GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 3379**

ANSWERED ON – 23.07.2019

**FAKE INSURANCE POLICIES**

3379. SHRI RANJIB BISWAL:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has taken note of increasing complaints against the public and private sector general insurance companies under the category of unfair business practice at the point of sale during each of the last three years and the current year, if so, the details thereof', insurance company-wise and the reasons therefor;

(b) whether the Government/IRDA has laid down guidelines to curb such unfair business practice at the point of sale, if so, the details thereof; and

(c) the details of the monitoring mechanism to prevent issuance of fake insurance policies of vehicles in the country; and

(d) the corrective steps taken by Government in this direction?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

**(a) and (b):** The Insurance Regulatory and Development Authority of India (IRDAI**)** has informed that as per the information provided by various insurers, the year-wise break-up of fake motor policies is as under:

|  |
| --- |
| **Fraud Monitoring Analysis - Data pertaining to fake Motor Policies** |
| **Financial Year** | **No.** | **Amt. (Rs. in lakhs)** |
| FY 2016-17 | 498 | 3374.41 |
| FY 2017-18 | 823 | 2570.79 |
| FY 2018-19\* | 1192 | 5364.21 |

 \*excluding Oriental Insurance Co Ltd

IRDAI has further informed that they have directly received complaints relating to three instances of fake policies being issued pertaining to entities which are not registered as general insurers with them. The details are as follows:

 (i) ‘M/S AKPCL General Insurance Company Ltd’ (Year 2016).

(ii) ‘M/s Gone General Insurance (Year 2019).

(iii) “M/s. Marines Technology’ (Year 2019).

IRDAI has put up a public notice in each of the above mentioned cases advising general public not to make any transaction with these companies and to bring any unauthorised transaction to its notice. A complaint has also been lodged with the police authorities in respect of the company at S. No. (i) above and they are in the process of filing a police complaint against the companies mentioned at S. No. (ii) and (iii) above .

**(c) and (d):** IRDAI has issued directions ref. No. IRDA/SDD/MISC/CIR/009/01/2013 dated 21/01/2013 to all Insurers and Reinsurance Companies for putting in place fraud monitoring framework for identification, classification and monitoring of frauds.

IRDAI has carried out insurance awareness campaign through print media in 13 languages. They have also launched a consumer education website (www. Policyholder.gov.in) as single point reference for dissemination of information about Consumer guidance and protection including in regard to motor insurance.

IRDAI has further informed that:

1. Every product registered with IRDAI has a Unique Identification Number (UIN) which can be checked by policyholder.
2. The list of approved products is put up on IRDAI website each year along with its UIN.
3. The policyholder can check the details of their motor insurance policy on Insurers website.
4. The policyholder can also check whether the insurers are registered with IRDAI.

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