

Government of India  
Ministry of Finance  
Department of Financial Services  
Lok Sabha  
Unstarred Question No. 1084

Friday, February 8, 2019/Magha 19, 1940 (Saka)

**Complaints against Insurance Companies**

1084. SHRI T. RADHAKRISHNAN:  
SHRI S.R. VIJAYAKUMAR:  
SHRI S. RAJENDRAN:  
KUNWAR HARIBANSH SINGH:  
SHRI GAJANAN KIRTIKAR:  
SHRI SUDHEER GUPTA:

Will the Minister of FINANCE  
be pleased to state:

- (a) whether the Government has laid down guidelines for the insurance companies regarding unfair business practice at the point of sale indulge by them and if so, the details thereof;
- (b) whether the Government has taken cognizance of increasing complaints against the public and private sector Insurance Companies under the category of unfair business practice;
- (c) if so, the details thereof during each of the last three years and the reasons therefor along with the action taken/being taken by the Government on each complaint;
- (d) whether the Government has fixed any time frame to resolve such complaints; and
- (e) if so, the details thereof and the number of complaints that have not been resolved in the fixed time frame during the said period along with the reasons therefor?

Answer

Minister of State in the Ministry of Finance  
(Shri Shiv Pratap Shukla)

(a): Insurance Regulatory and Development Authority of India (Protection of Policyholders' Interests) Regulations, 2017 prescribes various provisions to be complied with by insurers, intermediaries and agents, to ensure that adequate and appropriate information is given to the prospects at point of sale. These provisions ensure that the prospectus of insurance products give full information about the product features, scope of benefits and warranties, exclusions, conditions of insurance cover along with explanations.

(b) to (e): Wherever unfair business practice is proven, the insurers initiate actions against sales persons, besides providing resolution in the interest of complainant. As per Insurance Regulatory and Development Authority of India (IRDAI), during the last three years, 2,16,772 complaints were received and 99.55% of the complaints were disposed off.

IRDAI reviews the disposal of complaints on a regular basis. The maximum time allowed for providing resolution to a complaint is 15 days from the date of its receipt by insurer.

Further, IRDAI informed that there were only 10 complaints which were not resolved within the prescribed 15 days during the year 2017-18. The pendency of these specific grievances is mainly due to complexities involved leading to various interpretations and thereby delays in decision making processes.

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