



## RIGHT TO INFORMATION ACT IN INSURANCE – WITH SPECIAL REFERENCE TO LIFE INSURANCE CORPORATION OF INDIA

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### 1.0 Introduction of the Study

In the space of less than a decade, the escalating movement for the right to information in India has significantly pursued to expand democratic space, and empower the ordinary citizen to exercise far greater control over the insurance grievance and arbitrary exercise of insurance industries.

The right to information is implicit in the Constitution of India; even so the dominant culture of the executive has been one of secrecy and resolute denial of access of information to the citizen. Citizens groups have long battled for the exercise of these rights in courts. In insurance scenario, the IRDA (Insurance Regulatory Development Authority of India) is a statutory body and thus, it is obliged under the law to furnish information to members of public in accordance with the provisions of the Act. This paper will attempt to outline firstly the significance of the right to information, particularly in empowering policyholders to combat insurance grievances.

### 1.1 Overview of LIC

The first two decades of the twentieth century saw lot of growth in insurance business. From 44 companies with total business-in-force as Rs.22.44 crore, it rose to 176 companies with total business-in-force as Rs.298 crore in 1938. During the mushrooming of insurance companies many financially unsound concerns were also floated which failed miserably. The Insurance Act 1938 was the first legislation governing not only life insurance but also non-life insurance to provide strict state control over insurance business. The demand for nationalization of life insurance industry was made repeatedly in the past but it gathered momentum in 1944 when a bill to amend the Life Insurance Act 1938 was introduced in the Legislative Assembly. However, it was much later on the 19th of January, 1956, that life insurance in India was nationalized. About 154 Indian insurance companies, 16 non-Indian companies and 75 provident were operating in India at the time of nationalization. Nationalization was accomplished in two stages; initially the management of the companies was taken over by means of an Ordinance, and later, the ownership too by means of a comprehensive bill. The Parliament of India passed the Life Insurance Corporation Act on the 19th of June 1956, and the Life Insurance Corporation of India was created on 1st September, 1956, with the objective of spreading life insurance much more widely and in particular to the rural areas with a view to reach all insurable persons in the country, providing them adequate financial cover at a reasonable cost.

### 1.2 Operations

LIC's corporate office is located in Mumbai. It has 8 zonal offices consisting of 113 Divisional Offices. LIC has 2048 branch offices comprising 11, 72,983 agents on board.

### 2.0 Objectives of the Study

- To understand Right to Information Act and its uses
- To understand the frequency of usage of RTI Act in LIC since its inception

### 3.0 Research Methodology

This is a descriptive study. Various journals, websites were used during the study

### 4.0 Discussion

The Right to Information came into force a decade back. This Act includes access to information which is held or which is under the control of any public authority. It also includes the right to inspect the work, document, records, taking notes, extracts or certified copies of documents or records and certified samples of materials and obtaining information stored in electronic format.

The regulator (IRDA) has provided a separate channel for lodging complaints against deficiency of services given by insurance companies. Policyholders having complaint / grievance against an insurance company can approach the Nodal Officer of the concerned Insurance Company. In case if the policyholder is not satisfied with the Insurance company's response, the concerned may file a complaint with the Insurance Ombudsman in the respective State.



### **Right to Information Act (RTI Act)**

Policyholders can make application under RTI, requesting for information in writing, clearly specifying the information sought under the Right to Information, Act, which should also contain the contact details of the applicant (postal address, telephone number, fax, email address etc). This helps the authorities in contacting the applicant in case of any clarifications or for further information. However, information can be obtained only by the citizens of India and not to others.

**Sending application:** As per the RTI (Regulation of Fee and Cost) Rules, a request for obtaining information needs to be sent along with an application fee of Rs.10 by way of cash or by DD or bankers' cheque. The applicant can request by post accompanied by the application fee of Rs.10/- payable by demand draft or bankers' cheque favoring IRDA. There is also a provision of paying fee along with the application. Applications can also be made over fax or email. IRDA will take up the application for consideration, as required under the Act, only after the application fee has been received. On receipt of the application, IRDA will, within 30 days, communicate to the requestor whether it can provide the information or not.

**Fees for getting information:** The public authority will charge Rs.2/- for each page. If the matter pertains to inspection of records, no fee is charged for the first hour, and a fee of Rs.5/- for 15 minutes. To provide information further, the public authority shall charge: Rs.50/- per diskette or floppy; and for information provided in printed form at the price fixed for such publication or Rs.2/- per page of photocopy for extracts from the publication.

