

Government of India
Ministry of Finance
Department of Financial Services
Lok Sabha
Unstarred Question No. †3748

Friday, March 24, 2017/Chaitra 3, 1939 (Saka)

Irregularities by Insurance Companies

†3748. SHRI RAHUL KASWAN:

Will the Minister of FINANCE
be pleased to state:

- (a) the number of private and foreign life insurance companies in the country at present and the number of companies approved during the last three years, State/ UT and company-wise;
- (b) whether the Government has received complaints regarding irregularities by the private insurance companies during the last three years;
- (c) if so, the details thereof, State/UT including Rajasthan and company-wise; and
- (d) the action taken/being taken by the Government in this regard?

Answer
Minister of State in the Ministry of Finance
(Shri Santosh Kumar Gangwar)

(a): As per Insurance Regulatory and Development Authority of India (IRDAI), twenty three private life insurance companies are registered with the IRDAI out of which twenty one life insurance companies are having joint venture partnership with the foreign entities. During the last three years, IRDAI has not granted certificate of registration to any life insurance company in India.

(b) & (c): IRDAI has not received any specific complaint on irregularities by Private Insurance Companies. However, IRDAI has received complaints/grievances from policyholders against the Private Insurance Companies. The details of the complaints received from policyholders are placed at Annexure-I.

(d): IRDAI has taken up all the complaints with the respective insurers for redressal. Details of penalties levied by IRDAI during the last three years in respect of violations by private insurance companies are placed at Annexure-II, III & IV respectively.

ANNEXURE I

S.No	State/UT	State/UT wise Policyholders' Complaints					
		Private Life Insurers			Private Non-Life Insurers		
		2013-14	2014-15	2015-16	2013-14	2014-15	2015-16
1	Andaman & Nicobar Islands	765	225	243	85	94	66
2	Andhra Pradesh	9783	7851	2873	2821	2941	910
3	Arunachal Pradesh	1041	272	309	97	73	21
4	Assam	3103	1886	1329	353	251	184
5	Bihar	8004	5524	3730	720	757	622
6	Chandigarh	4033	2252	1322	166	112	112
7	Chattisgarh	2978	1830	1096	287	263	214
8	Dadra & Nagar Haveli	205	62	70	16	15	9
9	Daman & Diu	104	40	55	13	18	19
10	Delhi	25090	18434	13397	7801	6523	5826
11	Goa	802	593	390	150	126	91
12	Gujarat	16602	10298	7335	2580	2422	2130
13	Haryana	14529	10151	6287	3751	3663	3233
14	Himachal Pradesh	2360	1873	1070	161	172	129
15	Jammu & Kashmir	2294	1722	1024	116	211	218
16	Jharkhand	6763	4058	2709	417	411	332
17	Karnataka	9398	7679	5475	3638	4098	3665
18	Kerala	6561	3305	2263	634	775	868
19	Lakshadweep	11	3	6	8	3	1
20	Madhya Pradesh	11317	6140	4222	1123	943	891
21	Maharashtra	48547	42049	28927	8775	8351	6988
22	Manipur	339	146	172	21	10	11
23	Meghalaya	180	121	176	21	21	22
24	Mizoram	48	49	97	92	62	28
25	Nagaland	101	52	96	13	13	7
26	Orissa	4845	4243	2396	391	366	347
27	Pondicherry	482	239	177	52	51	63
28	Punjab	17499	10895	5978	877	769	794
29	Rajasthan	12128	8484	5789	1438	1585	1370
30	Sikkim	336	130	107	25	18	10
31	Tamil Nadu	9450	6747	5495	2520	3366	3392
32	Tripura	216	163	171	8	10	14
33	Uttar Pradesh	37376	21334	14467	4780	4425	3875
34	Uttarakhand	3211	2096	1532	275	284	324
35	West Bengal	28835	16947	13353	1452	1552	1439
36	Telangana		155	5813		74	3052
Grand Total		289336	198048	139951	45677	44828	41277

