

Minutes of the Annual Zonal/ Sectoral Review Meeting with the the CVOs/ CMDs of Insurance Sector on 20.05.2011.

Vigilance Commissioners chaired the meeting.

The list of participants is at Annex

A. Introductory Remarks

Shri Anil Sinha, Additional Secretary, (AS(A)), while welcoming the participants indicated that Commission desired more proactive role from the Chief Executives of the participating Organisations. He further mentioned the significance of the Zonal Review meeting emphasized that the review is not only to see work done by the Organisation during last year but also to underline the new initiatives proposed to be taken in the near future.

2. Shri R. Sri Kumar, Vigilance Commissioner, (VC(S)), indicated that vigilance function is not only for the Commission or Chief Vigilance Officer but, vigilance is an integral part of management function which should be used as a tool to improve efficiency especially while taking commercial decisions. On the importance of vigilance in the organisation, he stated that it is the most important management function which ultimately benefits the organisation and all its stake holders. He further, highlighted the utility and importance of Metrics, project VIGEYE and proposed online vigilance clearance mechanism.

3. Shri J.M. Garg, Vigilance Commissioner, (VC(G)), while highlighting the importance of vigilance emphasised that vigilance function needs to be given more importance by the Managements. He further, stressed that if HR policies are not tuned with the vigilance functions, it could affect the organisations adversely. He pointed out due to open competition in insurance sector with private sector companies, public sector insurance companies should prepare their action plan and workout strategies in such a manner so as to be able to compete with the private sector. VC(G) also stressed on adoption of best practices being followed in different insurance companies including updating of systems and procedures and manuals at regular intervals. He also added that in insurance sector public perception about services/ products are very important.

4. Shri Anil Singhal, CTE, (CTE(AS)), made a presentation on submission of QPRs etc. online by CVOs. He cited specific examples of certain companies adopting restrictive eligibility criteria resulting in uncompetitive rates. He also mentioned about problem of preparation of improper estimates.

B. Organization Specific

1. Department of Financial Services (DFS)

Shri S.K. Jindal, Director (DFS), while highlighting the importance of Zonal meetings indicated that Commission's initiatives on IT are very important and significant in the present economic scenario. On the matter of appointment of Chief Vigilance Officers in insurance companies, he indicated about non-availability of willing officers to work as CVO. On this Secretary, CVC suggested that in case sufficient number of applications for the post of CVOs are not available with DFS, matter would be taken up at appropriate level to take suitable officer from public sector banks and other institutions in financial sector.

Director (DFS), sought clarification on scrutiny of Annual Property Returns (APR) in the organisation. AS(A) clarified that APR of suspicious nature should be scrutinized.

2. Life Insurance Corporation of India(LIC)

Shri B Manivannan, ED, LIC informed that they have adopted the system to ensure that principle of first come first served in dealings with public and other stakeholders which is followed and also stated that LIC is in process of developing software for real time monitoring of vigilance cases. In order to promote concept of paperless office, LIC has implemented Enterprise Document Management System(EDMS) wherein lots of documents have been scanned and uploaded images are available on-line to all operative offices.

VC(G) pointed out that cases reported to the Commission by the LIC were very less. He further indicated that efforts should be made to make maximum payments through ECS in place of cheques. On the issue of making payments in rural areas where people are illiterate it was informed that there were difficulties in settlement of claims and payments made through LIC agents. VC(G) advised ED, LIC to conduct a sample survey and submit a report to the Commission.

VC(S) pointed out that status of Bhagya Laxmi Scheme which was implemented by LIC in the rural areas of Karnataka where a female child is to be paid Rupees One lakh after attaining the age of 18 was not satisfactory. He further asked CTE(AS) to conduct intensive examination of Bhagya Laxmi Scheme of LIC.

3. General Insurance Corporation Ltd.(GIC)

Shri NSR Chandra Prasad, CMD, GIC informed that a 'claim hub' has been put in place in the corporation where settlement claims are monitored on a regular basis. GIC is also in process of implementing core-insurance and electronic submission of Annual Property Returns for all employees.

VC(G) pointed out that procedure for settlement of claims in GIC is not customer friendly and claims are negotiated by officials before settlement. He emphasised that in view of the private competition in the insurance sector, there is a need to relook the methodology of settlement of claims in a customer friendly manner.

