

portfolio is characterized by mounting losses mainly because some of the hospitals tend to charge health insurance policy holders at rates which are higher than the reasonable cost of treatment. As a result the policyholders are generally left with smaller amount of sum assured to be used for any further hospitalization during the remaining period of the health policy thereby causing undue hardship to them. Keeping this in view PSGICs have started rationalization of empanelment of hospitals and standardization of rates and specified procedures followed by the hospitals. The names of the hospitals that have agreed to work at given rates for specified procedures have been added to the Preferred Provider Network (PPN) for providing cashless health insurance facility. This has been started with effect from 1.7.2010 in the cities of Delhi, Mumbai, Bangalore and Kolkata. In the rest of India the earlier process of rendering cashless facility is still continuing.

Presently, 539 hospitals (Delhi-170, Mumbai-169, Chennai-104 and Bangalore-96) are on the PPN that have agreed to work at given rates for specified procedures. However, apart from the cashless facility under the PPN Network, the settlement of claims on reimbursement basis continues to be available for all hospitals (including non-network) in the country. The list of hospitals in the PPN in the four cities is available on the websites of TPAs/Insurance companies.

Bill for regulation of MFIs

2195. SHRI N.K. SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the attention has been drawn of Government to the high interest rates being charged by the Micro Finance Institutions (MFIs) in the country;

(b) if so, the steps taken or proposed to be taken by the Ministry for ensuring that rural households are not exploited by MFIs;

(c) whether Government intends to bring a Bill on the lines of Micro Financial Sector (Development and Regulation) introduced in Lok Sabha in 2007 for overall regulation of Micro Finance Sector in the current Lok Sabha Session; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) to (d) While Reserve Bank of India (RBI) does not regulate the interest rates charged by Micro Finance Institutions (MFIs), it has issued Instructions on a Fair Practice Code to be adhered to by all

Non-Banking Financial Companies (NBFCs) in terms of which the NBFCs should not charge exorbitant rates of interest and resort to undue harassment viz., persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc. The Boards of NBFCs were also advised to lay out appropriate principles and procedures and determine interest rates, processing and other charges.

Further, the Government of India had in September, 2010 written to all Chief Executive of Public Sector Banks advising them to ensure that the rates of interest charged by the MFIs to the eventual beneficiaries are reasonable. The Banks were also advised to ensure that MFIs do not resort to ever greening of the loans.

The Reserve Bank of India has since constituted a Sub-Committee of its Central Board of Directors to look into various issues in the microfinance sector, including ways and means of making interest rates charged by MFIs reasonable. Shri Y H Malegam, a senior member on the Central Board of Directors of the Reserve Bank of India will chair the Sub-Committee. The Sub-Committee is to submit its report in three months. The Department of Financial Services proposes to introduce the Micro Finance (Development & Regulation) Bill, 2010 after taking into account the views of RBI and the Malegam Committee recommendations.

Outstanding death claims with insurance companies

2196. MS. MABEL REBELLO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a large number of death claims are outstanding with Public and Private insurance companies;

(b) if so, the details thereof, year-wise, company-wise and State-wise and specially for Jharkhand, district-wise for the last three years;

(c) whether the Ministry has made any action plan to fix accountability to delayed settlement of death claim cases; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) to (d) The information is being collected and will be laid on the Table of the House.