GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION No. 1821
ANSWERED ON TUESDAY, 4 AUGUST, 2026/ 13 SHRAVANA, 1948 (SAKA)

REGULATION OF INSURANCE COMPANIES AND PROTECTION OF POLICYHOLDERS

1821 SHRI I.S. INBADURAI:

Will the Minister of Finance be pleased to state?

a) whether Government is aware of widespread complaints that insurers allegedly make misleading promises at the time of selling mediclaim, life and motor insurance policies, while exclusions and conditions are cited during claim settlement, causing financial hardship to policyholders, if so, the details thereof;

(b) the total number of complaints received, resolved and pending against insurance companies, insurer-wise and category-wise, during the last three years and the current year; and

(c) whether Government proposes to strengthen regulations, standardise disclosures, impose stricter penalties for mis-selling and unfair claim practices and ensure simple, transparent policy terms to protect consumers, if so, the details thereof?

ANSWER

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

(a) and (b): Insurance Regulatory and Development Authority of India (IRDAI) takes cognizance of complaints relating to alleged mis-selling, unfair business practices and claim-related issues, including those pertaining to policy terms and exclusions. Such complaints are monitored by IRDAI through the Bima Bharosa portal, an online platform for filing, tracking and monitoring of grievances. As per the data available on the Bima Bharosa Portal, the total number of grievances related to Unfair Business Practices (UFBP), including mis-selling, reported during the FY 2025-26 was 28789.

I. The Insurer-wise total number of complaints received, resolved and pending during the last three years and current year, are enclosed as Annexure - I.
II. The category-wise total number of complaints received, resolved and pending during the last three years and current year, are enclosed as Annexure- II.

(c): IRDAI (Protection of Policyholders' Interests, Operations and Allied Matters of Insurers) Regulations, 2024, IRDAI (Insurance Products) Regulations, 2024, and the Master Circulars issued thereunder require insurers to adopt sound governance in product design and pricing, offer need-based products with clear policy wordings, make adequate disclosures, ensure fair market conduct, strengthen claims settlement and grievance redressal, and prevent mis-selling and other unfair business practices.

The key relevant provisions include:

1. Insurers to have a Board-approved Policy for Protection of Policyholders' Interests providing for equitable access to insurance, accurate product disclosures, prevention of mis-selling and unfair practices, effective grievance redressal, timely customer service, insurance awareness, and prompt claim settlement.
2. A Board-approved Product Suitability Policy (for life insurers) to assess customers' needs, recommend suitable products, with specific measures to prevent mis-selling, force-selling, and misleading sales.
3. Every insurer to put in place a Citizens' Charter specifying qualitative and quantitative service standards.
4. A prospectus for every insurance product containing its features, benefits, exclusions, and terms and conditions, must be made available on the insurer's website and through its distribution channels.
5. Insurers must provide a customised benefit illustration based on the prospective policyholder's details, explaining benefits under different policy scenarios.
6. Clear disclosures on policy terms, policy servicing, claims procedures, and grievance redressal mechanisms to enable informed decision-making.
7. A Customer Information Sheet (CIS) in simple language explaining the key features and terms of the policy must accompany every policy document.
8. Fair, truthful, and non-misleading advertisements, supported by adequate internal controls and prior written approval for advertisements issued through distribution channels.
9. Insurers and distribution channels must implement measures to prevent mis-selling of insurance policies.
10. Commercial communications by insurers and intermediaries must comply with the Telecom Regulatory Authority of India (TRAI) regulations.
11. Digital distribution of insurance products must comply with the Central Consumer Protection Authority (CCPA) Guidelines on Prevention and Regulation of Dark Patterns, 2023.

In addition to the above -

Section 34 of Insurance Act, 1938 empowers IRDAI to issue directions to insurer/intermediaries in the public interest, to protect policyholders, and ensure proper management, including directing disgorgement of wrongful gains.

Further, IRDAI is empowered under Section 102 of the Insurance Act, 1938 to impose monetary penalties, with the maximum penalty enhanced from ₹1 crore to ₹10 crore by the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act, 2025.
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Annexure -I

Annexure -I referred to in parts (a) and (b) of Rajya Sabha Unstarred Question No. 1821 on "Regulation of Insurance companies and Protection of policyholders" answered on 04.08.2026