ANNEXURE II

PENALTIES LEVIED BY THE AUTHORITY DURING FY 2013-14

Sl. No.	Name of Insurance Company	Amount of Penalty (In Rs.)	Date of receipt of Penalty	Brief particulars of the violation committed	Life/ General
1	Tata AIA Life	1 lakh	March 07, 2014	Violation of AML Guidelines issued by IRDA	Life
2	HDFC ERGO General	5 lakh	October 08, 2013	Non-fulfillment of premium Quota under Motor Third Party (Declined pool)	General
3	Reliance General	5 lakh	October 09, 2013	Non-fulfillment of premium Quota under Motor Third Party (Declined pool)	General
4	ICICI Lombard General	5 lakh	October 09, 2013	Non-fulfillment of premium Quota under Motor Third Party (Declined pool)	General
5	L&T General	5 lakh	October 09, 2013	Non-fulfillment of premium Quota under Motor Third Party (Declined pool)	General
6	Bharti AXA General	5 lakh	October 11, 2013	Non-fulfillment of premium Quota under Motor Third Party (Declined pool)	General
7	SBI General	5 lakh	October 08, 2013	Non-fulfillment of premium Quota under Motor Third Party (Declined pool)	General
8	IFFCO TOKIO General	5 lakh	October 08, 2013	Non-fulfillment of premium Quota under Motor Third Party (Declined pool)	General
9	Cholamandalam MS General	5 lakh	October 08, 2013	Non-fulfillment of premium Quota under Motor Third Party (Declined pool)	General
10	Future Generali India	5 lakh	October 08, 2013	Non-fulfillment of premium Quota under Motor Third Party (Declined pool)	General
11	Royal Sundaram Alliance	5 lakh	October 08, 2013	Non-fulfillment of premium Quota under Motor Third Party (Declined pool)	General
12	TATA AIG General	5 lakh	October 07, 2013	Non-fulfillment of premium Quota under Motor Third Party (Declined pool)	General

ANNEXURE III

PENALTIES LEVIED BY THE AUTHORITY DURING FY 2014-15					
	Name of the Entity	Amount of Penalty (in Rs.)	Date of issuance of penalty order	Brief particulars of the violation committed	Life/ General/ Health
1	Shriram Ins.Co.Ltd General	500,000	7/11/2014	Violation of circular no.IRDA/F&A/Cir/DRSH/183/08/2011 dated 11-08-2011, cir.no.IRDA/F&A/064/Jan/05 dated 12-01-2015, cir.no.IRDA/Cir/F&A/073/Feb-05 dated 22-02-2015 and cir.no.IRDA/F&I/Cir/100/06/2010 dated 16-06-2010	General
2	ICICI Lombard General Ins.Co.Ltd	5,000,000	10/17/2014	Violaiton of F&U guidelines, Section 42(7) of Insurance Act,1938, Circular ref.no.IRDA/Cir/010/2003 dated 27/03/2003	General
3	Apollo Munich Health	2,000,000	3/19/2015	Violation of Section 42(D)(8), 40(1) & 64VB of Insurance Act, 1938 and circular ref.no.IRDA/Cir/010/2003 dated 27/03/2003.	Health
4	Reliance Life Insurance Co Ltd	17,700,000	4/11/2014	Violation of provisions of Circular Ref. IRDA/Cir/004/2003 dated 14/02/2003, IRDA (Sharing of Database for Distribution of Insurance Products) Regulations, 2010, Clause C- 4 & 7 of IRDA guidelines on Group Insurance issued vide circular no.015/IRDA/Life/Circular/GI Guidelines/2005 dated 14-07-2005 and Section.42(7) of IA, 1938.	Life
5	Shriram Life Insurance	500,000	7/11/2014	Violation of circular no.IRDA/F&A/Cir/DRSH /183/08/2011 dated 11-08-2011, cir.no.IRDA/F&A/064/Jan/05 dated 12-01-2015, cir.no.IRDA/Cir/F&A/073/Feb-05 dated 22-02-2015 and cir.no.IRDA/F&I/Cir/100/06/2010 dated 16-06-2010	Life
6	Sahara India Life Insurance	500,000	7/23/2014	Non fulfillment of obligations towards Social sector as specified in the IRDA (Obligations of insurers towards Rural or Social Sectors) Regulations, 2002.	Life
7	Aegon Religare Life	4,000,000	9/17/2014	Violation of Section 42(7) of Insurance Act, 1938, ciruclar ref.no.IRDA/Cir/010/2003 dated 27-02-2003, clause 8.4 of Outsourcing Iguidelines dated 01-02-2011, clause of Corporate Agency guidelines dated 14-07-2005 and Regulation 19 of IRDA (Insurance Brokers) Regulations, 2002.	Life
8	Aviva Life Insurance	500,000	11/3/2014	Violation of Regulation 3 of IRDA (Protection of Policyholders'Interests) Regulations, 2002	Life
9	Sahara India Life Insurance	2,500,000	11/3/2014	Non fulfillment of obligations towards Social sector as specified at provision 3(B)(1)(b)(i)(III) of the IRDA (Obligations of insurers towards Rural or Social Sectors) Regulations, 2002.	Life
10	Birla Sun Life Insurance	1,500,000	12/1/2014	Violation of Regulation 4 of IRDA (Micro Insurance) Regulations, 2005 and Regulation 8 (2 & 3) of IRDA (Protection of Policyholders' Interests) Regulations, 2002	Life
11	Canara HSBC OBC Life	3,100,000	12/12/2014	For making payments to Insurance Agents in violation of clause 21 of the Corporate Agents guidelines circular ref.no.017/IRDA/Cir/CA guidelines/2005 dated 14-07-2005 read with Section.40A of Insurance Act,1938.	Life
12	Max Life Insurance Co	5,500,000	12/18/2014	Violation of clause 9.6(ii) of Outsourcing guidelines circular dated 01-02-2011.	Life

