



बीमा विनियामक और विकास प्राधिकरण
**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**

IRDA/NL/MTP/ORD/PNL/01/2013-14

11th September 2013

Dr A K Saxena,
Chairman-cum-Managing Director,
The Oriental Insurance Co Ltd,
Oriental House, A – 25/27,
Asaf Ali Road,
New Delhi – 110 002

Dear Sir,

**Re: Levy of Penalty under Section 102 of the Insurance Act, 1938 for –
Not Meeting the Obligatory Target by Your Company in respect of Declined Risk Pool for the
Year 2012-13**

The Authority vide its order no. IRDA/NL/ORD/MPL/277/12/2011 dated 23rd December 2011 has prescribed the obligations in terms of minimum premium to be underwritten in respect of standalone commercial vehicle motor third party insurance.

The Authority then vide its letter dated 23rd November 2012 had informed you that your company's shortfall in meeting obligations (based on the half-yearly figures) is being viewed seriously by the Authority. At the same time, it cautioned on not fulfilling the obligations and advised to ensure that the obligations are fulfilled by the end of next quarter, i.e. 3rd quarter of 2012-13.

Based on the figures provided by the pool administrator, it is now observed that your company has not fulfilled the mandatory obligations in respect of declined risk pool for the year 2012-13, and the extent of shortfall is very high (more than 25 % of the obligations).

In view of the above, the Authority in exercise of powers vested in it under Section 102 of the Insurance Act, 1938 imposes a penalty of Rs. 5,00,000/- (Rupees Five Lacs only) on **M/s Oriental Insurance Company Limited**.

Your company is directed to remit the penalty of Rs. 5,00,000/- within a period of fifteen days from the receipt of this order through a cross demand draft drawn in favor of "Insurance Regulatory and Development Authority" and payable at Hyderabad. The draft may be sent to Shri Randip Singh Jagpal, HOD (Non-Life), Insurance Regulatory and Development Authority, 03rd Floor, 'Parishrama' Bhawan, Basheer Bagh, Hyderabad – 500 004

Yours truly,

(M Ramaprasad)

Member (Non-Life)