GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 3378**

ANSWERED ON – 23.07.2019

**UNFAIR BUSINESS PRACTICE BY INSURANCE COMPANIES**

3378. SHRI RANJIB BISWAL:

Will the Minister of FINANCE be pleased to state:

(a) whether 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 and the reasons therefor;

(b) whether the Government/ IRDA has laid down guidelines to curb such unfair business practice at the point of sale, if so, the details thereof; and

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

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

**(a) to (c):** 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 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.

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| **Annexure referred to in reply to Lok Sabha Un-Starred Question No. 3378 for 23.07.2019** | | | | | | | | | | | | | | | | | | | | |
| **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)** | **Total - PSU insurers** | **525** | **19053** | **19060** | **518** | ***518*** | ***22568*** | ***21784*** | **1302** | ***1302*** | ***20968*** | ***21931*** | ***339*** | ***339*** | ***4018*** | ***2630*** | ***1727*** |
| 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 | **29** |
| 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 Sompo General | 0 | 528 | 528 | **0** | 0 | 454 | 454 | **0** | 0 | 446 | 446 | **0** | 0 | 70 | 69 | **1** |
| **(ii)** | **Total Private Insurers** | ***446*** | ***33051*** | ***33229*** | ***268*** | ***268*** | ***21427*** | ***21351*** | **344** | ***344*** | ***21793*** | ***21876*** | ***261*** | ***261*** | ***4394*** | ***4134*** | ***521*** |
|  | **Grand Total [ (i)+(ii)]** | **971** | **52104** | **52289** | **786** | **786** | **43995** | **43135** | **1646** | **1646** | **42761** | **43807** | **600** | **600** | **8412** | **6764** | **2248** |
| Source: IRDAI | | | | | | | | | | | | | | | | | | | | |
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