

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3487
ANSWERED ON:14.12.2012
COMPLAINTS AGAINST INSURANCE COMPANIES
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken note of increasing number of complaints against insurance companies including private insurance companies for selling policies and making false lucrative offers during the last three years and the current year;
- (b) if so, the details thereof, insurance company-wise;
- (c) the action taken by the Government on such complaints during the said period, company-wise;
- (d) whether IRDA has laid down any guidelines to curb such lucrative offers by the insurance companies; and
- (e) if so, the details thereof?

Answer

Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) and (b): Insurance Regulatory and Development Authority (IRDA) has informed that authority puts complaints under the category of Unfair Business Practices at the point of sale and keeps track of them. Primarily, these complaints relate to life insurance policies. The number of such complaints were 56,470 during 2009-10, 1,00,581 during 2010-11 and 1,00,770 during 2011-12. During the first half of the current year (i.e. as on 30.09.12), the number of complaints were 64,054. The details of complaints available with IRDA under the category of Unfair Business Practices for the last three years are attached as Annexure I.

(c) IRDA has launched the Integrated Grievance Management System (IGMS) that offers an online mechanism to policyholders to register complaints against insurance companies and track them. Through this system IRDA facilitates Grievance Redressal by insurance companies by not only monitoring the disposal but also analysing complaints from the regulatory perspective for corrections in the framework and systems. IRDA has provided the available data relating to the disposal of such complaints for the year 2011-12 and for the current year for the half year ending 30/09/2012 which is given in Annexure II.

(d) and (e): IRDA has laid down the regulations for Protection of Policyholders' Interests, 2002 and the Codes of Conduct prescribed for Intermediaries – Brokers, Corporate Agents and Individual Agents directly or indirectly prohibit such activities.