

## How to Use RTI for Banks and Insurance Bodies

In this template, we will be studying how the Right to Information Act, 2005 (hereinafter referred to as 'RTI') can help the citizens in accessing information from the following two bodies-

- a) Banks
- b) Insurance Companies

### Glossary

**i. Central Information Commission-** Defined under Section 2(b) of the RTI Act. The Central Information Commission is the competent authority to deal with complaints and appeals regarding public authorities under the central government.

**ii. Information-** According to Section 2 (f) any material in any form, including records, documents, memos, e-mails, opinions, advices, press releases, circulars, orders, logbooks, contracts, reports, papers, samples, models, data material held in any electronic form and information relating to any private body which can be accessed by a public authority under any other law for the time being in force.

**iii. Public authority-** According to Section 2(h), any authority or body or institution of self-government established or constituted –

- a) by or under the Constitution;
- b) by any other law made by Parliament;
- c) by any other law made by State Legislature;
- d) by notification issued or order made by the appropriate Government, and includes any –
  - i. body owned, controlled or substantially financed;
  - ii. non-Government organisation substantially financed, directly or indirectly by funds provided by the appropriate Government;

**iv. Right to Information-** According to Section 2 (j) the right to information accessible under this Act which is held by or under the control of any public authority and includes the right to –

- inspection of work, documents, records;
- a) taking notes, extracts or certified copies of documents or records;
  - b) taking certified samples of material;
  - c) obtaining information in the form of diskettes, floppies, tapes, video cassettes or in any other electronic mode or through printouts where such information is stored in a computer or in any other device

**v.State Information Commission-** Defined under Section 2(k) of the RTI Act. The State Information Commission is the competent authority to deal with complaints and appeals regarding public authorities under the state government.

## 1. Backdrop

The Right to Information Act, 2005 (hereinafter referred to as RTI) intends to furnish the sought information from public authorities. Information is defined under Section 2(f) of the RTI Act and a public authority under Section 2(h) of the Act. The relevant sections are reproduced below-

**Section 2(f)**-*"information" means any material in any form, including records, documents, memos, e-mails, opinions, advices, press releases, circulars, orders, logbooks, contracts, reports, papers, samples, models, data material held in any electronic form and information relating to any private body which can be accessed by a public authority under any other law for the time being in force.*

