



Press Release

The IRDA had conducted an audit of the Third Party Motor Insurance Pool and has established that the pool reserves have to be significantly augmented in order to meet the higher compensation to be paid to the unfortunate victims of road accidents. Such augmenting of reserves will strengthen the insurance companies and will enable them to meet all claim obligations at all times expeditiously and without fail. The IRDA has required all general insurance companies to increase these reserves in a phased manner over a period of three years and till the reserves are augmented to a satisfactory level, companies have also been required to restrict their expenditure in terms of bonuses, incentives etc., besides bringing in additional capital as might be necessitated.

The IRDA has also noticed that certain unhealthy competitive practices have emerged in the detariffed market and has also instituted steps to ensure that the Indian Insurance Market remains vibrant, strong and responsive to consumer needs.

Hyderabad  
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