

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SANTOSH KUMAR GANGWAR): (a) As per Insurance Regulatory and Development Authority of India (IRDAI), life insurance companies pay the claims (sum assured) within the regulatory time frame. However, delay can happen in some instances due to late submission of required documents/papers by the policyholder/claimant such as death certificate, bank details of the policyholder/nominee and in case of accident claims submission of post-mortem report, panchnama, etc.

(b) No such instances have come to the notice of IRDAI.

(c) IRDAI has notified the Insurance Regulatory and Development Authority of India (Protection of Policyholders' Interests) Regulations, 2017. Regulation 14 of the said Regulations prescribes the claims procedure including turnaround times to be adhered to by the life insurers in respect of a life insurance policy. If there is a delay on the part of insurer beyond the timelines mentioned in the above Regulations, the insurer shall pay interest at a rate, which is 2% above the bank rate from the date of receipt of last necessary document.

The compliance of the provisions of the above Regulations is reviewed by IRDAI through both offsite monitoring and onsite inspection on periodical basis and wherever non-compliance to the same is observed, suitable regulatory action is initiated against such insurers.

Difficulties in maintaining ATMs by banks

2473. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of FINANCE be pleased to state:

(a) whether Government has taken note of the difficulties being faced by Banks in maintaining ATMs as they have become burdensome on their revenue, if so, the details thereof;

(b) whether any study has been conducted on the performance of ATMs and why they have become burdensome to banks and customers as well; and

(c) whether Government has any plan of limiting to onsite ATMs only which will reduce the burden of banks and customers as well?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SANTOSH KUMAR GANGWAR): (a) to (c) Reserve Bank of India (RBI) has permitted Scheduled Commercial Banks to open ATMs at centres identified by them, without permission from RBI. Banks have apprised that they deploy ATMs to encourage customers to use self-service delivery channels and reduce the footfall in branches, and that they

also take into account technical and financial feasibility while taking the decision to deploy. Banks review ATM performance from time to time.

NPA resolution through one time settlement (OTS)

2474. SHRI V. VIJAYASAI REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India (RBI) is reviewing the top 500 exposures of banks that are partly or wholly classified as NPAs;

(b) whether it is a fact that Reserve Bank of India has stated that it would prefer One Time Settlement (OTS) to lengthy legal process;

(c) the steps RBI will take to ensure and facilitate OTS implementation; and

(d) the deadline set by RBI in reduction of NPAs cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SANTOSH KUMAR GANGWAR): (a) to (d) Reserve Bank of India (RBI) has constituted an Internal Advisory Committee (IAC), which arrived at an objective, non-discretionary criterion for referring accounts for resolution under Insolvency and Bankruptcy Code (IBC). In particular, the IAC recommended for IBC reference all accounts with fund and non-fund based outstanding amount greater than ₹5000 crore, with 60% or more classified as non-performing by banks as of March 31, 2016.

Accordingly, Reserve Bank of India has issued directions to certain banks for referring 12 accounts, qualifying under the aforesaid criteria, to initiate insolvency process under the Insolvency and Bankruptcy Code, 2016. As regards the other non-performing accounts which do not qualify under the above criteria, the IAC recommended that banks should finalize a resolution plan within six months. In cases where a viable resolution plan is not agreed upon within six months, banks should be required to file for insolvency proceedings under the IBC.

RBI has deregulated the matters related to One Time Settlement (OTS)/Compromise Settlements vide RBI circular dated July 28, 1995. RBI has provided framework under which banks frame their own board approved policy for One Time Settlements (OTS)/Compromise settlements.

Soaring Fiscal Deficit by states

2475. SHRI V. VIJAYASAI REDDY Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the sum total of States Fiscal Deficits has reached ₹ 4,93,000 crores in the fiscal 2016;