

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4434

ANSWERED ON:20.08.2010

DEFICIENT SERVICES BY INSURANCE COMPANIES

Jaiswal Shri Gorakh Prasad ;Singh Shri Bhupendra ;Yadav Shri M. Anjan Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has received complaints regarding deficient services being provided to the customers by the Insurance Companies;

(b) if so, the details thereof for the last three years alongwith the status of such complaints;

(c) whether the Government proposes to enhance the powers of Insurance Ombudsman keeping in view the problems being faced by the IRDA in exercising its powers; and

(d) if so, the details thereof alongwith the steps taken/being taken by the Government in this regard?

Answer

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

(a) & (b): Insurance Regulatory and Development Authority (IRDA) has reported that it has a Grievance Cell which receives complaints from policyholders against life insurance and general insurance companies in respect of their policy servicing and claim servicing. The details of the grievances received by IRDA during last three years are as under:

Year	Outstanding at the beginning of the year	Balance received during the year	Total received during the year	Resolved during the year	Outstanding at the end of the year
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2007-08	922	4286	5208	3315	1893
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2008-09	1893	3996	5889	4778	1111
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2009-10	1111	4525	5636	4685	951
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(c) & (d): With a view to ensure expeditious redressal of public grievances relating to the settlement of the claims, the Government had introduced a system of Ombudsman in the Insurance Sector with effect from 11-11-1998. Insurance Ombudsmen are currently located in 12 cities. Each Ombudsman is empowered to redress customer grievances in respect of insurance contracts on personal lines where the insured amount is less than Rs. 20 lakhs. The insurer shall comply with the award given by the Ombudsman within 15 days of the receipt of the acceptance letter from the complainant and it shall intimate the compliance to the Ombudsman. There is no immediate proposal to further enhance the powers of Insurance Ombudsman.