

An RTI application was made – on 5<sup>th</sup> January 2010 – to the PIO of IRDA, Hyderabad by a citizen from Uttar Pradesh as follows: [The questions pertained to: relates to the common grievances of health insurance policy holders and complaints falls under control of IRDA Rules & Regulations, Act, and various circulars to insurance companies]

To The CPIO,  
Insurance Regulatory and Development Authority,  
Parishrama Bhawanam, 3rd floor, Basheer Bagh, Hyderabad -500004

Sub: Information sought under " Right to Information Act. 2005 "

Dear Sir,

I would request you to kindly made available the following information/Documents to the undersigned which are being sought under Right to Information Act. 2005, through Postal service at the earliest along with the details of fees representing the cost of information.

1. Please arrange to make available the details of three numbers of complaints if any received from health insurance policy holders that health policy was issued without obtaining a proposal form in which the Insurance Regulatory and Development Authority (IRDA) has taken initiative for an action against insurer vide their circular No. 054/IRDA/F&U/NOT/FEB-08 dated 11th February, 2008.
2. Please arrange to make available the certified copy of " PROPOSAL FORM " if any under Mediguard Policy No. 081702/48/06/12/00000811 on A/c of... issued by the UNITED INDIA INSURANCE COMPANY LIMITED which is mandatory to obtain by the insurer from policy holders under the provisions relating to Proposal for insurance ( Section 4 ) under the IRDA ( Protection of Policyholders Interest ) , 2002.
3. Please arrange to make available the certified copy of the questions if any put... at the time of issuing the Mediguard Policy No... and his answers thereto contained in his proposal for insurance and in the medical report if any supplied in connection therewith as per Insurance Act 1938 Section 51.
4. Please arrange to make available the details of at least three complaints if any received from health insurance policy holders for not passing the claim amount as per sum insured of the policy and premium charged by the insurer which were settled by the IRDA under section 14 ( b) IRDA Act, 1999 under " DUTIES, POWERS AND FUNCTIONS OF AUTHORITY "
5. Please arrange to make available the details of cases filed by the M/s UNITED INDIA INSURANCE COMPANY LTD. against policy holders, challenging the awards passed by the Ombudsman in different courts in same format marked as ANNEXURE I " CASES FILED BY THE INSURER AGAINST THE AWARDS OF THE OMBUDSMAN " vide circular No. IRDA/LGL/CIR/MISC/080/12/2009 dated 17th December 2009

Thanking you,

Regards

The PIO replied saying:

1. No Expenses have been incurred on IGMS so far.
2. Functions requirement specification is in the final stage. The development of IGMS is expected to be completed by September 2010.

The candidate states that in response of the regular RTI applications to PIO - IRDA in the interest of the policy holders, Authority has to take strict action against insurer by promoting own Grievances Call center for policy holders which is already launched on 20.07.2010, by implementing the guidelines for speedy redressal of complaint lodged by the insured, AO already issued on 28.07.2010 w.e.f 1st August 2010 and IGMS for online complaint redressal cell to be completed by September 2010.

Subsequently, certain decisions were implemented by IRDA for redressal the complaint of policy holders for both Life & General Insurance on my regular complaint, appeal to FAA and CIC through RTI since last one year and Insurer has bound to hear the genuine complaint of the Insured speedy and Turnaround times (TATs) i.e. in time bound programs. Now I am inquiring through RTI the commission on premium which is being paid by the General Insurance companies of public sector to dummy brokers fraudulently and flushing the huge money on account of this head.

1. Call Center for registering the complaint already launched by IRDA on 20.07.2010.
2. Guidelines for Grievance redressal issued on 28.07.2010 (Attached file)
3. Integrated Grievance Management System (IGMS) for on line complaint redressal cell to be completed by September 2010.

Details of the citizen-centric initiatives (as conveyed) follow:

#### **INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY**

Ref: 3/CA/GRV/YPB/10-11 27th July, 2010

#### **ALL LIFE AND GENERAL INSURANCE COMPANIES**

#### **Re: GUIDELINES FOR GRIEVANCE REDRESSAL BY INSURANCE COMPANIES**

Further to Regulation 5 of IRDA Regulations for Protection of Policyholders Interests, 2002 which provides for insurers to have in place speedy and effective grievance redressal systems, and in terms of the Authority's powers and functions as enunciated in Section 14 of IRDA Act, 1999, the IRDA hereby issues the following guidelines pertaining to minimum time-frames and uniform definitions and classifications with respect to grievance redressal by insurance companies.

These guidelines are applicable for disposal of "grievances/complaints" as defined herein. All insurers shall ensure that the guidelines of the Authority are followed strictly.

#### **1. Definition of "Grievance/Complaint":**

There shall be a uniform definition of "Grievance or Complaint". Grievances shall be clearly distinguished from Inquiries and Requests, which do not fall within the scope of these guidelines.