**IRDA to give the information:** Under Section 4(1) (b) of the RTI Act 2005, the following information mentioned below can be obtained:

- I. The particulars of its organization, functions and duties.
- II. The Powers and duties of its officers and employees:
- III. The procedure followed in the decision making process, including channels of Supervision and accountability.
- IV. The norms set by it for the discharge of its functions.
- V. The Rules, Regulations instructions, manuals and records held by it or under its Control or used by its employees for discharging its functions:
- VI. A statement of the categories of the documents held by it or under its control:
- VII. The particulars of any arrangement that exists for consultation with or representation by the members of the Public, in relation to the formulation of policy or implementation thereof:
- VIII. A Statement of the boards, councils committees and other bodies consisting of two or more persons constituted by it. Additionally, information as to whether the meetings of these are open to public, or the minutes of such meetings are accessible to the public:
- IX. A directory of its officers and employees.
- X. The monthly remuneration received by each of its officers and employees including the system of compensation as provided in its regulations:
- XI. The budget allocated to each of its agency indicating the particulars of all plans proposed expenditures and reports on disbursements made:
- XII. The manner of execution of subsidy programme, including the amounts allocated and the details of beneficiaries of such programme:
- XIII. The particulars of recipients of concessions, permits or authorizations granted by it:
- XIV. The details of the information available to or held by it reduced in an electronic form:
- XV. The particulars of facilities available to citizens for obtaining information including the working hours of library or reading room if maintained for public use.
- XVI. The names, designation and other particulars of the Public Information Officers:
- XVII. Such other Information as may be prescribed, and thereafter update this publication every year:

IRDA can refuse to give the information or disclose the facts if it's authorized under RTI.

**Appeal:** The applicant can appeal if they are not satisfied with the information provided by IRDA or its decision not to provide the information requested. If the applicant is not satisfied with the decision of the appellate authority within IRDA, the concerned can appeal to the Central Information Commissioner (appointed in terms of Chapter 3 of the Right to Information Act, 2005).



**4.1 RTI Statistics of LIC since the inception of the RTI Act:**

Year	Applications	Appeals
2005-06	187	1
2006-07	1311	9
2007-08	2616	394
2008-09	4555	982
2009-10	6897	1473
2010-11	9553	1919
2011-12	12350	2242
2012-13	13536	2425
2013-14	14665	2474
2014-15	15047	2281

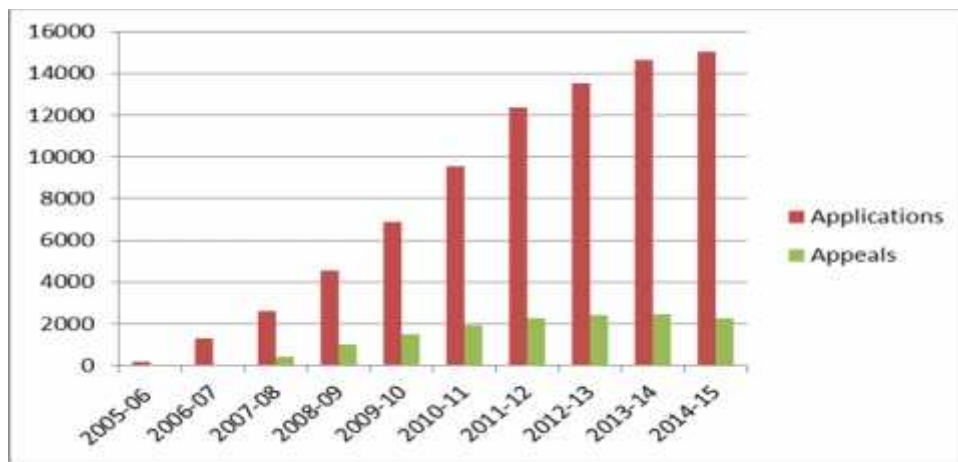


Chart: 4.1.1 RTI statistics of LIC since the inception of RTI Act

**Interpretation:** From the above statistics, it can be inferred that since the inception of the Right to Information Act in 2005, there is a tremendous increase in the applications filed under the Act. This implies that applicants are aware about RTI and the procedure of filing under the Act. Also, the problem is compliance with disclosure of information which should be done on the websites of government departments. While most departments, ministries and state governments have websites, they are not regularly updated. This leaves only one resort for the people - apply for information under RTI. This increases the number of applications in ministries and appeals.

**4.1.2 Appeals**

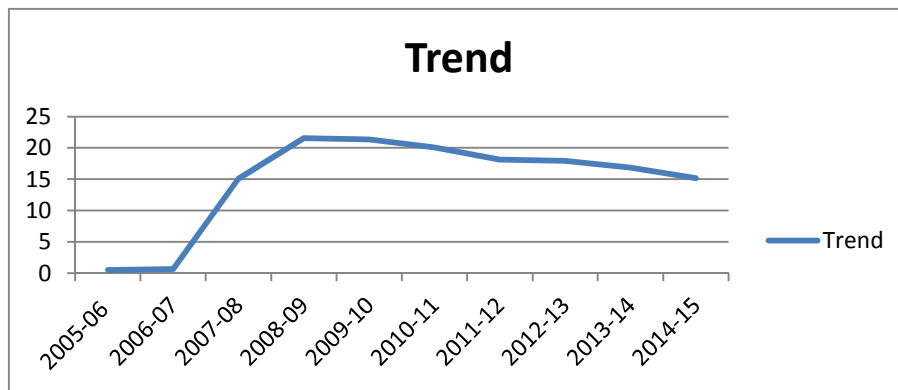


Chart: 4.1.2 Trends showing Appeals made



**Interpretation:** The chart analyses the rise in filing of appeals during 2007 to 2009. From 2009 onwards the filing of appeals has seen a decline. This may be due to authorities furnishing the information on time and as requested by the applicant. This chart also shows that applications were happy with the information furnished and hence no need of appeals. Also, regular updating of websites might have also been the cause.