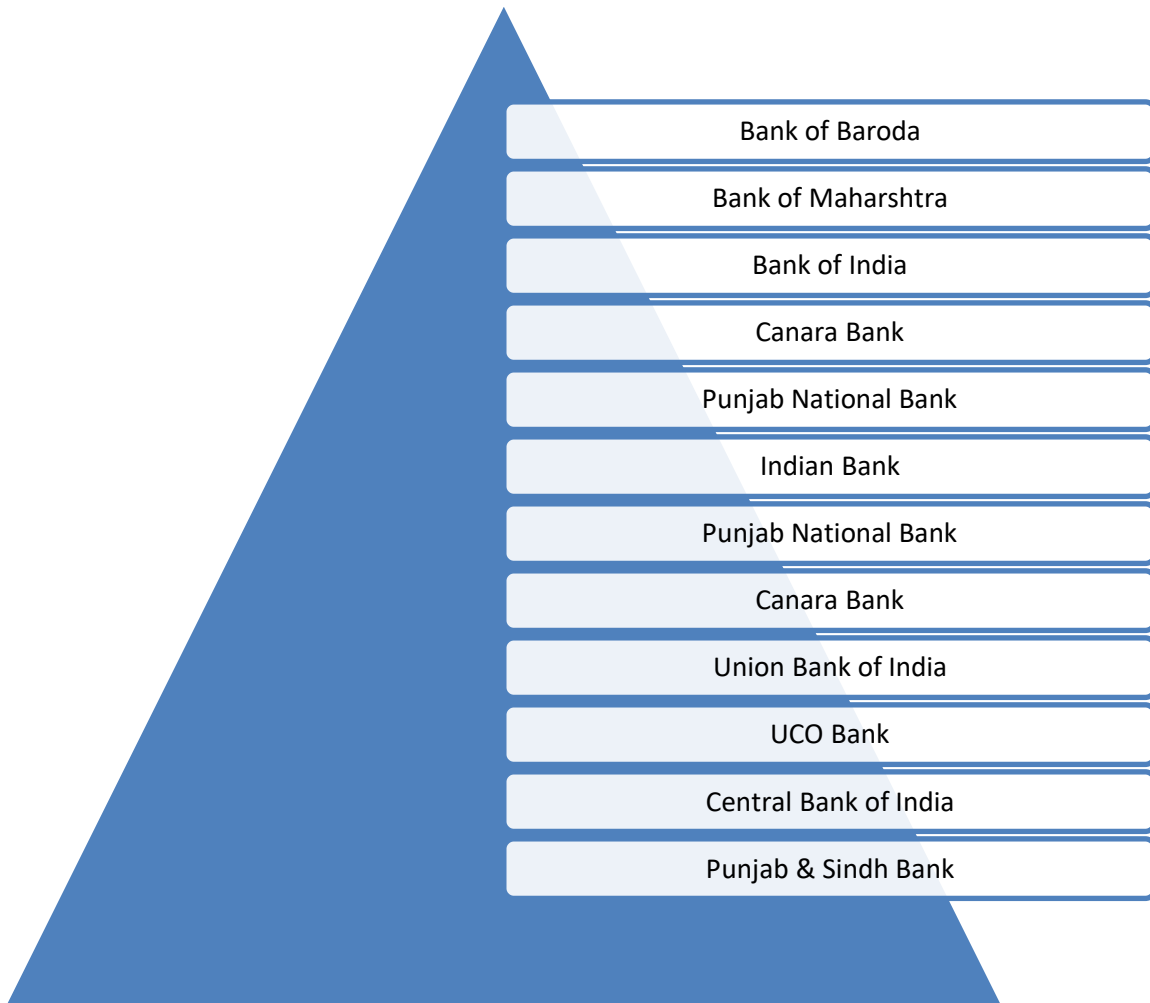
**Section 2(h)** -*"public authority" means any authority or body or institution of self-government established or constituted –*

- (a) by or under the Constitution;*
- (b) by any other law made by Parliament;*
- (c) by any other law made by State Legislature;*
- (d) by notification issued or order made by the appropriate Government, and includes any –*
  - (i) body owned, controlled or substantially financed;*
  - (ii) non-Government organisation substantially financed, directly or indirectly by funds provided by the appropriate Government.*

## 2. Do banks fall under public authority?

It must be noted that public sector banks fall under the definition of public authority since they are controlled and financed by the Government of India. However, developments with respect to the applicability of the RTI Act in the private banking sector have been made through the orders and judgments of the adjudicating bodies. The same has been discussed in this template.

In total there are 12 public sector banks in India. A few public sector banks have been listed below for the convenience of readers-



a) Recently, an RTI applicant sought information regarding audit and inspection reports from RBI under the RTI Act. RBI had issued directions to banks in India to provide information pertaining to such inspection reports and risk assessment reports under the RTI Act. The directions mentioned disclosing a list of big defaulters of the bank. However, banks are apprehensive to provide the sought information and [moved](#) to the Hon'ble Supreme Court being aggrieved by these directions. The Court dismissed the petition and maintained the applicability of the RBI's directions.