S. No.	Insurance Company	FY 23-24			FY 24-25			FY 25-26			Current FY (01.04.2026 to 30.06.2026)		
		Complaints Received	Complaints Attended	Complaints Pending	Complaints Received	Complaints Attended	Complaints Pending	Complaints Received	Complaints Attended	Complaints Pending	Complaints Received	Complaints Attended	Complaints Pending
1	Acko General Insurance Limited	1346	1174	172	1441	985	456	1455	1397	58	384	329	55
2	Acko Life Insurance Ltd		0	0	213	213	0	331	328	3	86	81	5
3	Aditya Birla Health Insurance Co. Limited	3918	3880	38	5329	5275	54	7154	7030	124	2746	2620	126
4	Ageas Federal Life Insurance Company Ltd	496	496	0	407	407	0	389	389	0	121	121	0
5	Agriculture Insurance Company of India Limited	1397	1315	82	1098	1056	42	1828	1819	9	454	430	24
6	Aviva Life Insurance Company India Limited	857	857	0	684	683	1	694	687	7	159	147	12
7	Axis Max Life Insurance Limited	4290	4290	0	5165	5165	0	7486	7485	1	2197	2197	0
8	Bajaj General Insurance Limited	2849	2848	1	3807	3807	0	5310	5305	5	1694	1679	15
9	Bajaj Life Insurance Limited	3054	3054	0	3827	3827	0	4420	4420	0	1415	1408	7
10	Bandhan Life Insurance Limited	236	236	0	309	309	0	418	418	0	124	113	11
11	Bharti-Axa Life Insurance Company LTD	2793	2705	88	3892	3812	80	3167	3036	131	635	157	478
12	Birla SunLife Insurance Company Limited	1404	1404	0	1494	1494	0	1784	1784	0	730	730	0
13	Canara HSBC Life Insurance Company Limited	1037	1037	0	1186	1180	6	886	886	0	237	223	14
14	Care Health Insurance Limited	6489	6489	0	10281	10281	0	15359	15359	0	3634	3047	587
15	Cholamandalam MS General Insurance Company Ltd.	1794	1781	13	3467	3461	6	9479	8884	595	2236	2140	96
16	CreditAccess Life Insurance Limited		0	0	12	11	1	8	8	0	7	7	0
17	Edelweiss Life Insurance Company Limited	965	965	0	910	910	0	1001	1000	1	188	188	0
18	Export Credit Guarantee Corporation of India Ltd	280	207	73	220	168	52	940	843	97	514	494	20

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19	Galaxy Health Insurance Company Limited		0	0		0	0	22	21	1	11	11	0
20	Generali Central Insurance Company Limited	887	876	11	1211	1208	3	1336	1331	5	341	326	15
21	Generali Central Life Insurance Company Limited	761	761	0	804	804	0	979	979	0	336	336	0
22	Go Digit General Insurance Limited	1738	1738	0	2362	2362	0	3321	3321	0	1256	1250	6
23	Go Digit Life Insurance Limited	52	52	0	206	206	0	971	971	0	392	375	17
24	HDFC Ergo General Insurance Company Ltd.	6020	6020	0	7326	7326	0	7849	7849	0	2367	2331	36
25	HDFC Life Insurance	4035	4033	2	4750	4744	6	7183	7123	60	2341	2256	85
26	ICICI Lombard General Insurance Company Limited	5171	4998	173	7782	7585	197	11252	11013	239	3384	3186	198
27	ICICI Prudential Life Insurance Company Ltd	3629	3627	2	3557	3555	2	4972	4970	2	1560	1555	5
28	IFFCO TOKIO General Insurance Co. Ltd.	1894	1826	68	3697	3612	85	5254	5137	117	1669	1461	208
29	IndiaFirst Life Insurance Company Limited	2367	2339	28	1803	1791	12	2027	2018	9	529	497	32
30	IndusInd Nippon Life Insurance Company Limited	1091	1087	4	1288	1255	33	1425	1404	21	532	477	55
31	Kotak Life Insurance Company Ltd	1561	1519	42	1911	1894	17	1816	1796	20	608	565	43
32	Kshema General Insurance Limited		0	0	276	238	38	321	321	0	77	77	0
33	Liberty General Insurance Limited	624	624	0	609	609	0	1003	1003	0	229	229	0
34	Life Insurance Corporation of India	81021	81021	0	74104	74104	0	59313	59311	2	11489	10587	902
35	Magma General Insurance Limited	479	477	2	673	671	2	1021	1016	5	241	238	3
36	ManipalCigna Health Insurance Company Limited	1707	1707	0	2041	2041	0	4022	4016	6	877	872	5

