



# **POLICYHOLDER PROTECTION & WELFARE**

**Consumer Affairs Annual Booklet  
2011-12**



**INSURANCE REGULATORY AND  
DEVELOPMENT AUTHORITY**



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**FOREWORD****J. Hari Narayan, Chairman, IRDA**

The previous issue of the Consumer Affairs Department's annual booklet focused on grievance management. This year, the focus is on consumer education. We carry the best practices of all insurers in this issue. Educating the policyholder means empowering him or her. An empowered consumer makes the right choices and buys products according to needs. Apart from various offline initiatives under the Bima Bemisaal series, IRDA has just launched an exclusive Consumer Education Website for the policyholders as well as the general public. I encourage you to visit [www.policyholder.gov.in](http://www.policyholder.gov.in). We are working to have the website in Hindi as well as in other Indian languages over time. The comic series "Ranjan and his tryst with insurance" continues – we have just brought out Volume II. All the comics are being converted to animation films for distribution in schools. Further, the Policyholder Handbooks brought out by IRDA are now available in various Indian languages.

The past year was another one that saw a lot of activity for policyholder protection. In the Health Insurance space, the Authority introduced portability, adding to the initiative on renewability. The Health Insurance Forum formed recently is expected to discuss on and address concerns affecting policyholders as well as other stakeholders of health insurance. Guidelines relating to treatment of discontinued linked insurance policies and those in the area of pension products aim to protect the interests of policyholders. Guidelines on Distance Marketing and Web Aggregators address new problematic areas brought on to consumers by technological advancements. For ease of handling of the insurance portfolio, electronic issuance of policies and e-insurance repositories are being introduced for policyholders. In the area of claims, the Regulator has required insurers not to reject claims arbitrarily for delay in intimation.

