

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3419

ANSWERED ON:04.08.2017

Unfair Business Practices of Insurance Companies

Dhotre Shri Sanjay Shamrao;Shewale Shri Rahul Ramesh;Singh Shri Satya Pal

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken cognizance of increasing complaints against the public and private sector general insurance companies under the category of unfair business practice at the point of sale during each of the last three years and the current year;
- (b) if so, the details thereof, company-wise and the reasons therefor along with the action taken/being taken by the Government/IRDAI on such complaints;
- (c) whether the Government/IRDAI has fixed any time-frame to resolve such complaints;
- (d) if so, the details thereof along with the number of complaints that have not been resolved in the fixed time frame during the last three years and the current year and if not, the reasons therefor;
- (e) whether the Government/IRDAI has laid down guidelines to curb such unfair business practice at the point of sale;
- (f) if so, the details thereof along with the name of such companies penalised for non-compliance of such guidelines during the said period, company-wise; and
- (g) the other corrective steps taken/ being taken by the Government in this direction?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) to (g): Insurance Regulatory and Development Authority of India (IRDAI) has launched the Integrated Grievance Management System (IGMS) that offers an online mechanism to policyholders to register complaints against insurance companies and track them. A statement showing all types of complaints received against both public and private general insurers during the last 3 years and the current year is given in Annexure.

IRDAI tracks the action of various insurers on such complaints and monitors resolution as per laid down time frame. The Authority has prescribed a time limit of 15 days for insurers to provide their final resolution to complaints.

IRDAI has notified IRDAI (Protection of Policyholders' Interests) Regulations, 2017. Vide Regulation 5(1)(iv) of the said Regulations, the Authority has mandated insurers to have in place a board approved policy detailing steps to be taken to prevent mis-selling and unfair business practices at point of sale and service.

Further, IRDA (Advertisement and Disclosure) Regulations, 2000 and other guidelines relating to advertisements are aimed at ensuring that any communication (including those on the internet) which directly or indirectly result in eventual sale or solicitation of policy should not be unfair or misleading.
