

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3266

ANSWERED ON:12.12.2014

SETTLEMENT OF VEHICLE INSURANCE CLAIMS

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Will the Minister of FINANCE be pleased to state:

- (a) the details of the cases of vehicle insurance claims settled during each of the last three years and the current year, company-wise;
- (b) whether the Government has received complaints against officials of such insurance companies for violating rules relating to settlement of such insurance claims;
- (c) if so, the details thereof along with the action taken by the Government on such complaints; and
- (d) the other corrective steps taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a): As per the information furnished by Insurance Regulatory and Development Authority (IRDA), the insurer-wise details of number of claims settled against motor insurance policies during the last three years are enclosed (Annexures – 1, 2 and 3).

(b to d): As per IRDA's, Integrated Grievance Management System (IGMS) which serves as the industry-wide grievance repository there are 34 descriptions of claims related complaints relating to motor insurance policies. The description of complaints and the data regarding number of complaints under each description for last 3 years is enclosed (Annexure-4). The insurer-wise details of number of complaints relating to claims of motor insurance policies received during the last three years as per the IGMS are enclosed (Annexure- 5). The IRDA (Protection of Policyholders' Interest) Regulations, 2002 provides for the regulatory framework for the protection of policyholders' interests. These regulations, inter-alia, specify the claims procedure and the Turn Around Time (TAT) for claims related services. In terms of Regulation 8(5) and Regulation 9(6), where there is a delay on the part of the insurer in payment of claims the insurer is required to pay interest at the bank rate plus two per cent for the period of delay. Further, in terms of Regulation 5 of IRDA (Protection of Policyholders' Interests) Regulations, 2002, every insurer should have in place proper procedures and effective mechanism to address complaints and grievances of policyholders efficiently. Where the complaints are not resolved to the satisfaction of the complainant, the complainant can take up the matter with the Insurance Ombudsman.