ANNEXURE IV

PENALTIES LEVIED BY THE AUTHORITY DURING FY 2015-16

S. No	Name of the entity	Amount of Penalty (in Rs)	Date of issuance of penalty order	Brief particulars of the violation committed	Life/ General
1	India First Life Insurance Co Ltd	6,500,000	5/27/2015	Violation of Section 40(1), 40(A) of Insurance Act, Corporate agents, F&U and group insurance guidelines and IRDA (Protection of Policyholders' Interests) Regulations, 2002.	Life
2	Future Generali India Life Insurance Co Ltd	5,000,000	6/9/2015	Violation of provisions of IRDA (Registration of Insurance Companies) Regulation, 2000, Section 40(1) & 42(7) of Insurance Act, 1938, IRDA (Sharing of Database) Regulations, 2010, corporate agents guidelines and IRDA (Protection of Policyholders' Interests) Regulations, 2002	Life
3	India First Life Insurance Co Ltd	500,000	7/3/2015	Violation of Section 40 (1) of the Insurance Act, 1938 and Clause 21 of the Circular No. 017/IRDA/Circular/CA guidelines/2005 dated 14th July 2005 issued under IRDA (Licensing of Corporate Agents) Regulations, 2002	Life
4	Tata AIA Life Insurance Co Ltd	1,000,000	7/3/2015	Violation of Clause 21 of the Circular No. 017/IRDA/Circular/CA guidelines/2005 dated 14th July 2005 issued under IRDA (Licensing of Corporate Agents) Regulations, 2002	Life
5	Reliance Life Insurance Co Ltd	8,500,000	8/6/2015	Violation of Outsourcing guidelines and Corporate Governance guidelines.	Life
6	Reliance Life Insurance Co Ltd	500,000	9/10/2015	Violation of Reg.2(g)(i) of IRDA (Registration of Indian Insurance companies) Regulation, 2000	Life
7	ICICI Life Insurance Co Ltd	500,000	10/9/2015	Violation of Outsourcing guidelines.	Life
8	IDBI Federal Life Insurance Co Ltd	1,600,000	11/4/2015	Violation of Group Insurance guidelines, F&U guidelines, Section 40A(1) & 40(1) of Insurance Act, 1938 and IRDA (Licensing of Corporate Agents) Regulations, 2002	Life
9	Exide Life Insurance Co Ltd	1,100,000	3/21/2016	Violation of Section 45 of Insurance Act, Group Insurance Guidelines and IRDA (Licensing of Corporate Agents) Regulations, 2002	Life
10	Star Union Dia-ichi Life Insurance Co Ltd	100,000	3/22/2016	Violation of Group Insurance guidelines	Life
11	Reliance General Insurance Co Ltd	500000	4/10/2015	Violation of IRDA (Health Insurance) Regulation, 2013	General
12	Chola MS General Insurance Co. Ltd	100,000	4/24/2015	Marketing of product named 'Chola MS Corporate Travel Insurance' without approval of the Authority	General
13	L&T General Insurance Co Ltd	5,000,000	7/30/2015	Violation of F&U guidelines, Distance Marketing guidelines, IRDA (Protection of Policyholders' Interests) Regulations, 2002 and Section.40(1) and 42D(8) of Insurance Act, 1938.	General
14	Bajaj Allianz General Insurance Co Ltd	1,500,000	7/31/2015	Violation of Section 64VB, 40(1) & 42d(8) of Insurance Act and commission circular dated 25/08/2008	General
15	ICICI Lombard General Insurance Co Ltd	1,000,000	9/3/2015	Violation of F&U guidelines and Section 64VB of Insurance Act, 1938.	General
16	Reliance General Insurance Co Ltd	500,000	9/10/2015	Violation of provisions of Reg.2(g)(i) of IRDA (Registration of Insurance Companies) Regulation, 2000	General
17	Chola MS General Insurance Co. Ltd	2,500,000	12/16/2015	Violation of F&U guidelines, Section 64VB of Insurance Act, 1938, IRDA (Sharing of Database) Regulations, 2010 and IRDA (Protection of Policyholders') Regulations, 2002.	General
18	Iffco-Tokio General Insurance Co Ltd	1,000,000	1/7/2016	Violation of F&U guidelines and provisions of IRDA (Licensing of Corporate Agents) Regulations, 2002.	General
19	Universal Sampo General Insurance Co Ltd	1,500,000	1/7/2016	Violation of F&U guidelines, additional payouts to licensed entities, guidelines on solicitation of business and IRDA (Sharing of Database) Regulations, 2010.	General