

CONSUMER PROTECTION IN INSURANCE SECTOR

OVERVIEW:

Insurance is coverage by contract whereby one party undertakes to indemnify or guarantee another against loss by a specified contingency or peril¹. The Insurance Regulatory and Development Authority (IRDAI) is the agency which governs the insurance industry in India. It has formulated schemes in order to address the grievances of the consumers, the insurance ombudsman scheme and the integrated grievance management system.

PROCEDURE FOR COMPLAINT:

The very first step that is to be taken is to approach the GRO of the insurance company and file a written complaint supported by the relevant documents. The GRO has to reply within a period of 15 days, if not the consumer can file a complaint at the, IGMS. If the dispute is still not settled, the individual can further escalate the matter to the Ombudsman or the IRDA.

THE IGMS:

The IGMS is nothing but Integrated Grievance Management System, is an online consumer complaints registration system created by IRDA. All insurance companies have integrated their online complaint logging systems to the IGMS maintained by IRDA. Policyholders can register their complaints online with their insurance company and track the progress of complaint resolution. IRDA monitors the complaints and their progress in real-time through IGMS.

ONLINE COMPLAINT FORM:

An individual can register a complaint in the e-form provided in the link below:

<http://igms.irda.gov.in/WebPages/PolicyHolderUserDetails.aspx>

IRDA GRIEVANCE CALL CENTRE:

Here is an alternative channel to register your complaint about your insurance policy or find out its status. You can call the IRDA Grievance Call Centre

Toll Free Number: **155255**

Timings: **8 AM to 8 PM -- (Monday to Saturday)**²

THE IRDAI:

- In case if it is not resolved within 15 days or if you are unhappy with their resolution you can:
 - Approach the Grievance Redressal Cell of the Consumer Affairs Department of IRDAI:

FOOTNOTES:

¹ <https://www.merriam-webster.com/dictionary/insurance>

² <http://www.irda.gov.in/MPH/CallCentre.html>

- Call Toll Free Number **155255 (or) 1800 4254 732** or
- Send an e-mail to **complaints@irda.gov.in**
- Make use of IRDAI's online portal - Integrated Grievance Management System (IGMS):
- Register and monitor your complaint at **igms.irda.gov.in**
- Send a letter to IRDAI with your complaint:
 - <http://www.policyholder.gov.in/uploads/CEDocuments/complaintform.pdf> to download Complaint Registration Form
 - Fill and send the Complaint Registration Form along with any letter or enclosures, if felt necessary, by post or courier to:

General Manager

Insurance Regulatory and Development Authority of India (IRDAI)

Consumer Affairs Department- Grievance Redressal Cell.

Sy.No.115/1,Financial District, Nanakramguda,

Gachibowli, Hyderabad-500032 ³

THE INSURANCE OMBUDSMAN SCHEME:

The insurance ombudsman scheme was created by the Government of India to provide cost-effective and Hassle- free redressal for the grievances of the consumers. One can file a complaint in writing with the necessary documents attached, to the ombudsman whose territorial jurisdiction covers the address of the insurer or the residential address of the complainant.

ADDRESSES AND CONTACT INFORMATION OF THE OMBUDSMAN:

The link below would redirect the user to the contact information of the ombudsman.

<http://www.gbic.co.in/ombudsman.html>

THE GROUNDS FOR COMPLAINT (to the ombudsman)⁴

- a) Delay in settlement of claims, beyond the time specified in the regulations, framed under the IRDAI Act, 1999.
- b) Any partial or total repudiation of claims by the Life insurer, General insurer or the Health insurer.
- c) Any dispute about premium paid or payable in terms of insurance policy
- d) Misrepresentation of policy terms and conditions at any time in the policy document or policy contract.
- e) Legal construction of insurance policies in so far as the dispute relates to claim.
- f) Policy servicing related grievances against insurers and their agents and intermediaries.
- g) Issuance of life insurance policy, general insurance policy including health insurance policy which is not in conformity with the proposal form submitted by the proposer.

FOOTNOTES:

³ <http://www.policyholder.gov.in/Report.aspx>

⁴ <http://www.policyholder.gov.in/Ombudsman.aspx>

- h) Non issuance of insurance policy after receipt of premium in life insurance and general insurance including health insurance and
- i) Any other matter resulting from the violation of provisions of the Insurance Act, 1938 or the regulations, circulars, guidelines or instructions issued by the IRDAI from time to time or the terms and conditions of the policy contract, in so far as they relate to issues mentioned at clauses (a) to (f)

POWER AND JURISDICTION OF THE OMBUDSMAN:

The ombudsman can issue an award up to 30 lakhs (inclusive of all losses suffered by the complainant). The ombudsman takes the complaints if the insurer falls under his territorial jurisdiction. The territorial jurisdiction of each ombudsman will be mentioned by the Executive Councils of Insurers from time to time.

STATISTICS OF COMPLAINTS DISPOSED VIA IGMS⁵:

STATUS OF GRIEVANCES (As per IGMS) - LIFE INSURERS DURING 2015-16				
Insurer	Outstanding as on 1st April, 2015	Grievances Reported during 2015-16	Resolved during 2015-16	Outstanding as on 31st March, 2016
LIC	0	64750	64750	0
PRIVATE	6109	139951	145125	935
TOTAL	6109	204701	209875	935

STATUS OF GRIEVANCES - NON LIFE INSURERS DURING 2015-16				
Insurer	Outstanding as on 1st April, 2015	Grievances Reported during 2015-16	Resolved during 2015-16	Outstanding as on 31st March, 2016
PUBLIC	437	17806	17718	525
PRIVATE	1662	41277	42493	446
TOTAL	2099	59083	60211	971

THE ACTS AND REGULATIONS GOVERNING THE SECTOR:

ACTS-

- 1- The Insurance Act, 1938

https://www.lifeinscouncil.org/industry%20information/The_Insurance_Act_1938.pdf

- 2- The IRDA Act, 1999

https://www.gicofindia.com/pdf/regulatory-framework/IRDA_act_1999.pdf

REGULATIONS-

- 1- IRDA (Protection of policy holders interests) regulation 2017

⁵ <http://www.policyholder.gov.in/uploads/CEDocuments/Annual%20Report%202015-16.pdf>

REFERENCES:

<https://www.investopedia.com/terms/i/insurance.asp>

<https://economictimes.indiatimes.com/wealth/insure/five-easy-ways-to-complain-against-an-insurance-company/articleshow/45240348.cms>

<http://www.policyholder.gov.in/Default.aspx>

<http://www.policyholder.gov.in/uploads/CEDocuments/PPHI.pdf>

SCHEMES:

1. The Insurance Ombudsman Scheme 2017.

<http://www.policyholder.gov.in/uploads/CEDocuments/Insurance%20Ombudsman%20Rules%202017.pdf>

PROCEEDING IN ACCORDANCE WITH THE CONSUMER PROTECTION ACT 1986

One can file a case in the respective consumer forums/ commission either in case of getting relief or to appeal.

http://clap.nls.ac.in/?page_id=102

FAQ'S

For further answers to your queries visit <http://www.policyholder.gov.in/default.aspx>