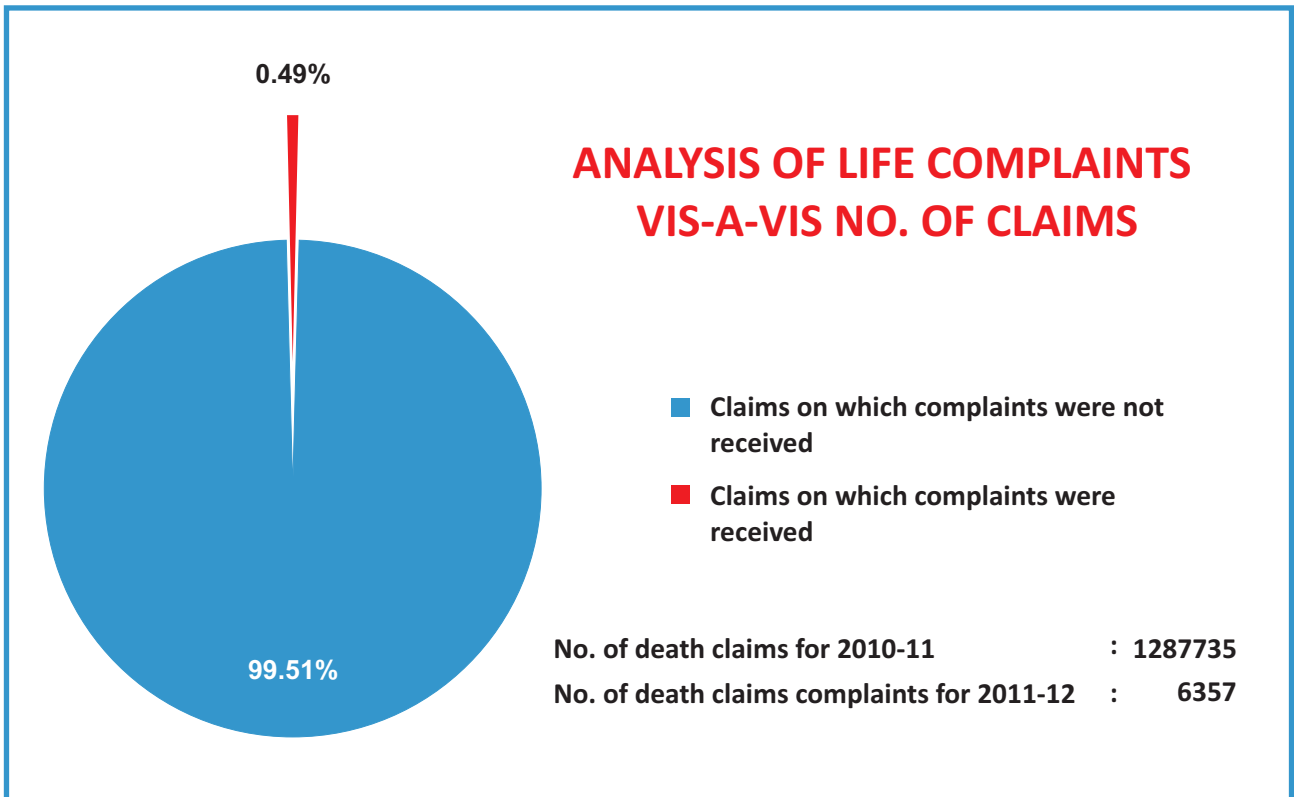
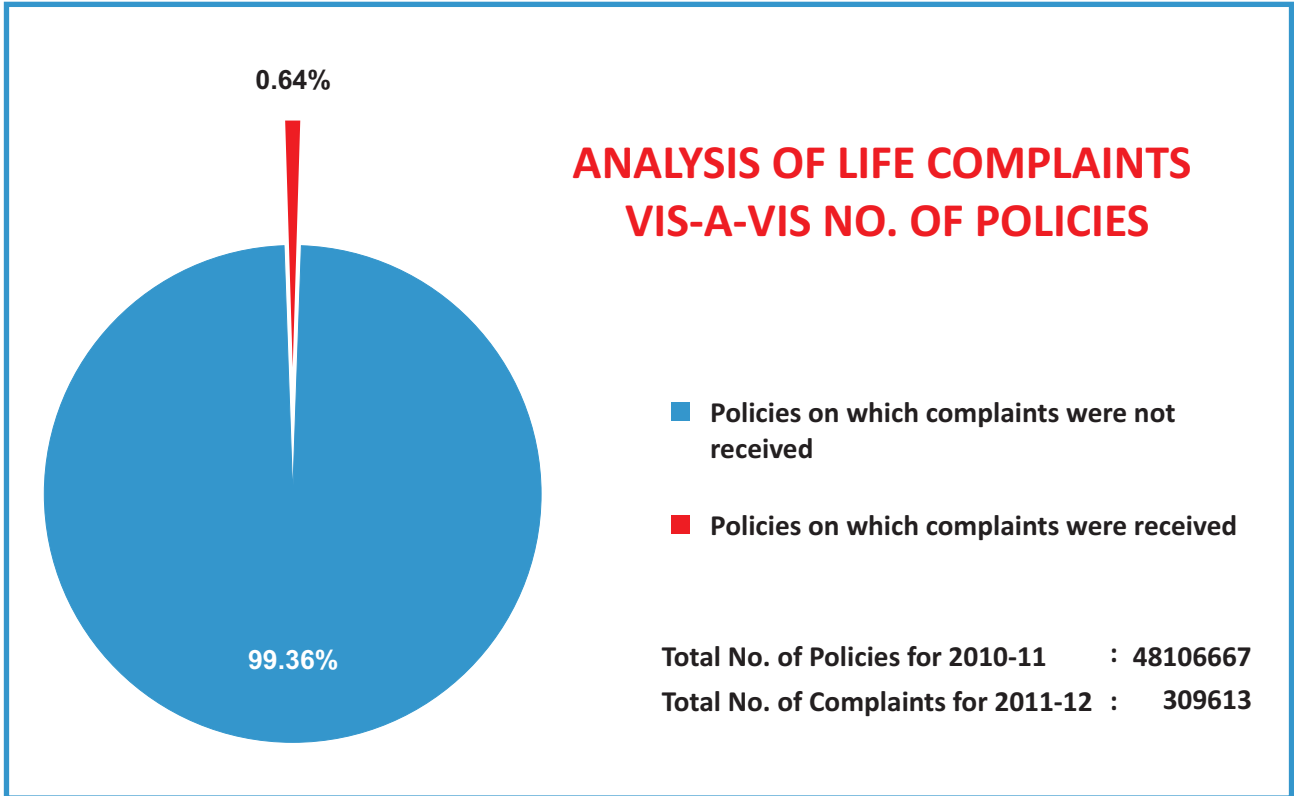
Exactly, a year ago, IRDA launched its online grievance portal, the Integrated Grievance Management System (IGMS), that enables policyholders to register and track grievances. Through real time integration with the grievance management systems of insurers, IGMS has created a central repository of industry-wide grievance data. Some of the major concerns the database has thrown up are unfair business practices at the point of sale (mis-sale) as well as problems relating to tying and bundling insurance services with goods and other services. We are, therefore, focusing on these areas during this seminar. This seminar is the third one in the series of seminars on Policyholder Protection and Welfare that the IRDA has been conducting annually. As we work towards initiating steps to address the various concerns, we look forward to the discussions between the various stakeholders on these subjects and the takeaways from them for the Regulator.