The following definition of grievance shall be adopted:

**Grievance/Complaint:** A "Grievance/Complaint" is defined as any communication that expresses dissatisfaction about an action or lack of action, about the standard of service/deficiency of service of an insurance company and/or any intermediary or asks for remedial action. On the other hand, an Inquiry and Request would mean the following:

**Inquiry:** An "Inquiry" is defined as any communication from a customer for the primary purpose of requesting information about a company and/or its services.

**Request:** A "Request" is defined as any communication from a customer soliciting a service such as a change or modification in the policy.

## **2. Grievance Redressal Policy:**

Every insurer shall have a Board approved Grievance Redressal Policy which shall be filed with IRDA.

## **3. Grievance Officer/s:**

Every insurer shall have a designated Grievance Officer of a senior management level. Senior Management would mean either the CEO or the Compliance Officer of the company. Every office other than the Head/Corporate/Principal officer of an insurer shall also have an officer nominated as the Grievance Officer for that office.

## **4. Grievance Redressal System/Procedure:**

Every insurer shall have a system and a procedure for receiving, registering and disposing of grievances in each of its offices. This and all other relevant details along with details of Turnaround Times (TATs) shall be clearly laid down in the policy. While insurers may lay down their own TATs, they shall ensure that the following minimum time-frames are adopted:

(a). An insurer shall send a written acknowledgement to a complainant within 3 working days of the receipt of the grievance.

(b). The acknowledgement shall contain the name and designation of the officer who will deal with the grievance.

(c). It shall also contain the details of the insurer's grievance redressal procedure and the time taken for resolution of disputes.

(d). Where the insurer resolves the complaint within 3 days, it may communicate the resolution along with the acknowledgement.

(e). Where the grievance is not resolved within 3 working days, an insurer shall resolve the grievance within 2 weeks of its receipt and send a final letter of resolution.

(g). Where, within 2 weeks, the company sends the complainant a written response which offers redress or rejects the complaint and gives reasons for doing so,

(i). the insurer shall inform the complainant about how he/she may pursue the complaint, if dissatisfied.

(ii). the insurer shall inform that it will regard the complaint as closed if it does not receive a reply within 8 weeks from the date of receipt of response by the insured/policyholder.

Any failure on the part of insurers to follow the above-mentioned procedures and time-frames would attract penalties by the Insurance Regulatory and Development Authority.

It may be noted that it is necessary for each and every office of the insurer to adopt a system of grievance registration and disposal.

## **5. Turnaround Times:**

There are two types of turnaround times involved.

(i). The service level turnaround times, which are mapped to each classification of complaint (which is itself based on the service aspect involved).

(ii). The turnaround time involved for the grievance redressal.

As to (i), the TATs are as mapped to the classification and prescribed by the Authority to insurers. These TATs reflect the time-frames as already laid down in the IRDA Regulations for Protection of Policyholders Interests and more, as, wherever considered necessary (for certain service aspects not getting specifically reflected in the Regulations), specific TATs are indicated in the classification and mapping provided by the Authority.

As regards (ii) above, the minimum TATs required to be followed shall be as prescribed in guideline 4 (a) to (g) as prescribed above.

## **6. Closure of grievance:**

A complaint shall be considered as disposed of and closed when

(a). the company has acceded to the request of the complainant fully.

- (b). where the complainant has indicated in writing , acceptance of the response of the insurer.
- (c). where the complainant has not responded to the insurer within 8 weeks of the company's written response.
- (d) where the Grievance Redressal Officer has certified that the company has discharged its contractual, statutory and regulatory obligations and therefore closes the complaint.

#### **7. Categorisation of complaints:**

- a). Categorisation of complaints as prescribed by the Authority from time to time shall be adopted by insurers and incorporated in their systems.
- b). The present classification prescribed by the Authority is placed at **Annexure A**. All insurers shall provide for these classification categories in their respective systems.

#### **8. Minimum software requirements:**

It is necessary for insurers to have automated systems that will enable online registration, tracking of status of grievances by complainants and periodical reports as prescribed by IRDA. The system should also be one which can integrate seamlessly with the Authority's system in the manner prescribed by the Authority. The Authority shall define these requirements from time to time and insurers shall ensure that they provide for such software/system modifications as may be required. The objective is to create the required industry level database and systems that would enable speedy and effective redressal of complaints.

#### **9. Calls relating to grievances:**

Insurers shall also have in place a system to receive and deal with all kinds of calls including voice/e-mail, relating to grievances, from prospects and policyholders. The system should enable and facilitate the required interfacing with IRDA's system of handling calls/e-mails.

#### **10. Publicizing Grievance Redressal Procedure:**

Every insurer shall publicize its grievance redressal procedure and ensure that it is specifically made available on its website.

#### **11. Policyholder Protection Committee:**

Every insurer that ensure that the Policyholder Protection Committee, as stipulated in the guidelines for Corporate Governance issued by the Authority, is in place and is receiving and analyzing the required reports from the management and is carrying out all other requisite monitoring activities.

End Note: We are thankful to Shri B. P. Garg for his efforts in the interest of fellow-citizens as also for sharing his success story with us – for us to share it with others.