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37	Narayana Health Insurance Limited		0	0	3	3	0	16	16	0	6	4	2
38	National Insurance Company Limited	5671	2184	3487	12859	6637	6222	10266	6772	3494	3200	2713	487
39	Navi General Insurance Limited	471	415	56	367	366	1	422	422	0	84	83	1
40	Niva Bupa Health Insurance Company Limited	5165	5165	0	7970	7970	0	12320	12319	1	3941	3486	455
41	PNB MetLife India Insurance Company Ltd.	2353	2346	7	2296	2288	8	2961	2772	189	964	897	67
42	Pramerica Life Insurance Limited	306	306	0	588	588	0	1246	1244	2	404	404	0
43	Raheja QBE General Insurance Company Limited	115	104	11	273	268	5	159	159	0	20	19	1
44	Reliance General Insurance Co Ltd	2644	2569	75	3396	3340	56	4990	4863	127	1491	1366	125
45	Royal Sundaram General Insurance Co. Limited	845	834	11	1052	1043	9	1712	1701	11	448	438	10
46	Sahara India Life Insurance Co. Ltd.	217	0	217	346	0	346	134	0	134	21		21
47	SBI General Insurance Co. Ltd.	2289	2255	34	4503	4493	10	5319	5303	16	1362	1289	73
48	SBI Life Insurance Co. Ltd.	2952	2952	0	3041	3041	0	5711	5704	7	1974	1842	132
49	Shriram General Insurance Co. LTD.	908	908	0	3733	3733	0	1893	1893	0	549	546	3
50	Shriram Life Insurance Company Ltd.	1290	1236	54	2869	2827	42	3070	3062	8	840	721	119
51	Star Health And Allied Insurance Company Limited	16572	16241	331	20527	20071	456	25278	24975	303	7434	6945	489
52	Star Union Dai-ichi Life Insurance Company Limited	1314	1314	0	1376	1376	0	2034	2034	0	702	668	34
53	Tata AIA Life Insurance Company LTD	2651	2651	0	3391	3391	0	4601	4600	1	1342	1342	0
54	TATA AIG General Insurance Company Ltd.	3793	3780	13	3577	3555	22	7651	7579	72	2043	1972	71

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		Complaints Received	**Complaints Attended**	**Complaints Pending**	**Complaints Received**	**Complaints Attended**	**Complaints Pending**	**Complaints Received**	**Complaints Attended**	**Complaints Pending**	**Complaints Received**	**Complaints Attended**	**Complaints Pending**
55	The New India Assurance Co. Ltd.	6597	6594	3	7768	7741	27	9386	9366	20	2603	2335	268
56	The Oriental Insurance Company Ltd.	3831	3482	349	6854	5265	1589	6606	4340	2266	1726	835	891
57	United India Insurance Company Limited	7183	7138	45	10126	9856	270	11813	10013	1800	2101	1033	1068
58	Universal Sompo General Insurance Company Limited	1255	1255	0	1259	1258	1	1594	1594	0	818	805	13
59	Zuno General Insurance Ltd	170	170	0	491	490	1	548	547	1	133	133	0
60	Zurich Kotak General Insurance Company (India) Ltd	735	735	0	983	981	2	1542	1540	2	533	527	6
Grand Total		**215569**	**210077**	**5492**	**257790**	**247630**	**10160**	**297468**	**287496**	**9972**	**80539**	**73143**	**7396**

Annexure-II

Annexure-II referred to in parts (a) and (b) of Rajya Sabha Unstarred Question No. 1821 on "Regulation of Insurance companies and Protection of policyholders" answered on 04.08.2026

S. No.	Complaint Type	FY 23-24			FY 24-25			FY 25-26			Current FY (1April26 - 30June26)		
		Complaints Received	Complaints Attended	Complaints Pending	Complaints Received	Complaints Attended	Complaints Pending	Complaints Received	Complaints Attended	Complaints Pending	Complaints Received	Complaints Attended	Complaints Pending
1	Claim	64487	61435	3052	96046	88545	7501	123654	116015	7639	36749	32535	4214
2	Others	39421	38244	1177	39527	38515	1012	45790	45038	752	13001	12078	923
3	Unfair Business Practices	23335	23288	47	26667	26495	172	28789	28531	258	8503	7826	677
4	Policy Related	13519	13166	353	21628	21183	445	27082	26361	721	6218	5742	476
5	Survival Claims	24569	24403	166	26707	26423	284	23658	23558	100	4905	4598	307
6	Policy Servicing	29803	29747	56	22736	22575	161	18340	18312	28	3849	3656	193
7	Death Claims	6005	5946	59	6234	6147	87	6860	6839	21	1746	1553	193
8	Proposal Processing	5792	5470	322	6069	5982	87	6024	5993	31	1234	1151	83
9	Refund	2595	2510	85	3885	3728	157	5585	5390	195	1441	1331	110
10	Premium	2275	2224	51	3493	3442	51	5436	5369	67	1071	991	80
11	Product	966	923	43	2030	1954	76	2393	2359	34	643	590	53
12	Coverage	729	701	28	1083	1022	61	1613	1520	93	487	441	46
13	Proposal Related	1582	1533	49	978	927	51	1238	1211	27	378	345	33
14	ULIP Related	410	409	1	620	618	2	926	925	1	290	283	7
15	Cover Note Related	81	78	3	87	74	13	80	75	5	24	23	1
	Grand Total	**215569**	**210077**	**5492**	**257790**	**247630**	**10160**	**297468**	**287496**	**9972**	**80539**	**73143**	**7396**