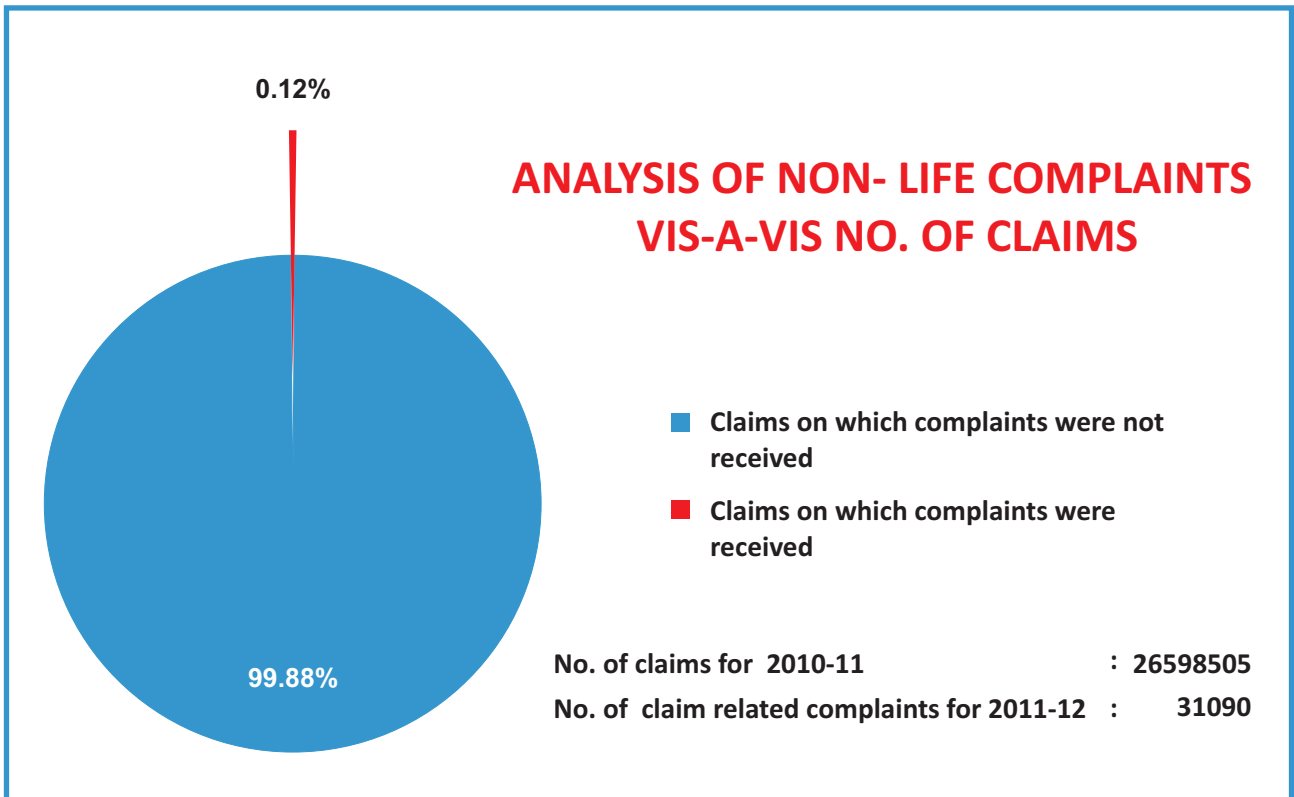
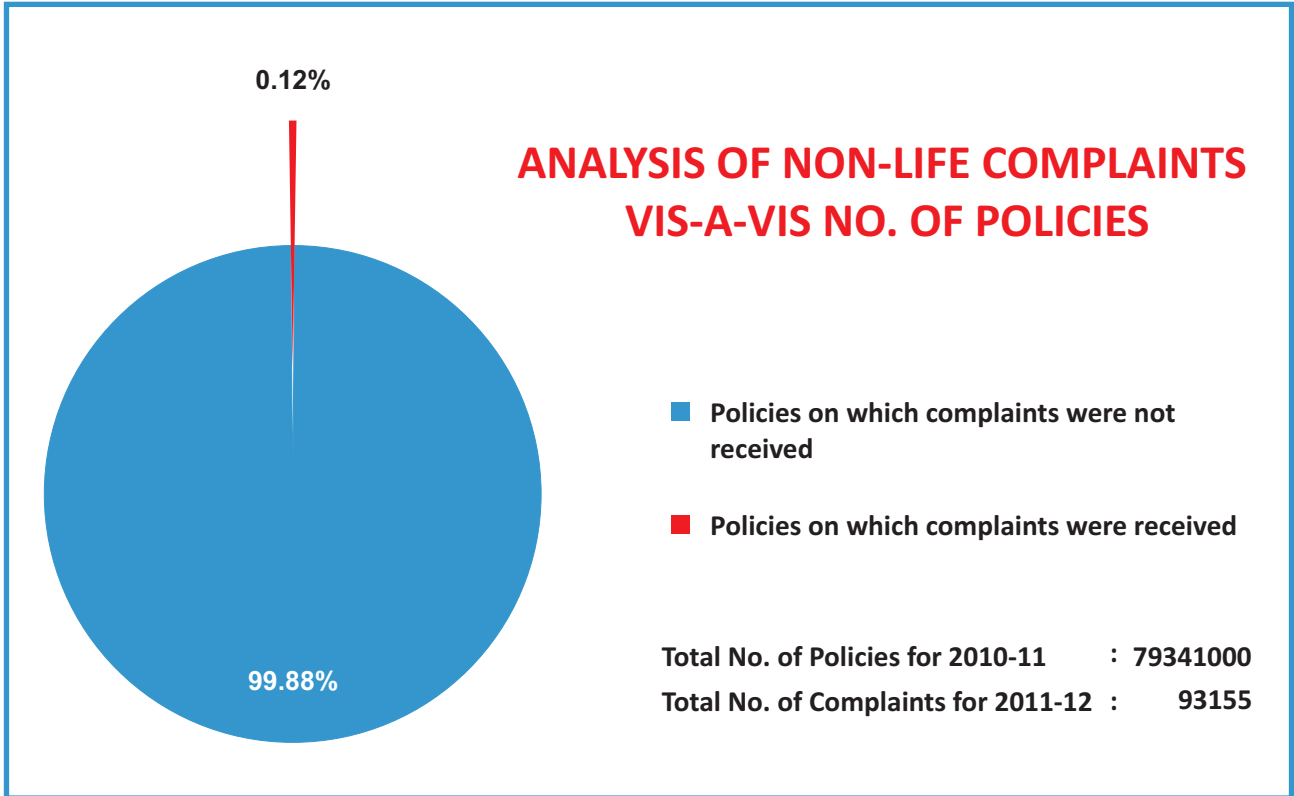


**DATA RELATING TO NUMBER OF COMPLAINTS  
VIS-A-VIS NUMBER OF POLICIES  
AND CLAIMS INTIMATED**









# **Policyholder Protection and Welfare – An update**



## POLICYHOLDER PROTECTION AND WELFARE

.....*An update*

The Authority has been taking a number of initiatives for better policyholder protection, its primary mandate, apart from working towards development of the insurance sector and the year 2011-12 was no exception.

