

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2854

ANSWERED ON:13.03.2015

SETTLEMENT OF INSURANCE CLAIMS

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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government/Insurance Regulatory and Development Authority (IRDA) has proposed cap on time limit for all Life Insurance Corporation (LIC) claims within two months instead of six months;
- (b) if so, the details thereof;
- (c) whether the settlement of claims period of various Insurance Companies is constantly increasing;
- (d) if so, the details thereof along with the time taken by the insurance companies for settlements of claims during the last three years and current year, State-wise; and
- (e) the corrective steps taken/ being taken by the Government in this regard?

Answer

Minister of State in the Ministry of Finance (Shri Jayant Sinha)

(a) and (b): Insurance Regulatory and Development Authority of India (IRDAI) has informed that as per IRDA (Protection of Policy holders' interests) Regulations, 2002 a Life Insurance claim should be settled between 30 days to 6 months from the time of lodging of the claim. These regulations are operational since 26.04.2002.

(c) and (d): IRDAI has stated that the settlement of claims period of various insurance companies is not constantly increasing. Further Authority has stated that State-wise data is not maintained by the Authority in respect of claims data. However, the duration wise claim settlement details of the life insurance industry during the last 3 years and current year (upto Dec, 2014) are given as per Annexure-I.

(e): IRDA has framed Protection of Policyholders' Interests Regulations, 2002 incorporating the norms pertaining to settlement of claims by the insurers. IRDA (Protection of Policyholders' Interests) Regulations, 2002 stipulates the claims procedure in respect of a life insurance policy. To monitor the claims settlements by the insurers including LIC of India, IRDA collects and reviews the claim settlement data from the insurers on quarterly basis.