

Government of India  
Ministry of Finance  
Department of Financial Services  
Lok Sabha  
Unstarred Question No. 1222

Friday, December 22, 2017/Pausha 01, 1939 (Saka)

**Non-Refund to Insurance Policy Holders**

1222. SHRI DIBYENDU ADHIKARI:

Will the Minister of FINANCE  
be pleased to state:

- (a) whether the Securities Appellate Tribunal (SAT) has issued notice to SBI Life Insurance Company regarding refund to policy holders;
- (b) if so, the details thereof and the total amount of the payment of the policy holders are pending with SBI Life Insurance thereon;
- (c) whether the Insurance Regulatory and Development Authority (IRDA) has issued directions to the insurance company in this regard; and
- (d) if so, the details thereof and the decision of the Government towards refund of insurance claims to the policy holders?

Answer

Minister of State in the Ministry of Finance  
(Shri Shiv Pratap Shukla)

(a) to (d): As per Insurance Regulatory and Development Authority of India (IRDAI), there are two matters pertaining to SBI Life Insurance Company which are currently pending before Securities Appellate Tribunal (SAT). The details are given below:

- i. IRDAI vide orders dated October 5, 2012 and January 11, 2017 has issued directions to SBI Life Insurance Company to distribute Rs 84.3 crore which was wrongly paid to group administrators as administrative charges under the Super Suraksha product, to the concerned members of the group insurance policies. The SBI Life Insurance Company has filed an appeal against the said directions/ orders with the Securities Appellate Tribunal on 22<sup>nd</sup> February 2017 and the Appeal is pending before SAT.
- ii. IRDAI vide order dated March 11, 2014 has issued directions to SBI Life Insurance Company to refund Rs 275.29 crore paid to corporate agents under Dhanaraksha Plus Limited Premium Payment Term policy, to the beneficiaries of the group insurance scheme. SBI Life Insurance Company made a representation to IRDAI against these directions. The company was again directed vide order dated 20<sup>th</sup> February 2015 to implement the directions dated March 11, 2014. The SBI Life Insurance Company has filed an appeal against both the orders with the Securities Appellate Tribunal on 6<sup>th</sup> April 2015 and the Appeal is pending before SAT.