### 1. Leveraging technology

#### *Insurance policies in e-form*

To provide policyholders a facility to keep insurance policies in electronic form and to undertake changes, modifications and revisions in the insurance policy and also bring in speed and accuracy in issuance and maintenance of insurance policies the Authority has come out with the guidelines on Insurance Repositories and electronic issuance of insurance policies. An Insurance Repository is required to obtain a certificate of registration from the Authority for carrying out the activity. All insurance policies issued in electronic form shall be treated as valid insurance contracts. Insurers shall ensure that the integrity of the automatic data processing systems is maintained at all times. The classes of policies that are eligible to be held in electronic form are all individual life insurance policies including health and pension policies (including those issued to groups) issued by life insurance companies registered with IRDA, all general insurance policies held by individuals including group policies and any other class of insurance policies that may be notified by IRDA from time to time. In order to hold e-insurance policies, a separate and distinct e-insurance account needs to be opened with insurance repositories for keeping insurance policies in electronic form. A person who has insurance policies or proposes to take insurance policies can open it. The procedure would involve following the necessary KYC norms etc.

#### *Guidelines for Distance Marketing*

The Authority was in receipt of several complaints in regard to insurance sourced through distance marketing modes, viz. phone, email, on-line, etc. In order that lead generation and solicitation of insurance business is done by appropriately trained professionals and their activities are adequately supervised by the regulated entities, IRDA has issued the Distance

Marketing Guidelines which is applicable for insurers, brokers and corporate agents.

#### *Guidelines for Web Aggregators*

Web- based marketing has been on the up during the past few years and web has become an importance tool for sale of insurance. Insurance suppliers are using the web to enable the buyer of insurance compare the products of various insurers.. While this is a good move, it is also important that there is credibility in the information furnished by these web aggregators. In order to ensure this, the Authority has issued guidelines for Web Aggregators who maintain/own a website, provide information pertaining to insurance products, carry out price comparisons of products of different insurers and offer leads to a insurer/insurance broker.

### 2. Grievance Redressal

Grievance Redressal is an important component of policyholder protection. The Integrated Grievance Management System (IGMS) launched last year has served the purposes of the policyholder, the industry as well as the Regulator. It offers policyholders an online system to not only register and track their grievances but also escalate it to IRDA, if need be.

The real time integration of the grievance management systems of insurance companies has created a tool for IRDA to monitor, real time, the performance of insurers in grievance redressal both quantitatively and qualitatively. The central repository of data created by this integration has enabled the Regulator to , through queries and reports, analyse the data in the repository meaningfully. A uniform input form and uniform classification of complaints implemented across the industry has ensured uniformity in data input and output.

For the industry, dash boards have been provided such that each insurer can reckon its performance vis a vis the industry average. Root Cause Analysis of complaints is being carried out periodically by the Regulator as well as the industry to identify issues of concern relating to market conduct.

The institution of the Insurance Ombudsman has been serving its role. In a bid to bring to make it even more effective, the relevant Rules are currently being revisited.

### **3. Educating the consumer**

If grievance redressal is reckoned as one side of the coin when it comes to consumer protection, the other side is consumer education. IRDA continues its initiatives on this front, bringing in some new ones. Apart from media campaigns through newspapers, radio and television, the year 2011-12 has seen the completion of the development of the Consumer Education Website that is currently slated for launch, conduct of essay competitions under the Bima Bemisaal banner for students of management, the publication of the various policyholder handbooks in 8 Indian languages, apart from Hindi.

IRDA continues to support consumer bodies in their efforts to spread word about insurance as well as about the rights and duties of a policyholder. IRDA supported seminars conducted by 6 bodies during the year 2011-12.

### **4. Other measures**

#### ***Initiatives in Health Insurance:***

With the growth of health insurance market the expectations of the various stakeholders are divergent and sometimes at cross-purposes. However, they need to minimize the conflict and ensure quality deliverance to the health insurance consumers. In order that these stakeholders, consisting of policyholders' representatives, health providers, intermediaries, health policy makers in the government, industry bodies, insurers and the regulator, have an opportunity to thrash out their issues and understand their expectations, the Authority has formed the Health Insurance Forum. It is hoped that the Authority gets inputs from the Forum on standardization of definitions/ processes, regulations it proposes in health insurance, processing of data, etc, all of which will result in better protection of the interests of health insurance policyholders.

Other initiatives in Health Insurance relating to renewability and portability have also gone a long way

in addressing concerns in these areas for policyholders.

#### ***Initiatives in Pensions:***

Going ahead with reforms in pension products, the Authority has made it clear that pension products should prescribe an assured rate of return upfront on the date of purchase of policy.

#### ***Claim consultancy/advisory for policyholders***

Taking into account the asymmetry of knowledge information among smaller policyholders and consequent need for professional assistance during a claim, the Authority has allowed Insurance Brokers to give claim consultancy advisory to an insured even though the broker had not sourced the policy.

