

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2168  
ANSWERED ON:12.12.2008  
COMPLAINTS AGAINST PRIVATE INSURANCE COMPANIES  
Veerendra Kumar Shri M.P.

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has received complaints/representations from the policy holders/NGOs about the malfunctioning of private insurance companies and the failure on the part of Insurance Regulatory and Development Authority (IRDA) to redress the grievances during the last one year;
- (b) If so, the nature and details thereof;
- (c) whether private insurance companies usually delay settlement of claims on one pretext or the other with a view to drawing undue benefits; and
- (d) if so, the steps taken to streamline the procedure?

**Answer**

The Minister of State in the Ministry of Finance (SHRI PAWAN KUMAR BANSAL)

- (a): During the year 2007-08, the Insurance Regulatory and Development Authority (IRDA) has handled 1406 complaints in life segment and 890 complaints in non-life segment concerning private insurance companies.
- (b): These complaints generally were on issues relating to adjustment of premium, policy servicing, policy claims, mis-sale and included complaints received from the agents for non-payment of commission, non-issuance of no-objection certificate, termination of agency etc.
- (c): The claims are generally settled promptly by the insurance companies. However, the claims which are complex in nature and those which require investigation may at times entail some delays.
- (d): IRDA has already notified regulations for protection of Policyholders' Interests in 2002. These regulations require all insurers to set up grievance redressal mechanisms to address complaints and grievances of the policyholders efficiently and with speed. The insurers are also required to send details of the Ombudsmen to the policyholders. IRDA has been monitoring the systems in the companies to ensure that the regulations are enforced effectively. Complaints received from policy holders, insurance intermediaries and from various other sources against insurance companies are also registered and tracked by the IRDA.