

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4652

ANSWERED ON:23.04.2010

MEDICAL CLAIMS

Haque Shri Sk. Saidul;Muttemwar Shri Vilas Baburao;Paranjpe Shri Anand Prakash;Yadav Shri Ranjan Prasad

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to launch a health-plus-life combo insurance in the country;
- (b) if so, the details thereof alongwith the benefits likely to be provided to the policy holders under the policy;
- (c) whether private insurance companies are also allowed to sell such policy;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether the Government has received complaints from the policy holders regarding delay in the settlement of claims including the health insurance;
- (f) if so, the details thereof during the last three years and the reasons therefor alongwith a statement of claims settled with respect to such policies;
- (g) whether the Government has proposed to formulate any scheme for the speedy and timely settlement of claims particularly, health insurance claims; and
- (h) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a) to (d): Insurance Regulatory and Development Authority (IRDA) has reported that in response to the proposal received from few insurance companies for promoting the pure term insurance and health insurance as a single integrated product, the IRDA has allowed all the insurance companies to offer this as a product class. Accordingly, IRDA has issued guidelines on 'Health plus Life Combi Products' on 23rd December, 2009 detailing the norms governing this product.

(e) & (f): Number of Grievances received and settled by public sector general insurance companies during the last 3 years are as follows:

Year	Grievance outstanding at the beginning of the year	Grievance reported during the year	Grievance redressed at the end of the year	Grievance outstanding at the year
------	----------------------------------------------------	------------------------------------	--------------------------------------------	-----------------------------------

2006-07	1290	6789	6844	1235
---------	------	------	------	------

2007-08	1235	6645	6628	1252
---------	------	------	------	------

2008-09	1252	6326	6370	1208
---------	------	------	------	------

Most of the Health Insurance Claims are settled by Third Party Administrators (TPAs) directly with the hospitals. Delay in settlement of claims is mostly due to non-submission of required documents such as copy of First Information Report (FIR), Untraced Report, Transfer of Registration Certificate in favour of Insurance Companies, Submission of Bills etc.

(g) & (h): The IRDA has notified the Insurance Regulatory and Development Authority (Protection of Policyholders' Interest) Regulations, 2002 which stipulate that the insurance companies should offer a settlement of the claims within 30 days of receipt of all

documents. Upon acceptance of the offer of settlement by the insured, the payments of the amount due are to be made within 7 days of the date of acceptance failing which insurance companies are liable to pay interest at a rate which is above 2% of the prevailing bank rate at the beginning of the financial year. In addition, the Regulation also require all insurers to setup grievance redressal mechanisms to address complaints and grievances of the policy holders. The insurers are also required to send details of the Ombudsman to the policy holders, who can be approached by the policy holders in case they are still aggrieved with the settled claims. The IRDA, on its part, has also setup a grievance cell to facilitate resolution of policy holders' complaints.