#### ***Persistency guidelines***

Early lapses and surrenders are the scourge of life insurance market and it is recognized that agents play a vital role to ensure high persistency. This, however, can be achieved through avoiding sale of unsuitable products, by bringing in transparency in providing correct and complete details of suitable products to the prospective policyholders and by considering the needs of prospective policyholders. In its endeavour to increase the persistency of the life insurance business thereby giving a fillip to protection of policyholders' interests, the Authority has put in place minimum standards of performance for agents by way Guidelines for Individual Agents for Persistency of Life Insurance Policies.

#### ***Policy Discontinuation Charges for ULIPs***

The Authority has now regulated the Policy Discontinuation Charges for Unit Linked Life Insurance Policies by fixing a maximum limit of the charges. Now there are no Discontinuation charges from 5th year onwards. This has put an end to arbitrary and high charges levied on policyholders earlier.

#### ***Repudiation of claims for delay in intimation***

The Authority's circular in the form of an advisory to insurers to the effect that claims shall not be arbitrarily rejected purely on grounds of delay without going into the merits is another move in the direction of protecting policyholders.



## IRDA Does Not Sell Insurance!

**The public are hereby cautioned regarding the following:**

- There are certain telephone calls by persons claiming to be employees of Insurance Regulatory and Development Authority (IRDA), trying to sell insurance policies or offer 'benefits'.
- IRDA does not sell or promote any insurance product or offer any 'benefit'.
- If any person approaches you claiming to be IRDA employee for sale of insurance products or offering any 'benefit' please report it to the nearest police station.
- IRDA regulates the activities of insurance companies to protect the interests of the general public and insurance policyholders.

Issued in public interest



बीमा विनियामक और विकास प्राधिकरण

**INSURANCE REGULATORY AND  
DEVELOPMENT AUTHORITY**

*Promoting insurance. Protecting insured.*

You may contact IRDA Call Centre at **155255** or Log on to **www.igms.irda.gov.in** if your grievance has not been attended to by the insurance company





**Regulations for Standard Proposal  
Form for Life Insurers  
-An Exposure Draft**



# INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

## EXPOSURE DRAFT

### DRAFT REGULATIONS FOR STANDARD PROPOSAL FORM FOR LIFE INSURANCE

#### I. Purpose

The purpose of these regulations is to provide for a standard proposal form for individual policies in Life Insurance that has an inbuilt flexibility for seeking additional /specialized information that is product specific or specific to a particular risk category. The regulations provide for a standard format that consists of four parts, namely (A) Details of the prospect (B). Specialised/Additional information. (C). Needs of the prospect. (D). Recommendation, apart from the required declarations. Sections A, C and D are standard and compulsory and Section B may be modified as required. A separate form is to be collected for each individual life proposed.

#### II. Objective:

II.1. The Objective of the Regulations is to introduce a standard proposal form that not only brings in uniformity in information sought but also ensures that it takes into consideration all relevant questions that are required to understand the need for a particular product and make a recommendation to the prospect that is based on 'suitability' in a simple and straightforward manner bringing in transparency and thereby protecting his/her interests.

#### II. 2. Authority:

These regulations are issued in terms of the powers vested upon the Authority under Section 14 (b) of the Insurance Regulatory and Development Authority Act, 1999. They are complementary to the provisions relating to the proposal form provided for under the law , rules and regulations, in particular Sections 45 and 51 of the Insurance Act, 1938 and Regulations 7 (d) and 4 of the IRDA Regulations for Protection of Policyholders' Interests, 2002 and Rule 12 of the Insurance Rules, 1939.

#### III. Applicability and Scope

The regulations apply to all individual policies issued by life insurance companies , irrespective of the segment

and type of product.

#### IV. Definitions:

**IV. 1. Recommendation:** 'Recommendation' means advice provided by an agent or broker or an insurer where no agent or broker is involved, to an individual consumer that results in a purchase of a life insurance policy in accordance with that advice.

**IV. 2. Suitability:** 'Suitability' is a determination that, based upon a particular prospect's risk profile, financial situation, investment objectives and investment experience, a product is appropriate for that prospect. This is based on the data collected under the Needs Analysis section of the standard proposal form.

**IV. 3. Standard Proposal form:** Proposal form format as provided under Annexure A of these Regulations.

#### V. Obligations of Insurers, Agents and Brokers to determine suitability:

V. 1. An Insurer or Agent or Broker shall make reasonable efforts to obtain a consumer's suitability information prior to making a recommendation. Suitability information means information that is reasonably appropriate to determine the suitability of a recommendation as provided for in the standard proposal form.

V. 2. Based on the suitability of information gathered from the prospect, the Insurer or Agent or Broker must have reasonable grounds to believe that the product being recommended to the prospect is suitable for him/her.

V. 3. In recommending the purchase of a life insurance product, the Insurer or Agent or Broker shall ensure the following:

(a). The prospect has been informed of the various products available and the details of the various features of the particular product being recommended. This would include and not be limited

to the benefits, the various charges such as surrender charge, administration and all other charges as applicable, market risks etc—in other words all relevant features of the product necessary for the prospect to make the right decision.

(b). The insurer or agent or broker believes that a particular product would suit the needs of the prospect and that the prospect would benefit from purchasing such a product.

**V.4. It shall be mandatory for all life insurance companies to adopt the standard Proposal form .**

#### **VI. Insurers to establish supervisory procedures:**

VI.1. An insurer shall establish a supervision system that is reasonably designed to achieve compliance with these guidelines including but not limited to the following:

(a). The insurer shall maintain reasonable procedures to inform insurance agents and brokers of the requirements of these guidelines and of the standard proposal form needs to be collected for the purpose of needs analysis and making a recommendation.

