

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**LOK SABHA**  
**UNSTARRED QUESTION No. 93**

TO BE ANSWERED ON MONDAY, 3<sup>rd</sup> FEBRUARY, 2025/ 14 MAGHA, 1946 (SAKA)

**REJECTION OF INSURANCE CLAIMS**

93. Shri Balashowry Vallabhaneni:  
Adv Dean Kuriakose:

Will the Minister of Finance be pleased to state:

- (a) whether the Insurance Regulatory and Development Authority of India (IRDAI) has stated that health insurance claims worth 15,100 crores have been rejected in the year 2023-24 and if so, the details thereof, insurance company-wise;
- (b) whether the terms and conditions of health insurance companies run into many pages with very small font size which really frustrates those who want to take policy and they invariably sign the policy document without reading the terms and conditions of the policy and insurance companies taking advantage of this in rejecting or repudiating claims and if so, the measures taken by the Government in this regard;
- (c) whether the Health Insurance Companies had received premiums to the tune of Rs. 1,07,681 crore for the same period and if so, the details thereof, State-wise;
- (d) whether the ratio of claim settlement by public sector insurance companies is better in comparison to private sector insurance companies; and
- (e) whether the Government is impressing upon private sector companies to be more humane in settling the claims and if so, the details thereof?

**ANSWER**

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

(a) : The Insurance Companies process the claims as per the terms and conditions of the policy. The company-wise break up of data pertaining to health insurance claims, disallowed or repudiated by insurance companies, in the year 2023-24 is attached as Annexure-I.

(b) : In order to ensure that customers are fully aware about terms & conditions of the policy and to prevent mis-selling, IRDAI has mandated that:-

- i. Insurance companies will provide Customer Information Sheet (CIS) to each health insurance policyholder. CIS shall provide details of coverage offered, exclusions, sub-limits/deductibles, capping, waiting period(s) etc.

- ii. Font size of at least eleven (11) to be used in insurance policies.
- iii. Appropriate framework to be put in place by insurers to ensure that the features, benefits along with terms and conditions of the products being sold are represented correctly and fully and that the products are not mis-stated or misrepresented to prospects or policyholders.
- iv. Free look period of 30 days (from the date of receipt of the policy document) is given to the policyholder to review the terms and conditions of the policy. If he/she is not satisfied with any of the terms and conditions, he/she has the option to cancel his/her policy.

(c) : The details of state-wise health insurance premium collected by insurers during last 3 Financial years as per IRDAI is provided in Annexure-II.

(d) : The details of claimed settled by public and private sector insurance companies is provided in Annexure III.

(e) : IRDAI has further advised the insurance companies to take various measures to improve the customer claim settlement experience. Some of the measures are:

- i. No claim shall be repudiated without the approval of the Insurer's Product Management Committee (PMC) or a three-member sub-group of PMC called the Claims Review Committee (CRC).
- ii. In case, the claim is repudiated or rejected or disallowed partially, details shall be communicated to the claimant along with full details giving reference to the specific terms and conditions of the policy document.
- iii. If a customer is not satisfied with decision of the insurer on the claim, he/she may lodge a complaint with grievance redressal officer of insurer. The policyholders have the right to approach the Insurance Ombudsman without any charges. Insurers must comply with the Ombudsman's decision within 30 days, or they need to pay penal charges of Rs. 5000 per day for each day of delay.
- iv. Shorter timelines for processing and settlement of claims have been introduced for reimbursement/ cashless claim settlement and for pre-authorisation.
- v. Suo-moto payment of interest at bank rate plus 2 percent in event of delay beyond specified timelines.

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**Annexure-I****Reply to Lok Sabha Unstarred Question No. 93 for answer on 03.02.2025**

