51	294239	105939	36.00
Farmers Package	—	5832	---	20100	73907	367.69	100123	170864	170.65	200236	216527	108.13	221136	288660	130.53
Others	55163	23241	42.13	32615	31308	95.99	104059	33457	32.15	89885	64362	71.60	86576	82826	95.66
Total :	372849	315039	84.49	398745	465119	116.64	715903	715853	99.99	813326	997402	122.63	1050000	769158	73.25

ANNEXURE III

TOUR PROGRAMME OF THE COMMITTEE ON PUBLIC UNDERTAKINGS AS ACTUALLY PERFORMED TO CHENNAI, PORT BLAIR AND CALCUTTA FROM 17^{TH} TO 22^{ND} JANUARY, 2001

(MEMBERS ASSEMBLED AT CHENNAI)

DATE & DAY	TIME	VISIT & DISCUSSION
17.1.2001 (Wednesday)	1700 hrs	Informal discussion with the Officers of Nuclear Power Corporation of India Ltd.
		(NIGHT HALT AT CHENNAI)
18.1.2001 (Thursday)	1000 hrs	Informal discussion with the Officers of Central Warehousing Corporation
	1200 hrs	Informal discussion with the Officers of Oriental Insurance Co.Ltd.
		(NIGHT HALT AT CHENNAI)
19.1.2001 (Friday)	0600 hrs	Departure Chennai by CD-7549 for Port Blair
	0805 hrs	Arrival Port Blair
	1130 hrs	Informal discussion with the Officers of Airports Authority of India Ltd.
		(NIGHT HALT AT PORT BLAIR)
20.1.2001 (Saturday)	1700 hrs	Informal discussion with the Officers of Andaman & Nicobar Islands Forests & Plantation Development Corporation Ltd.
		(NIGHT HALT AT PORT BLAIR)
21.1.2001 (Sunday)	SUNDAY	
		(NIGHT HALT AT PORT BLAIR)
22.1.2001 (Monday)	0800 hrs	Departure Port Blair by CD-7286 for Calcutta
	1000 hrs	Arrival Calcutta
	1200 hrs	Informal Discussion with the Officers of National Insurance Company

D I S P E R S A L

ANNEXURE-IV

COMPOSITION OF THE COMMITTEE ON PUBLIC UNDERTAKINGS WHICH VISITED CHENNAI, PORT BLAIR AND CALCUTTA FROM 17TH TO 22ND JANUARY, 2001

S.NO.		DATE/PLACE OF JOINING	DATE / PLACE OF LEAVING
CHAIRMAN			
	PROF VIJAY KUMAR MALHOTRA	16.1.01 CHENNAI	22.1.01 CALCUTTA
MEMBERS LOK SABHA			
2	SHRI S. S. BARWALA	16.1.01 CHENNAI	22.1.01 CALCUTTA
3.	SHRI DHARAM RAJ SINGH PATEL	16.1.01 CHENNAI	22.1.01 CALCUTTA
4.	SHRI K. E. KRISHNAMURTHY	17.1.01 CHENNAI	22.1.01 CALCUTTA
5.	SHRI RAM TAHAL CHOUDHARY	17.1.01 CHENNAI	22.1.01 CALCUTTA
6.	SHRI SUDIP BANDYOPADHYAY	17.1.01 CHENNAI REJOINED ON 22.1.01 AT CALCUTTA	19.1.01 CHENNAI
7.	SHRI VILAS MUTTEMWAR	17.1.01 CHENNAI	22.1.01 CALCUTTA
8.	SHRI TARIT BARAN TOPDAR	17.1.01 CHENNAI REJOINED ON 22.1.01 AT CALCUTTA	21.1.01 PORT BLAIR
9.	SHRI D. P. YADAV	17.1.01 CHENNAI	22.1.01 CALCUTTA
10.	SHRI R. L. BHATIA	18.1.01 CHENNAI	21.1.01 PORT BLAIR
11.	SHRI R. P. RUDY	20.1.01 PORT BLAIR	22.1.01 CALCUTTA
MEMBERS RAJYA SABHA			
12.	SHRI JIBON ROY	17.1.01 CHENNAI	20.1.01 PORT BLAIR
13.	SMT AMBIKA SONI	17.1.01 CHENNAI	22.1.01 CALCUTTA

14	SHRI RANJAN PRASAD YADAV	17.1.01 CHENNAI	19.1.01 CHENNAI
15	SHRI K. KALAVENKATA RAO	17.1.01 CHENNAI	22.1.01 CALCUTTA
16.	SHRI SATISH CHANDRA SITARAM PRADHAN	17.1.01 CHENNAI	21.1.01 PORT BLAIR

SECRETARIAT

1. SHRI S. BAL SHEKAR, DIRECTOR
2. SHRI R.C. KAKKAR, UNDER SECRETARY
3. SHRI RAJ KUMAR, UNDER SECRETARY

Annexure -V

LIST OF OFFICIALS OF ORIENTAL INSURANCE COMPANY LTD. WHO WERE PRESENT DURING THE DISCUSSION WITH THE COMMITTEE ON PUBLIC UNDERTAKINGS AT CHENNAI ON 18TH JANUARY, 2001.

1. SHRI B. D. BANERJEE, CHAIRMAN-CUM-MANAGING DIRECTOR
2. SHRI R. C. SHARMA, DIRECTOR & GENERAL MANAGER
3. SHRI P. C. GHOSH, DIRECTOR & GENERAL MANAGER
4. SHRI S. K. CHANANA, ASSTT. GENERAL MANAGER
5. SHRI J. CHACKO, ASSTT. GENERAL MANGER
6. SHRI S. D. VASUDEVA, MANAGER

LIST OF OFFICIALS OF NATIONAL INSURANCE COMPANY LIMITED WHO WERE PRESENT DURING THE DISCUSSION WITH THE COMMITTEE ON PUBLIC UNDERTAKINGS AT CALCUTTA ON 22ND JANUARY, 2001.

1. Shri S. Ghosh, Director & General Manager, Joint Incharge
2. Shri P. B. Ramanujam, Director & General Manager, Joint Incharge
3. Shri H.s.Wadhwa, General Manager
4. Shri S.K. De Bhowmick, Asstt. General Manager
5. Shri T.K. Das, Asstt. General Manager
6. Shri A.R.Manna, Asstt. General Manager
7. Shri T.M.Das, Financial Advisor