Later, an application was filed for [recall](#) of the judgment by the banks but the applications were eventually dismissed by the Supreme Court.

b) The Reserve Bank of India has given details regarding the filing of RTI applications for the applicant's perusal on their [official website](#). A list of important points has been summarised below-

The details of the transparency officer have been given as under-

*Shri Subrata Das*

*Chief General Manager-in-Charge*

*Human Resources Management Department*

*Reserve Bank of India, Central Office  
Central Office Building (21<sup>st</sup> Floor)  
ShahidBhagat Singh Marg, Fort  
Mumbai-400001  
Telephone 22611954*

- c) A list of information already available with the RBI is as follows-
- Monetary Policy Statements and Monetary Policy Reports
  - [Reports under Annual Publications](#)
  - Reports under [Quarterly](#) Publications
  - [Reports under Monthly Publications](#)
  - [Reports under Daily Publications](#)
  - [Reports under Occasional Publications](#)
- d) RBI had also issued a circular ([RBI/2021-22/84](#)) directing banks to make sure that their ATM's do not remain out of service for not more than 10 hours in a month. The intent behind this notification was to make sure that sufficient cash is available in the ATM's.

A sample RTI application has been annexed at the end of this template to show how RTI can help with respect to this guideline.

### **3. What information can be sought under RTI from banks?**

Any information that involves the role of government or its functionaries by the means of decision or aid or any other role, for the purpose of public welfare can be sought by filing an application in that institution.

Application in private institutions can be filed if an applicant may reflect the contribution of the state to that private institution.

Ex: Government Companies providing funds to NGOs for the upliftment of marginalised community. Another example being, government signing an agreement with a private bank for providing funds to promote its public welfare schemes.

The following is the most common and vital information that may be sought by way of an RTI application from banks-

- a) The list of [non-performing assets](#) for a financial year.
- b) The amount of non-performing assets for a financial year. The information pertaining to these sub-points will be important in accessing the economic

stability of the bank and the consumers may accordingly direct their funds to another bank at an appropriate time.

In 2013, an RTI applicant had sought information regarding his complaint to the regional director of RBI to which the CPIO had claimed exemption under Section 8(1)(a) and 8(1)(e); When the applicant filed a second appeal before the Hon'ble CIC, the then Central Information Commissioner [ruled in favour of appellant](#) stating, merely because disclosure of information may adversely affect public confidence in defaulting institutions, it cannot be a reason for denial. CIC ruled that even if the exemptions are applied, a larger public interest in providing information shall be mandated.

#### **4. Do insurance companies come under public authority?**

Yes, insurance companies do come under the wide ambit of public authority. But, the manner of filing RTI applications to public and private insurers is different. The manner has been given below-

- a) In case you wish to file an RTI application with a **public insurer**, you can address your application to the PIO of the concerned branch.

There are 7 public sector insurers in India. A list of public sector insurers has been given below-

- i. Life Insurance Corporation of India*
- ii. General Insurance Corporation of India*
- iii. The New India Insurance Company Limited*
- iv. Union India Insurance Company Limited*
- v. The oriental Insurance Company Limited*
- vi. National Insurance Company Limited*
- vii. Agriculture insurance company of India limited*

- b) In case your insurer is a **private** one, you need to file an RTI application with the insurance regulator i.e., the Insurance Regulatory and Development Authority of India (IRDAI).

- c) An RTI application to IRDI can either be filed online or offline. To file an online application you may visit the [website](#). All other information regarding filing an RTI application has been given on the official website of IRDAI.

- d) In case an issue is not dealt with properly by any public authority, the applicant can even file an application to the [Insurance Ombudsman](#).

#### **5. What information can be sought under RTI from Insurance Companies?**

The following is the most commonly sought information regarding insurance through an RTI Application. This information can prove to be useful to the applicant

when insurance claims have been filed but no action is taken on them or when there is an unnecessary delay in processing claims. The information is as follows:

- a) The status of the insurance claim that you have filed.
- b) The details of action taken on your claim.
- c) Name and designation of the person dealing with your claim.
- d) The reason recorded for the delay in processing the claim.
- e) The reason recorded for rejection of the claim.
- f) Example: Recently, an RTI [revealed](#) that 45,000 death claims have been settled by the Insurance Company as of June 2021 with respect to coronavirus deaths which amounts to Rs. 3300 Crores. Another example of the usefulness of RTI in the insurance sector is when In Feb 2021 an RTI application filed by Jeetendra Ghadge [revealed](#) that around 20% of orders of Insurance ombudsmen have not been followed yet.

