

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES**

LOK SABHA

**UNSTARRED QUESTION NO. 3836
TO BE ANSWERED ON FRIDAY, MARCH 24, 2017/CHAITRA 3, 1939 (SAKA)
UNCLAIMED DEPOSITS IN BANKS AND INSURANCE COMPANIES**

**3836. SHRI D.K. SURESH:
SHRI B.N. CHANDRAPPA:
DR. KIRIT SOMAIYA:**

Will the Minister of FINANCE be pleased to state:

- (a) whether there is huge unclaimed deposits in various banks and insurance companies in the country and if so, the details thereof during the last three years and the current year, bank and insurance, company-wise;
- (b) whether the Government has any norms to deal with such unclaimed deposits in banks and insurance companies and if so, the details thereof; and
- (c) whether the Government has any proposal to utilise such unclaimed deposits for the welfare activities of socially disadvantaged groups in the country and if so, the details thereof?

**ANSWER
THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)**

(a): The details of the unclaimed deposits reported by various banks under Section 26 of Banking Regulation Act (BR Act), 1949 are as follows:

As of	Unclaimed Deposits (Rs. in crores)
31.12.2013	5124.98
31.12.2014	4998.27
31.12.2015	6835.40

The details of unclaimed amount reported by the life and non-life insurance companies are as under:

As of	Unclaimed Deposits (Rs. in crores)	
	Life Insurers	Non-Life Insurers
31.03.2014	6335.25	900.00
31.03.2015	5439.97	1787.26
31.03.2016	10527.17	1198.28

(b) and (c): Section 26A of the BR Act, 1949, empowers the Reserve Bank of India (RBI) to establish “The Depositor Education and Awareness Fund” (the “Fund”). Under the provisions of this section the amount to the credit of any account in India with any bank which has not been operated upon for a period of ten years or any deposit or any amount remaining unclaimed for more than ten years shall be credited to the “Fund”, within a period of three months from the expiry of the said period of ten years. The depositor, however, is entitled to claim from the bank his deposit or unclaimed amount or operate his account after the expiry of ten years, even after such amount has been transferred to the “Fund”. The bank would be liable to pay the amount to the depositor/claimant and claim refund of such amount from the “Fund”. In terms of para 9 of the Depositor Education and Awareness Fund Scheme, the “Fund” shall be utilised for promotion of depositors’ interests and for such other purposes which may be necessary for promotion of depositors’ interest as may be specified by RBI.

The Limitation Act, 1963 provides a time limit of 3 years for claim due to a policyholder under an Insurance Policy. Insurance Regulatory and Development of India (IRDAI) has also issued directions in this regard to all insurers to bring better governance, transparency and smooth transfer of the amount due to the policy holder. The directions of IRDAI cover the entire gamut of unclaimed amount including any amount payable to policyholder as death claim, maturity claim, survival benefit, premium due for refund, premium deposit not adjusted against premium and indemnity claims etc. which have remained unclaimed beyond six months from the due date for settlement of the claimed amount. The direction of IRDAI, inter-alia, includes the following:

- (i) All insurers are required to display the information about any unclaimed amount above Rupees 1000/- of Policyholders in their respective web-site.
- (ii) A facility shall be given in the web-site of the insurer to enable Policyholders / or its dependents to find out whether any unclaimed amounts due to them are lying with the insurer.
- (iii) In order to minimize the unclaimed amount, insurers shall endeavor to keep the Policyholder and beneficiary informed about any updates, changes and maturity details by SMS alerts or e-mail or any other mode as may be specified by the Authority on regular basis.
- (iv) There may be instances where insurers have issued cheques against the outstanding unclaimed amounts but some of these cheques may have not been encashed by the policyholders. In such cases, after the expiry of the validity period of the cheques, the same shall be credited back to unclaimed amount.
