

**Press Information Bureau
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Ministry of Railways**

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Insurance Coverage

No insurance cover has been taken after September 20, 2008 by the Railways. However, payment of compensation to the victims of train accidents or untoward incidents does not get affected whether insurance cover is there or not. The insurance cover bought from general insurers is an internal mechanism to get the reimbursement of the compensation paid by the Railways.

Ministry of Railways decided to discontinue the Railway Passenger Insurance Scheme considering the following:

- (i) The premium quoted by the lowest bidder for 2008-09 was very high.
- (ii) Insurance cover was not comprehensive and amount paid by the Railways such as compensation in case of accidents at level crossings, immediate ex-gratia relief, amount of interest awarded by the Railway Claims Tribunal/Courts etc. were not reimbursable under the insurance scheme.
- (iii) Timely reimbursement was not being made by the general insurers.
- (iv) Dispute was created by the general insurer for calculation of premium and amount which was reimbursable to the Railways was withheld unilaterally.

The compensation paid by the Railways due to accident from 2009 till date is Rs. 140.74 crore during 2009-10 and Rs. 182.40 crore during 2010-11. Loss or gain cannot be calculated without having insurance cover and comparing with the premium paid for the insurance cover.

This information was given by the Minister of State for Railways Shri K. H. Muniyappa in written reply to a question in Lok Sabha today.

AKS/HK/LK/T R