

Press Release

Insurance Reforms to EMPOWER the POLICYHOLDER

In continuation of endeavors towards policyholder centric reforms in the insurance sector the Insurance Regulatory and Development Authority of India has strengthened the governance measures on the operations and allied matters of the insurers in the Master Circular issued under part B of the IRDAI (Protection of Policyholders' Interests, Operations and Allied Matters of Insurers) Regulations, 2024 repealing 11 circulars.

Key aspects of the Master Circular are -

- Insurers to have a tech based **robust** mechanism for **Grievance Redressal** of policyholders for an efficient and speedy resolution, while also **striving to move towards “zero grievances”**. Insurers are required to establish **regular customer interface** through consumer-friendly processes, running **awareness campaigns**; facilitate **submission of grievances online** and ensure registration of all grievances; strengthen resolution processes with internal escalation matrix (if not satisfied with resolution at first level) and **Internal Ombudsman Schemes**.
- **Advertisement Committee** (approved by the **Board**) and/or a senior level officer of the distribution channel to **examine and approve the advertisements** to ensure that they are true and are not misleading
- To make insurance **accessible** at **remote locations** of the country, Insurers are required to adopt a **phygital** approach (both physical and digital) to open **places of business**.
- Insurers to **outsource** permitted activities **only if they are economical and efficient in providing services** to the customers and/or enhance value to their business. Outsourcing activities shall be under the oversight of committee constituted by their Board
- Policyholders to get an option to avail online services or allotment of another insurance agent / sales staff for uninterrupted **policy servicing** even if and when an insurance intermediary is no longer associated with the insurer

- Provisions to streamline group insurance business
 - a. Insurers to issue 'Certificate of Insurance' to all the members of a non-employer-employee group scheme
 - b. Consent of nominee/policyholder/beneficiary is necessary for repayment of outstanding loan amount from the proceeds of an assigned policy
 - c. In case of group mediclaim policies, no claim shall be denied for non-availability of details of members of the group

- Policyholder can access **information on unclaimed amounts** with **any insurer** in one place. A link is provided on *Bima Bharosa* at <https://bimabharosa.irdai.gov.in/Home/UnclaimedAmount>

Relentless efforts to achieve the mission of protection of policyholders' interests; securing a fair treatment to them; promoting transparency and orderly conduct of insurance business will continue with an ultimate objective of **empowering the policyholder**.

The Master Circular can be accessed at [\(link\)](#)