Data related to health claims disallowed/repudiated during FY 2023-24			
S.no.	Insurers	Claims disallowed as per terms and conditions of policy contract	Claims repudiated during the period
		Amount (in lacs)	Amount (in lacs)
<b>Private Sector Insurers</b>			
1	Acko General Insurance Ltd.	8,867.86	16,633.78
2	Bajaj Allianz General Insurance Co. Ltd.	70,761.60	33,246.81
3	Cholamandalam MS General Insurance Co. Ltd.	1,989.80	12,972.50
4	Future Generali India Insurance Co. Ltd.	14,222	5,964
5	Go Digit General Insurance Ltd.	19,844.13	3,836.93
6	HDFC ERGO General Insurance Co. Ltd.	46,862.69	24,806.41
7	ICICI Lombard General Insurance Co. Ltd.	1,13,380.14	88,301.20
8	IFFCO Tokio General Insurance Co. Ltd.	14,065.96	49,273.54
9	Kotak Mahindra General Insurance Co. Ltd.	2,245.46	10,043.02
10	Liberty General Insurance Ltd.	669	3,361
11	Magma HDI General Insurance Co. Ltd.	6,887.45	6,227.31
12	Navi General Insurance Limited	256.2	2,142.22
13	Raheja QBE General Insurance Co. Ltd.	227.42	603.62
14	Reliance General Insurance Co. Ltd.	23,734.01	34,802.67
15	Royal Sundaram General Insurance Co. Ltd.	4,555.76	3,516.25
16	SBI General Insurance Co. Ltd.	69,083.08	33,525.88
17	Shriram General Insurance Co. Ltd.	6.91	29.51
18	Tata AIG General Insurance Co. Ltd.	17,045.14	31,948.91
19	Universal Sampo General Insurance Co. Ltd.	13,932	2,598
20	Zuno General Insurance Co. Ltd.\$	4,692.78	3,253.62
	<b>Private Sector Insurers Total</b>	<b>4,33,329.21</b>	<b>3,67,087.16</b>
<b>Stand-alone Health Insurers</b>			
21	Aditya Birla Health insurance Co. Ltd.	30,025.49	29,294.68
22	Care Health Insurance Ltd.	61,641.48	50,935.75
23	ManipalCigna Health Insurance Co. Ltd.	37,628.06	32,171.94
24	Niva Bupa Health Insurance Co. Ltd.	49,318.58	40,941.01
25	Reliance Health Insurance Ltd.@	0.2	1.33
26	Star Health & Allied Insurance Co. Ltd.	2,77,485	1,65,979
	<b>Stand-alone Health Insurers Total</b>	<b>4,56,098.98</b>	<b>3,19,323.58</b>

Public Sector Insurers			
27	United India Insurance Co. Ltd.	1,34,214.57	61,346.15
28	The New India Assurance Co. Ltd.	4,86,399.04	2,17,405.42
29	The Oriental Insurance Co. Ltd.	0	63,344.79
30	National Insurance Co. Ltd.	0	65,210.65
	<b>Public Sector Insurers Total</b>	6,20,613.61	4,07,307.01
	Grand Total	15,10,041.80	10,93,717.75

(Source: Annual Report data of IRDAI 2023-24.)

**Reply to Lok Sabha Unstarred Question No. 93 for answer on 03.02.2025****STATE-WISE HEALTH INSURANCE PREMIUM (EXCLUDING TRAVEL AND PERSONAL ACCIDENT BUSINESS)**

S.No.	State/ UT	Gross Premium (₹ Crores)		
		<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
1	Andhra Pradesh	1,038	1,313	1,645
2	Arunachal Pradesh	8	10	11
3	Assam	314	445	506
4	Bihar	426	622	749
5	Chhattisgarh	264	341	409
6	Goa	127	136	201
7	Gujarat	5,233	6,359	8,458
8	Haryana	3,348	4,263	5,644
9	Himachal Pradesh	66	91	106
10	Jharkhand	391	1,138	957
11	Karnataka	7,785	9,783	12,017
12	Kerala	2,066	3,032	3,711
13	Madhya Pradesh	1,195	1,477	1,681
14	Maharashtra	23,301	26,349	31,258
15	Manipur	12	20	15
16	Meghalaya	16	101	54
17	Mizoram	127	81	191
18	Nagaland	20	44	28
19	Orissa	598	761	928
20	Punjab	1,149	1,297	1,490
21	Rajasthan	2,365	3,548	4,313
22	Sikkim	12	14	19
23	Tamil Nadu	6,851	8,809	9,738
24	Telangana	3,683	4,787	5,873
25	Tripura	28	42	48
26	Uttar Pradesh	3,180	4,055	4,936
27	Uttarakhand	275	347	404
28	West Bengal	3,533	3,770	4,175
29	Andaman & Nicobar	3	4	4
30	Chandigarh	346	198	233
31	Dadra & Nagar Haveli and Daman & Diu	38	45	56
32	Delhi	4,890	5,752	7,073
33	Jammu & Kashmir	311	394	674
34	Ladakh	1	1	1
35	Lakshadweep	3	1	2
36	Puducherry	49	60	71
	Total	73,052	89,492	1,07,681

(Source: Annual Report data of IRDAI, 2023-24.)



**Reply to Lok Sabha Unstarred Question No. 93 for answer on 03.02.2025**

(I) Amount of claims paid by insurance companies for every 10000 Rupees of premium collected in FY 2023-24 is as under:-

Particulars	Public Sector insurers	Private Sector General insurers	Standalone Health Insurers (SAHI)
Claims paid (Rs)	10,122	7077	5463
Claims carried forward to next year (in Rs)	1029	662	336

(Source: Annual Report data of IRDAI 2023-24.)

(II) Number of claims paid by insurance companies for every 10000 claims received in FY 2023-24 is as under:-

Particulars	Public Sector insurers	Private Sector General insurers	Standalone Health Insurers (SAHI)
Number of Claims paid	7984	8639	8635
Number of Claims repudiated	1262	885	921
Number of Claims carried forward to next year	754	476	444

(Source: Annual Report data of IRDAI 2023-24.)



