



FINANCE (ESTABLISHMENT B) DEPARTMENT

**Circular No. 14/99/Fin., Thiruvananthapuram
dated, 31st March 1992**

Sub.- General Insurance Business of Public Sector Undertakings-Insurance with the State Insurance Department.

Ref.- Circular No. 43/80/Fin., dated 2nd June 1980

According to existing Government Orders and Circular instructions, the insurance business of all undertakings in which the Government have substantial financial interest should be transacted only through the State Insurance Department. It has, however, been brought to the notice of Government that some of these undertakings are not placing their insurance business with the State Insurance Department. All the Public sector Undertakings in which Government have substantial financial interests are therefore requested to comply with Government instructions in the matter without fail. It is also made clear that those concerns which fail to do so will have to face the consequences like with holding of loan or grant due to them from Government.

All Public Sector Undertakings are requested to send a report within two weeks containing details of the insurance they are having at present with the State Insurance Department and the insurance companies in the nationalised sector. The report should contain the particulars regarding nature of policy, sum assured, premia (both short-term and annual), name of insurer, date of expiry of the existing policy, etc. The Public Sector Undertakings are also requested to report the circumstances, if any, under which the business was not entrusted with the State Insurance Department.

All Government Directors of Public Sector Undertakings are requested to ensure that the standing instructions of Government in this regard are adhered to by the Undertakings.

M. MOHAN KUMAR

Commissioner and Secretary (Finance)