(b). The insurance agents and brokers shall be adequately trained to determine suitability.

(c). The insurer shall maintain procedures for review of each recommendation prior to issuance of a product that is designed to ensure that there is a reasonable basis to determine that a recommendation is suitable. Such review procedures shall include a screening system for the purpose of identifying selected sale transactions for a detailed review. Such review may be accomplished electronically or through other means including but not limited to physical review.

(d). The insurer shall maintain reasonable procedures to detect recommendations that are not suitable. This may include, but is not limited to, confirmation of suitability information, systematic consumer surveys, verification calls or interviews, confirmation letters and programs of internal monitoring. An insurer may apply sampling procedures for confirming suitability information after issuance or delivery of the product.

#### **VII. Record keeping:**

VII. 1. Insurers, agents and brokers shall maintain and make available to the Authority records of information collected from the prospect and other information used in making the recommendations that were the basis for insurance transactions for five years after the insurance transaction is completed by the insurer.

VIII. 2. The records may be maintained in physical or electronic form or any process that accurately reproduces the actual document and can stand legal scrutiny.

#### **VIII. Training**

Agents shall be adequately trained on seeking information for needs analysis. Brokers shall also be given the necessary inputs for sale of the products of a particular insurer. Further, insurer shall ensure that agents, brokers and direct sales personnel are given thorough training regarding the various specific products of the insurance company.

#### **IX. Effective Date/Compliance Date**

These guidelines shall take effect from **1st September, 2012.**

# PROPOSAL FORM

## ANNEXURE A

Name of Insurer :

Agency / Broker Name and contact details :

Licence No. & Validity Details :



## A. DETAILS OF PROSPECT

1. Basic Information	
Name	
Spouse's Name	
Father's Name	
Mother's Name	
Gender	
Date of birth	
Age Proof	
Identification marks	
Address for Communication	
Permanent Address	
Address Proof	
Telephone ( Landline/Mobile)	
E-mail id	
Marital status	
Nationality	
Education Qualifications	
State of health	Excellent/Very good/Good/Moderate/Poor
Smoker	Yes/No
Do you consume alcohol regularly?	Yes/No
Why do you want to take this policy?	

<b>2. PAN Number / Aadhaar Number :</b>	
Pan Number	
Spouse's Name	

<b>3. Family details</b>					
Number of dependants					
Details of dependants	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Name					
Male/Female					
Relationship					
Age					
Date of Birth					
State of health ( Excellent/ Very good/Good/Moderate/Poor)					
Occupation					
Whether financially dependent					
Any scope for expansion of family	Yes/No				

<b>4. Employment details</b>	
Occupation	
Nature of Work	
Length of service	
Annual income	
Details of Income proof submitted	
Whether covered under pension scheme	
Normal retirement age	

<b>5. Pension details</b>	
Employer's Scheme/Insurance	
Personal contribution/Premium	
Retirement age	
Anticipated value	

6. How do you project your work span ?						
Number of Years	5 Years	10 Years	15 Years	20 Years	25 Years	30 Years
Working span						

7. Income/Expenditure — Current and projected							
YEAR	Last Year	Current Year	5-10 Year	10-15 Year	15-20 Year	20-25 Year	25-30 Year
Income							
Expenditure							

8. Financial details	
Value of savings and assets	
Details of liabilities	
Expected inheritance	

	Name of Member ( whether proposer or covered person	Details of premium being paid	Name of Member ( whether proposer or covered person	Details of premium being paid
Life				
Health				
Savings and Investment				
Pension				
Other ( to specify)				

## B. SPECIALISED/ADDITIONAL INFORMATION

<b>1. Physical/Medical Information (Questionnaire)—for each covered person</b>	
Height	:
Weight	:
Do you have any physical deformity/handicap/congenital defect/abnormality?	YES/NO
Are you currently undergoing/have undergone any tests, investigations, awaiting results of any tests, investigations or have you ever been advised to undergo any tests, investigations or surgery or been hospitalized for general checkup, observations, treatment or surgery?	YES/NO
Have you ever been treated or hospitalized for Cancer, Tumor, Cysts or any other growth?	YES/NO
Have you ever been referred to an Oncologist or Cancer hospital for any investigation or treatment?	YES/NO
Did you have any ailment/injury/accident requiring treatment/medication for more than a week?	YES/NO
Have you ever been absent from work for more than a week in last 2 years due to any illness?	YES/NO
Were you or your spouse ever tested for Hepatitis B or C, HIV/AIDS or any other sexually transmitted disease?	YES/NO
Have you ever suffered Chest pain, Palpitation, Rheumatic fever, Heart Murmur, Heart attack, shortness of Breath or any other Heart related disorder?	YES/NO
Have you ever suffered symptoms/ailment relating to Kidney, Prostate, Hydrocele, And Urinary System?	YES/NO
Have you ever suffered Gastritis, Stomach or Duodenal Ulcer, Hernia, Jaundice, Fistula Piles or any other disease or disorders of the Gastrointestinal System?	YES/NO
Have you ever suffered Thyroid disorder or any other disease or disorder of the Endocrine system?	YES/NO
Have you undergone/have been recommended to undergo Angioplasty, Bypass Surgery, Brain Surgery, Heart Valve Surgery, Aorta Surgery or Organ Transplant?	YES/NO
Have you ever suffered Diabetes/ High Blood Sugar?	YES/NO
Have you ever suffered High/Low Blood Pressure?	YES/NO
Have you ever suffered Disorders of Eye, Ear, Nose, Throat including defective sight, speech or hearing & discharge from ears?	YES/NO
Have you ever suffered ailments relating to Liver or reproductive System?	YES/NO
Have you ever suffered Symptoms/ailments relating to Brian, Depression? Mental/Psychiatric ailment, Multiple Sclerosis, Nervous System, Stroke, Paralysis, Parkinsonism or Epilepsy?	YES/NO
Have you ever suffered Asthma, Bronchitis, Blood spitting, Tuberculosis or other Respiratory disorders?	YES/NO
Have you ever suffered Anaemia, Blood or Blood related disorders?	YES/NO
Have you ever suffered Musculoskeletal disorders such as Arthritis, Recurrent Back Pain, Slipped disc or any other disorder of Spine, Joints, Limbs or Leprosy?	YES/NO
Have you ever suffered any other illness or impairment not mentioned above?	YES/NO