#### 4.1.3 Hearings

Year	Appeals	Hearing
2005-06	1	0
2006-07	9	2
2007-08	394	96
2008-09	982	174
2009-10	1473	108
2010-11	1919	384
2011-12	2242	160
2012-13	2425	619
2013-14	2474	283
2014-15	2281	303

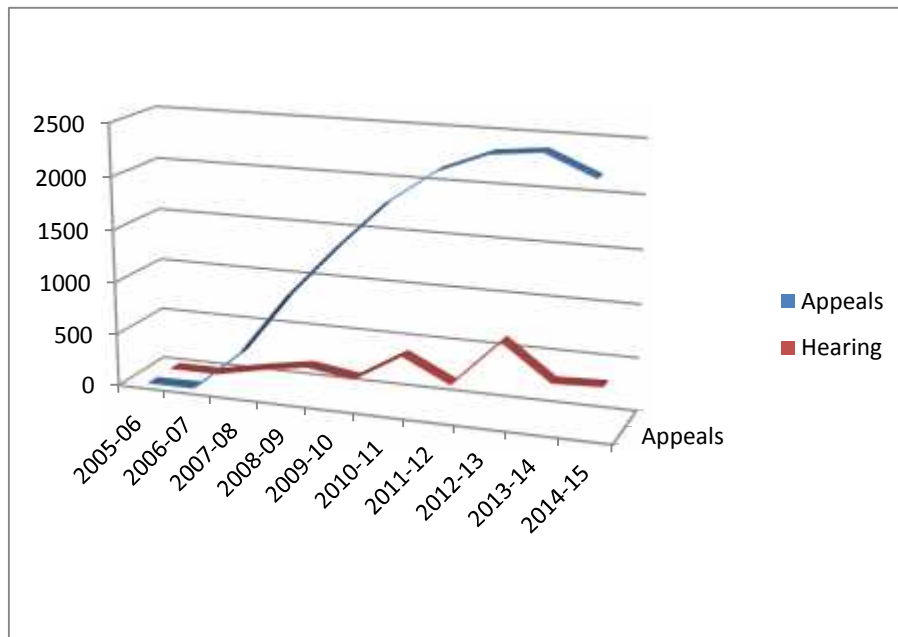


Chart: 4.1.3 appeals and hearing

**Interpretation:** The analysis shows that a number of cases were not called for hearing in appeal cases. It can be inferred that applications for appeal in majority cases were not supported by Right to Information Act. Also policies may be rejected due to flaw on the part of policyholders. Hence, appeal rejected.

#### 4.2 Success story of RTI

One such success story is that of 69-year-old Jagdish Chandra Mishra, a retired government servant, who used the RTI to reclaim long-pending dues from the very place he devoted his life to. Mishra retired as accounts officer in 2002 with almost all his finances sorted out. All that was left was a claim for government sponsored health insurance. But little did he realize that he would have to shell out Rs.10, 000 to claim a sum of Rs.21, 800 and also endure a wait of seven long years for the money to come his way.



Seven years later the draft issued in 2001 finally arrived. But Mishra could not encash it because the six- Things changed when his nephew Satyavijay made him realize the power of RTI. Within barely 20 days of filing the application, Mishra had a fresh draft issued to him. The department still owes him Rs.37, 000 in interest, an amount more than the principal amount itself. But given his success with the RTI, Mishra is now hoping to claim that as well.

## **5.0 CONCLUSION**

Right to Information was passed to enable the citizens of India to access the information under Public Authorities to promote transparency and culpability in the Organizations. This Act is designed to facilitate and further its end i.e., empowerment of public to know what is going on under the guise of administration and should not be treated as an enactment providing penalties and punishments. Without any reluctance it can be said that this Act should be the voice of so called voiceless in our society. Lastly, remind everybody that one should not be irrational about rights only and one should also be aware about ones duties. In recent years, there has been an almost unstoppable global trend towards recognition of the right to information by countries, intergovernmental organizations, civil society and the people. The right to information has been recognized as a fundamental human right, which upholds the inherent dignity of all human beings. Moreover, the Right to Information Act is for the smooth functioning of the government by maintaining transparency between the government working and the public who are the recipients. In shell, it can be said that this piece of legislation is unique in many aspects. It entitled the citizen to know the details of governance subject to certain limitations. It will further reduce the gap between the rulers and ruled. By enacting the Right to Information Act India has moved from an opaque and arbitrary system of government to the beginning of an era where there will be greater transparency and to a system where the citizen will be empowered and the true center of power. Only by empowering the ordinary citizen can any nation progress towards greatness and by enacting the Right to Information Act 2005 India has taken a small but significant step towards that goal. The real Swaraj will come not by the acquisition of authority by a few but by the achievement of capacity by all to resist authority when abused. Thus with the portrayal of this Act India has taken a small step towards achieving real Swaraj.

## **Reference**

- [www.irda.gov.in](http://www.irda.gov.in)
- [www.licindia.in](http://www.licindia.in)