

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2697
ANSWERED ON:07.02.2014
HEALTH INSURANCE REGULATOR
Nimmala Shri Kristappa

Will the Minister of FINANCE be pleased to state:

- (a) whether public sector general insurance companies have appointed third party administrators (TPAs) to manage in house health insurance claims and co-ordinate with hospitals;
- (b) if so, the details thereof;
- (c) whether the Government/ Insurance Regulatory Development Authority (IRDA) has received any complaints about the functioning and harassment of clients by the TPAs;
- (d) if so, the details thereof along with the action taken thereon; and
- (e) the other corrective steps taken/ being taken by the Government to safeguard the interests of the consumers?

Answer

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

(a) and (b): As per General Insurers' Public Sector Association of India (GIPSA) the Public Sector General Insurance Companies (PSGICs) viz. National Insurance Company Ltd., New India Assurance Company Ltd., Oriental Insurance Company Ltd., and United India Insurance Company Ltd. have appointed Third Party Administrators (TPAs) to manage health Insurance claims and to co-ordinate with hospitals. TPAs are duly licensed by Insurance Regulatory and Development Authority (IRDA) to function as intermediaries to provide services with respect to processing of health insurance claims.

(c) IRDA has received complaints relating to problems faced by consumers in the course of interaction with TPAs. The number of complaints registered on the Integrated Grievance Management System (IGMS) against TPAs for the period 1.4.2013 to 3.2.2014 is given in Annexure-I. The number of complaints registered against insurers where the subject matter of the complaints relate to the operations of TPAs are given in Annexure-II.

(d) and (e): The complaints, wherein the name of insurer and TPA are provided, are taken up with the insurer for resolution directly. In case the complainant is not satisfied with resolution, the matter is escalated to IRDA and IRDA forwards the complaint to the insurer for re-examination.

Steps taken by IRDA/Government to safeguard the interests of the consumers are as follows:

TPAs are required to comply with the requirement of IRDA (Third Party Administrators - Health Services) Regulations, 2001, as amended from time to time. These regulations deal with requirements to be fulfilled for licensing, renewal and revocation of license, code of conduct for TPAs etc.

IRDA has come out with IRDA (Health Insurance) Regulations 2013 which are effective from October 1, 2013. These contain provisions relating to the role of TPA and relation with insurer and consumer. Following are some of the important provisions in the IRDA (Health Insurance) Regulations, 2013 to safeguard the interests of policyholders:

All health insurers and TPA's as the case may be, shall establish separate channel to address grievances of senior citizens.

Every insured shall be provided with Key Information Sheet explaining in simple language all the important features, claim limits, disallowances of the policy.

Claims shall be settled within 30 days of receipt of the last 'necessary' document.

Agreement between a TPA and an insurer to be filed with IRDA

Change in the TPA by the insurer shall be communicated to the policyholder 30 days before giving effect to the change.

Consumer education efforts have also been taken to educate members of public about the role of TPAs. A handbook on health insurance was brought out which explains the role of TPA in health insurance. Further, an animation film on health insurance was

released which details the role of TPA in providing cash less facility.