

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION No. 4342
TO BE ANSWERED ON MONDAY, MARCH 22, 2021/CHAITRA 1, 1943 (SAKA)

FOREIGN INSURANCE COMPANIES

†4342. SHRI SUDARSHAN BHAGAT:

Will the Minister of FINANCE be pleased to state:

- (a) whether the cases of non-payment of the amount to most of the insurance holders by the foreign insurance companies are on the increase;
- (b) if so, the details thereof, State-wise;
- (c) if not, whether most of the beneficiaries are not able to get the benefit of most of the insurance companies in view of the complex Government rules; and
- (d) if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) and (b): Foreign Insurance Companies do not operate in India for direct insurance business and only provide re-insurance under a specific registration called Foreign Reinsurance Branches.

(c) and (d): As regards claim settlement by Indian Insurance companies, including those having their foreign shareholding, are governed by Insurance Regulatory and Development Authority of India (IRDAI). IRDAI has informed that claim settlement is done in accordance with IRDAI (Protection of Policyholder's Interest) Regulations, 2017.

As per Section 15(8) of IRDAI (Protection of Policyholder's Interest) Regulations, 2017, an insurer shall, within a period of 30 days, offer a settlement of the claim to the insured/claimant. In case of default, as per the Section 15(10) of above-mentioned Regulations, the insurer is liable to pay interest at a rate, which is 2% above the bank rate, from the date of receipt of last relevant and necessary document from the insured/claimant by insurer till the date of actual payment.
