

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**LOK SABHA**

**UNSTARRED QUESTION NO. 396**

TO BE ANSWERED ON MONDAY, JUNE 24, 2019/ASHADHA 3, 1941 (SAKA)

**UNFAIR BUSINESS PRACTICES OF INSURANCE COMPANIES**

396. SHRI RAHUL RAMESH SHEWALE:

SHRI BHARTRUHARI MAHTAB:

Will the Minister of FINANCE be pleased to state:-

(a) whether the Government has taken note 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, if so, the details thereof, insurance company-wise;

(b) the action taken on such complaints by the Government Insurance Regulatory and Development Authority (IRDA) along with the number of erring officials of the said companies found guilty in such complaints and action taken against them during the said period;

(c) whether the Government/IRDA has laid down guidelines to curb such unfair business practice at the point of sale, if so, the details thereof including the mechanism put in place to monitor implementation of such guidelines in the country; and

(d) the other corrective steps taken by the Government in this direction?

**ANSWER**

THE FINANCE MINISTER  
(SMT NIRMALA SITHARAMAN)

**(a) to (d):** The Insurance Regulatory and Development Authority of India (IRDAI) has put in place Integrated Grievance Management System (IGMS), which captures the complaints registered against all insurers. A statement showing the number of complaints received and attended to in the said system 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 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.

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.

IRDAI has also notified various other regulations namely IRDAI (Appointment of Insurance Agents) Regulations, 2016, IRDAI (Registration of Corporate Agents) Regulations, 2015, IRDAI (Insurance Brokers) Regulations, 2018 prescribing code of conduct for agents, corporate agents and brokers so that they do not resort to mis selling and unfair business practices at point of sale.

\*\*\*\*\*

**Annexure referred to in reply to Lok Sabha Un-Starred Question No. 396 for 24.06.2019**

**Complaints received against all general insurers during last 3 years and current year**

S.No	Name of the Insurer	2016-17				2017-18				2018-19				Apr 19 - May 19			
		Opening Balance	Reported during the year	Attended to during the year	Pending at the end of the year	Opening Balance	Reported during the year	Attended to during the year	Pending at the end of the year	Opening Balance	Reported during the year	Attended to during the year	Pending at the end of the year	Opening Balance	Reported during the year	Attended to during the year	Pending at the end of the year
1	Agriculture Insurance*	-	-	-	-	-	-	-	-	0	12	12	0	0	4	2	2
2	ECGC of India	55	8	11	52	52	9	8	53	53	15	68	0	0	0	0	0
3	National Insurance	180	4680	4671	189	189	5571	5591	169	169	4739	4891	17	17	856	708	165
4	The New India Assurance	139	4208	4312	35	35	4820	4852	3	3	5164	5137	30	30	1020	703	347
5	The Oriental Insurance	129	2673	2672	130	130	2743	2121	752	752	2634	3359	27	27	538	357	208
6	United India Insurance	22	7484	7394	112	112	9425	9212	325	325	8404	8464	265	265	1600	860	1005
(i)	<b>Total - PSU insurers</b>	<b>525</b>	<b>19053</b>	<b>19060</b>	<b>518</b>	<b>518</b>	<b>22568</b>	<b>21784</b>	<b>1302</b>	<b>1302</b>	<b>20968</b>	<b>21931</b>	<b>339</b>	<b>339</b>	<b>4018</b>	<b>2630</b>	<b>1727</b>
1	Acko General									0	11	11	0	0	186	173	13
2	Aditya Birla Health	0	5	4	1	1	251	145	107	107	595	702	0	0	147	140	7
3	Apollo MUNICH Health	4	1097	1081	20	20	929	918	31	31	1211	1230	12	12	313	288	37
4	Bajaj Allianz General	49	917	959	7	7	914	919	2	2	1052	1052	2	2	221	211	12
5	Bharati Axa General	37	3579	3609	7	7	1943	1944	6	6	1350	1352	4	4	165	155	14
6	Cholamandalam MS General	10	1670	1677	3	3	439	440	2	2	233	235	0	0	35	35	0
7	CignaTTK Health	6	1020	1018	8	8	702	707	3	3	709	709	3	3	136	126	13
8	DHFL General									0	12	12	0	0	5	5	0
9	Edelweiss General									0	3	3	0	0	0	0	0
10	Future Generali India	1	2075	2073	3	3	1113	1113	3	3	602	605	0	0	91	84	7
11	Go Digit General									0	117	117	0	0	9	8	1
12	HDFC ERGO General	16	2900	2916	0	0	1037	1037	0	0	1070	1070	0	0	193	190	3
13	ICICI Lombard General	90	3587	3589	88	88	3037	3091	34	34	2929	2889	74	74	555	507	122
14	IFFCO Tokio General	1	1781	1781	1	1	1044	1029	16	16	707	722	1	1	117	89	25
15	Kotak General	0	25	23	2	2	63	65	0	0	71	69	2	2	12	11	3
16	L&T General	0	409	409	0	0	137	137	0	0	5	5	0	0	1	1	0
17	Liberty Videocon Genral	3	315	315	3	3	257	260	0	0	291	291	0	0	61	58	3
18	Magma HDI General	0	113	96	17	17	94	62	49	49	80	129	0	0	12	5	7
19	Max Bupa Health	0	802	802	0	0	772	772	0	0	892	892	0	0	210	210	0
20	Raheja QBE	0	0	0	0	0	1	0	1	1	1	2	0	0	0	0	0
21	Reliance General	46	1287	1324	9	9	454	456	7	7	600	607	0	0	114	105	9
22	Reliance Health									0	6	6	0	0	0	0	0
23	Religare Health	6	895	901	0	0	573	569	4	4	644	645	3	3	163	150	16
24	Royal Sundaram Alliance	22	808	824	6	6	778	782	2	2	538	530	10	10	73	78	5
25	SBI General	61	1117	1123	55	55	671	697	29	29	471	489	11	11	107	102	16
26	Shriram General	0	214	214	0	0	218	218	0	0	231	231	0	0	69	68	1
27	Star Health and Allied	93	6434	6490	37	37	4496	4486	47	47	5685	5597	135	135	1100	1040	195
28	Tata- AIG General	1	1473	1473	1	1	1050	1050	1	1	1231	1228	4	4	229	226	7
29	Universal Somp General	0	528	528	0	0	454	454	0	0	446	446	0	0	70	69	1
(ii)	<b>Total Private Insurers</b>	<b>446</b>	<b>33051</b>	<b>33229</b>	<b>268</b>	<b>268</b>	<b>21427</b>	<b>21351</b>	<b>344</b>	<b>344</b>	<b>21793</b>	<b>21876</b>	<b>261</b>	<b>261</b>	<b>4394</b>	<b>4134</b>	<b>521</b>
	<b>Grand Total [(i)+(ii)]</b>	<b>971</b>	<b>52104</b>	<b>52289</b>	<b>786</b>	<b>786</b>	<b>43995</b>	<b>43135</b>	<b>1646</b>	<b>1646</b>	<b>42761</b>	<b>43807</b>	<b>600</b>	<b>600</b>	<b>8412</b>	<b>6764</b>	<b>2248</b>