

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 5174
ANSWERED ON – 4.4.2022

PUBLIC SECTOR INSURANCE COMPANIES

5174. SHRI VELUSAMY P.:
SHRI SHANMUGA SUNDARAM K.:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the total amount of claim lodged with the Government owned insurance companies under Covid-19 and the number of claims lodged with them;
- (b) whether the Government owned insurance companies have incurred total loss due to the Covid-19 claims;
- (c) if so, the details thereof including the names of the companies which have incurred huge loss from the profit earned before Covid-19 pandemic;
- (d) whether the insurance companies are allowed to hike premium to cover the loss; and
- (e) if so, the details thereof along with the reasons for the loss not being funded by the Government instead of passing the buck on the policy holders?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a): Till 31.12.2021, 14.92 lakh COVID-19 health claims, of a total amount of Rs. 17,537 crore, were lodged with public sector insurance companies, of which 93.3% claims had been disposed of.

(b) and (c): Public sector insurance companies sustained total loss of Rs. 3,450.68 crore during the one and a half financial year period from April 2020 to September 2021, as against total loss of Rs. 7,552.02 crore during the preceding one and a half financial year period (from October 2018 to March 2020). Thus, their overall profitability registered an improvement of Rs. 4,101.34 crore during the initial one and a half financial year period of the pandemic, despite absorbing the impact of the pandemic in terms of COVID-related claims.

(d) and (e): As per the Insurance Regulatory and Development Authority of India (Health Insurance) Regulations, 2016, pricing of health insurance products offered by insurers is based on the age of the insured and other relevant risk factors, such as claims experience and the principles of pricing contained in these Regulations. Insurance companies are allowed to revise premium once in three years after a product has been cleared in accordance to the product filing guidelines issued by the Insurance Regulatory and Development Authority of India.

Policyholders are not required to make good any losses incurred by insurers.

During the period from March 2020 to March 2022, Government has infused Rs. 17,450 crore capital into the public sector insurance companies to improve their solvency ratios.
