

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**  
**UNSTARRED QUESTION No. 1996**

ANSWERED ON TUESDAY, 10 MARCH, 2026/PHALGUNA 19, 1947 (SAKA)

**COMPLAINTS AGAINST INSURANCE COMPANIES**

1996. SHRI A. D. SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Insurance Regulatory and Development Authority of India (IRDAI) has expressed concern over the rising number of complaints by claimants against insurance companies, particularly regarding delay, partial settlement or rejection of claims;
- (b) the reasons for the increase in such complaints, including mis-selling, lack of transparency in policy terms, unfair claim settlement practices and weak grievance redressal mechanisms;
- (c) the remedial measures proposed by IRDAI to safeguard policyholders' interests, including regulatory action, penalties, revised guidelines and strengthening grievance redressal; and
- (d) the steps taken to ensure timely, fair and transparent settlement of insurance claims and to reduce future complaints?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a)&(b) : Figures furnished by Insurance Regulatory and Development Authority of India (IRDAI) for the total number of complaints and the number of complaints received on claims and related issues (FY 23-24 and FY 24-25) are placed at Annexure. Further, Bima Bharosa of IRDAI captures various sub-categories under claim related complaints. The main reasons for complaints on claims related issues are also placed at Annexure.

(c)&(d) : In order to treat the customer fairly, IRDAI has laid down the framework for redressal of Grievances at (i) Company level, (ii) IRDAI level and (iii) Insurance Ombudsman level.

Steps taken by IRDAI to ensure timely, fair and transparent settlement of insurance claims are as under -

- i. The Authority has specified timeline for underwriting of the proposals, issuance of the policies, processing of refund, payment of the claims, pre and post hospitalisation request(s) under cashless, compliance of Insurance Ombudsman Awards etc.
- ii. For health insurance claims, it has been specified that no claim shall be repudiated without the approval of Product Management Committee (PMC) or a three-member sub-group of PMC called the Claims Review Committee (CRC).

IRDAI has notified IRDAI (Protection of Policyholders' Interests) Regulations, 2017. Vide Regulation 5(1)(iv) of the said Regulations, the IRDAI has mandated all insurers to have in place a board approved policy which shall contain steps to be taken to prevent mis-selling and unfair business practices at point of sale and service. Further, vide Regulation 6, prescribed specific point of sale provisions to be complied with by all insurers, agents and intermediaries. In case any insurer, agent, intermediary violates the above provision the IRDAI can initiate action against them.

IRDAI has also taken the following steps to address the various issues/concerns raised by the policyholders and, in turn, would minimise the complaints from policyholders in future :

- i. In order to curb mis-selling, the insurers are mandated to carry out 'suitability analysis' for saving based Insurance Products and Annuity products except those sold to NPS subscriber.
- ii. Insurers are mandated to provide policyholders with a detailed Customer Information Sheet (CIS) along with the policy document.
- iii. In order to address the complaints on non-refund of premium deposit / excess collection of the premium, the insurers have been mandated not to realise premium till the issuance of the insurance policy.
- iv. Extended 'Free Look' period of 30 days is made applicable for Health and Life insurance policies.
  - v. Insurers are mandated to capture Insured's bank account information at the proposal stage itself so as to expedite settlement of the claims.
- vi. Electronic Policy Issuance

Penal interest provisions: The insurers have been mandated for payment of Penal interest at bank rate plus 2% where the claim/refund of premium has not been made within the stipulated time frame.

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**Annexure referred in reply to parts (a) & (b) of Rajya Sabha unstarred Question No. 1996 for 10.03.2026**

1. Total number of complaints and the number of complaints received on claim and related issues for last two years is given in the below table :

Year	Total complaints	Complaints towards claims and related issues	% of the such complaints	Complaints on Unfair Business Practice (UBP)	% of Unfair Business Practice (UBP) to total complaints	Percentage of complaints to total number of policies issued
2024-25	2,57,790	1,26,412	49.04	26,667	10.34	0.00767
2023-24	2,15,569	1,00,996	46.85	23,335	10.82	0.00597

2. The main reasons for complaints on claims related issues, as informed by IRDAI are as below :-
- i. Insurer does not dispose of the claim
  - ii. Claim repudiated without giving reasons
  - iii. Survival Benefit is not paid
  - iv. Maturity claim is not paid
  - v. Difference between assessed loss and amount settled by Insurer

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