<b>2. Details of Female Prospects /covered person</b>	
Are you Currently Pregnant?	YES/NO
If yes, current months of pregnancy	
State age of first pregnancy	
Have you ever had any abortion, miscarriage or ectopic pregnancy?	YES/NO
Have you undergone any gynecological investigations, internal checkups, breast checks such as mammogram or biopsy?	YES/NO
Have you ever consulted a doctor because of an irregularity at the breast, vagina, uterus, ovary, fallopian tubes, menstruation, birth delivery, complications during pregnancy or child delivery or a sexually transmitted disease?	YES/NO

**Sections 41 and 45 to be reproduced**

Declaration of Proposer regarding correctness of the information provided.

Signature of Proposer

**C. NEEDS OF PROSPECT**

<b>1. Affordable contribution—Current and projected</b>							
<b>YEAR</b>	<b>Last Year</b>	<b>Current Year</b>	<b>5-10 Year</b>	<b>10-15 Year</b>	<b>15-20 Year</b>	<b>20-25 Year</b>	<b>25-30 Year</b>
Yearly							
Monthly							

<b>2. Identified insurance needs</b>	
Life Insurance ( Death/Maturity)	
Desirable Sum Assured	
Health Insurance	
Desirable limit of coverage per annum	
Savings and Investment Planning	
Desirable returns per annum	
Pension planning	
<i>Desirable pension per annum</i>	

<b>3. Insurance Plan Details ( Traditional/ULIP/Pension/Health)</b>	
Plan Name	
Premium Type	
Payment Mode	
Payment Method	
Premium Term	
Coverage Term	
Sum Assured	
Benefits/Riders/Fund Allocation	

<b>4. Identified Life needs</b>	<b>Projections per annum</b>						
	<b>Last Year</b>	<b>Current Year</b>	<b>5-10 Year</b>	<b>10-15 Year</b>	<b>15-20 Year</b>	<b>20-25 Year</b>	<b>25-30</b>
Food, shelter, clothing and other living expenses such as transportation expenses, utilities etc							
Education expenses							
Health expenses							
Marriage expenses							
Vacations and other travel expenses							
Other commitments such as insurance premium, various contributions etc							
<b>TOTAL</b>							

## D. RECOMMENDATION

<b>1. Recommendation:</b>	
<b>1. Life stage</b>	Childhood/Young unmarried/Young married/ Young married with children/married with older children/post-family or pre-retirement/retirement
<b>2. Protection needs</b>	Life & Health/Savings and Investment/Pension
<b>3. Appetite for risk</b>	Low/Medium/High
<b>4. Policy recommended, including name of insurer</b>	
<b>5. Details of commitment for the current and future years</b>	
<b>6. Whether all risk elements and details of charges to be incurred and all other obligations have been explained</b>	
<b>7. Why you think this policy is most suited for the prospect</b>	

Note: Mention 'in Rs' etc wherever applicable

**Agent/Broker's Certification:**

I /We hereby certify that I/we believe that the product/s recommended me/us above is suitable for the prospect, based on the information submitted by him/her, as recorded above.

Dated: \_\_\_\_\_

\_\_\_\_\_  
**(Signature of Agent/Broker)**

**Prospect's Acknowledgement:**

The above recommendation is based on the information provided by me. I have been explained about the features of the product and believe it would be suitable for me based on my insurance needs and financial objectives.

Dated: \_\_\_\_\_

\_\_\_\_\_  
**(Signature of Prospect)**

**Tying and Bundling Insurance  
Policies with other Services and Goods  
– A discussion paper**



## INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

### DISCUSSION PAPER

#### **SUBJECT : TYING AND BUNDLING INSURANCE POLICIES WITH OTHER SERVICES AND GOODS**

##### **I. Objective:**

This paper seeks to discuss issues relating to tying and bundling insurance policies with other services and goods and how conflicts of interest that arise need to be dealt with. In particular, conflicts of interest that may arise in respect of manufacturers/agencies of automobiles and other goods and services in their role as Corporate Agents or where their group entities are Insurance Brokers need attention.