4. New India Assurance Co. Ltd.(NIACL)

Shri M. Ramadoss, CMD, NIACL informed that in order to create awareness amongst employees/management about the role of vigilance from a management perspective, the company had organized 40 workshops. Further, he informed that Integrated Motor Insurance Solution has been rolled out in all offices and to have better control on the claims handling, centralized claim hubs have been created in 28 locations.

VC(S) expressed concern over settlements of Mediclaim policies and emphasised on the need to relook the entire procedure and for this purpose he advised NIACL to form a core team to study the same for suggesting system improvements.

VC(G) expressed concern on implementation of Commission's guidelines on Rotation of officials holding sensitive posts.

5. Oriental Insurance Co. Ltd.(OICL)

Shri R. K. Kaul, CMD, OICL informed that in order to have a proper check and balance the company has put in place concurrent audit set-up and towards making the system customer friendly the company has provided system of on-line purchase of policy. Further, in order to inculcate the perception that vigilance as a management function various training programmes have been organised.

VC(S) observed that metrics to measure vigilance awareness as submitted by OICL was not upto the mark. VC(S) clarified the method for filling up of metrics measurement format to the OICL and also advised the organizations to utilize the same as a tool to measure achievement after laying down targets and to keep monitoring the progress using the said tool.

While mentioning the process of filling of metrics, AS(S) indicated that it is a flexi model and can be adopted as per the requirement of the Organisation concerned.

6. United India Insurance Co. Ltd.(UIICL)

Shri G. Srinivasan, CMD, UIICL gave a brief introduction of the company and various initiatives taken in the area of vigilance administration. He further mentioned that the company is in process of implementing “core insurance solution” which would reduce opportunities for corruption considerably.

VC(G) emphasised on the need to look into the role of surveyors in the insurance companies as they play vital role in settlement of claims. On this, CMD, UIICL responded that the company follows a laid down procedure for black listing of surveyors and once a surveyor is blacklisted the company never offers any assignment to him. VC(G) advised the participating insurance companies to share information about tainted surveyors.

7. National Insurance Company Ltd. (NICL)

Shri N.S.R. Chandra Prasad, CMD, NICL informed that the company is in process of implementing paperless office environment. Further, in order to reduce the time taken in processing of complaints/ vigilance cases and its monitoring, the organisation is in process of implementing Enterprise Architecture Solution of Insurance (EASI).

Concluding Remarks

Shri K. D. Tripathi, Secretary, CVC while concluding the meeting mentioned that it was a very fruitful discussions and emphasised that insurance sector is a growing service sector. In order to compete with the private sector insurance companies, lots of initiatives specially providing facilities to the customer are to be taken. He further stressed on early disposal of responses of complaints/cases referred to them by the Commission.

The meeting concluded with a vote of thanks to the Commission and the participants.

Annex.

List of Participants for the meeting on 20.05.2011 (Insurance Sector):

1. Shri S.K. Jindal, Director (Vig.), D/o Financial Services
2. Shri N.S.R. Chandraprasad, CMD, National Insurance Co. Ltd.
3. Shri S. Sivaraman, CVO, National Insurance Co. Ltd.
4. Shri M. Ramadoss, CMD, New India Assurance Co. Ltd.
5. Shri K.V. Pathak, CVO, New India Assurance Co. Ltd.
6. Dr. R.K. Kaul, CMD, Oriental Insurance Co. Ltd.
7. Shri N. Tobdan, CVO, Oriental Insurance Co. Ltd.
8. Shri S. Nallakutalam, CVO, General Insurance Corpn. of India
9. Shri G. Srinivasan, CMD, United India Insurance Co. Ltd.
10. Shri Rajesekharan, CVO, United India Insurance Co. Ltd.
11. Shri A.K. Dasgupta, MD, LIC of India
12. Shri B. Manivannan, ED(Personnel), LIC of India
13. Shri P.G. Joshi, CVO, LIC of India

Commission's officials:

- i) Shri K.D. Tripathi, Secretary
- ii) Shri Anil Sinha, Addl. Secretary
- iii) Shri Anil Singhal, CTE
- iv) Shri J. Vinod Kumar, OSD
- v) Shri V.K. Nanda, Advisor
- vi) Shri R. Ravichandran, Advisor
- vii) Shri N.K. Jain, Advisor
- viii) Shri Prashant Kumar Singh, RO