## **6. Role of Insurance Ombudsman: A keen Alternative**

An insurance ombudsman is an officer who deals with complaints of people aggrieved by their insurance policies or claims and is the primary arrangement or authority to deal with insurance-related complaints. There are different insurance ombudsmen for different branches/offices. While there is a provision to seek information under RTI Act, the office of an insurance ombudsman moves parallel to it. This offers the people insured twin benefits.

According to [IRDAI](#), an insurance ombudsman deals with the following grievances-

Any complaint against an insurer (including its agents and intermediaries) or an insurance broker on any of the following grounds:

- i. Delay in settlement of claims, beyond the time specified in the regulations, framed under the Insurance Regulatory and Development Authority of India Act, 1999;
- ii. Any partial or total repudiation of claims by the insurer;
- iii. Disputes over premium paid or payable in terms of the insurance policy;
- iv. Misrepresentation of policy terms and conditions at any time in the policy document or policy contract;
- v. The legal construction of insurance policies as the dispute relates to claim;
- vi. Policy servicing related grievances against insurers and their agents and intermediaries;
- vii. Issuance of life insurance policy, general insurance policy including health insurance policy which is not in conformity with the proposal form submitted by the proposer;

- viii. Non-issuance of insurance policy after receipt of premium in life insurance and general insurance including health insurance; and
- ix. Any other matter arising from non-observance of or non-adherence to the provisions of any regulations made by the Authority with regard to the protection of policyholders' interests or otherwise, or of any circular, guideline or instruction issued by the Authority, or of the terms and conditions of the policy contract, insofar as such matter relates to issues referred to in clauses (i) to (ix).

The role of an ombudsman is the same as that of a mediator. He makes recommendations based on facts of the case, and once they are accepted by the complainant, he informs the company about the same. The recommendations are bound to be complied with within 15 days.

In case the above-mentioned way fails, the ombudsman may pass an award within 3 months of such intimation to the insurance company and the same has to be complied with within 30 days.

## **7. RTI v. Ombudsman**

The difference between an RTI and an ombudsman is that when a complaint is addressed by an ombudsman the action taken on it is bound to be time-framed or time-restricted. However, when the second appeal of an RTI application is dealt with there is uncertainty associated with its time frame.

In the case of RTI application and first appeal the time frame laid down is 30 and 45 days respectively, while an ombudsman deals only with insurance-related matters, you can expect a timely response. On the other hand, a PIO or Information Commissioners deals with a plethora of RTI applications ranging from one subject matter to another. This is the reason why there can be a considerable amount of delay in dealing with RTI applications.

Sample RTI Application

November 13, 2021

To,  
The Public Information Officer,  
State Bank of India,  
Rohini Branch,  
New Delhi, India

Sir/Ma'am,

The following information is sought under section 6(1) of the RTI Act, 2005. Please furnish:

1. The number of hours for which the ATM situated at XYZ building, Rohini, New Delhi was operational in the month of October'21.
2. The number of hours for which the ATM situated at XYZ building, Rohini, New Delhi was not operational due to no money supply in the month of October'21.
3. The amount of penalty, if any, paid by the bank if the number of hours of non-operation exceeded the prescribed time limit set by RBI.

*Yours Faithfully,*  
ABC

**PLEASE CONSIDER BEFORE DISPOSING OF THE APPLICATION:**

1. If required then, please '*render reasonable assistance*' for the purpose of obtaining the information **u/s 5(3)** of the Right to Information Act, 2005.
2. If the information, wholly or partially is available with any other particular department then as per the provision **u/s 6(3)**, please transfer the application, wholly or partially, to the concerned department.