##### **II. Introduction:**

The insurance industry is an important component of the financial sector and insurance intermediaries play a vital role in that component of the industry. Insurance is, however, a very complex product often hard for ordinary people to understand. Insurance has to be sold the world over, and the Indian Market is no exception. The touch point with the ultimate customer is the distributor and the role played by them in insurance markets is critical. Given the product complexity, it is particularly important in the public interest that the sellers of insurance be both knowledgeable and trustworthy.

It is the distributor who makes the difference in terms of the quality of advice for choice of product, and servicing of policy post sale. In the Indian market, given its distinct cultural and social ethos of trust and long term relationships, these factors play a major role in shaping the distribution channels and their delivery.

The power of an agent or broker to influence the prospective buyer of insurance, for good or bad, is enormous. Therefore, it is important to have upfront disclosure in intermediation. Agents and Brokers should identify, manage and mitigate any potential conflict of interest in an appropriate and manner. They should provide clear and fair information on the nature of their services and the capacity in which they operate, including any administrative powers and

delegated authorities they may hold from insurers, so that clients can make informed decisions on the purchase of insurance products.

The Code of Conduct laid down for Agents and Brokers in the respective Regulations require them to disclose the amount of remuneration they receive from the insurance company, on request from the client. Agents and Brokers play an important role in the development, placement and servicing of insurance contracts. In this process, conflicts of interests can arise from time to time.

##### **III. Manufacturers/Agencies of Automobiles and other goods and services as Corporate Agents or where their group entities are Brokers**

The distribution channel is the touch point for sales and is the face that is seen by the prospect or policyholder. When a product is sold through a distribution channel, the insurer becomes invisible. It is therefore important to understand how the visage of the distribution channel is seen. In this paper, the discussions are limited to (i). Corporate Agents whose primary business is manufacturing of automobile or other consumer goods or providing various services travel, financial etc as a dealer or agency and (ii). Insurance Brokers whose group entities are involved in manufacture or dealership or other services as mentioned above.

In the model of distribution under discussion, the insurance company or its representative is not the entity marketing the products. The insurance cover is sold by the concerned manufacturer or retail agency as an add-on product leveraging the brand of the manufacturer or retailer/dealer where the manufacturer or agency is a Corporate Agent or it is sold by a broking entity that is a group company of the manufacturer or retail agency. The risk is carried by the insurance company which underwrites it. Products like motor third party and package insurance, travel

insurance, credit card related insurance including group accident and health covers, lost card insurance etc could be distributed using this channel. Infact this model could be adopted in all market segments where the lines of business fit manufacturing and marketing of a good or service.

What makes these arrangements attractive is the low distribution cost and captive customer base. However, repeat business or renewal of business cannot be assured. New distribution channels have emerged not only with the development of new technologies, but also with the use of other distribution networks such as supermarkets etc. Thus bancassurance is no longer the new channel, concepts such as mallassurance are catching up.

These distributors often have close, long-standing relationships with clients, which allows them to gather detailed information on the risks faced by clients at a much lower cost than would be the case for an insurer. This makes it attractive for the insurer to use such channels, especially for mass distribution.

It must be borne in mind that customers suffer due to asymmetric information with respect to the insurance market or a particular product or category of product (customer vis a vis insurer) and largely rely on the services of the distributor. This is the potential area of danger that gives scope mis-selling, mainly due to conflicts of interest at the distributor's end.

#### IV. Conflicts of interest:

There could be several situations giving rise to conflicts of interest :

**(a). The relationship between the distribution channel or a group entity and the targeted market segment.** The relationship could be long standing involving trust and blind faith such as with travel agencies tempting the distributor to push a product to its customer involving a bias to not only sell without considering whether the customer requires the product but sell it with a provider (insurer) bias and/or a product ( a particular insurance policy) bias.

**(b). The contractual relationship between the distribution channel and the insurance company** could also lead to a push factor, such as whether it is a corporate agent ( no choice of provider and perhaps

product) that is involved or a broker( involving choice of product and broker).

**(c). Impact of the cost of the distribution channel on the contracting terms between the insurers and policyholders.** Critical mass as a result of volumes involved makes it cheaper for the insurance company to engage a particular channel to mass sell thereby diluting the quality of disclosures and giving information or providing clarification.

**(d). Marketing methodology that may lead to client confusion** regarding the role of the distributor vis a vis the insurer. Bundling the insurance product with the particular product or service that is the primary business of the channel leaves the customer with no choice but to take the insurance product offered.

The issue of conflict of interest needs to be studied and discussed from the point of view of both the Regulations and other framework that exist today, within which the distributor and the insurer operate, and the actual market practices. The latter is a monitoring and enforcement issue which is already being addressed adequately and which has infact given rise to the current discussion. The former, namely revisiting the existing framework is what is now being exposed to discussions across stakeholders in a bid to ensure that there is no scope for conflict of interest to the detriment of the interests of the policyholders.

#### V. Current provisions and practices:

It has been observed that insurers leverage multiple distribution channels for cost effectiveness. The existing framework allows manufacturers and dealers or retailers to become corporate agents or allows them to have group entities who are insurance brokers. Except to the extent of the **IRDA (Insurance Brokers) Regulations, 2002** requiring , under Regulation 20(1) laying a ceiling on business from a single client ( where the term "client" includes in the case of a firm or a company, an associate or a subsidiary or a group concern under the same management), there are no restrictions in terms of either group entities being manufacturers or dealers or manufacturers or dealers being corporate agents themselves. Infact it is not uncommon to see such a category of brokers and corporate agents among those who currently exist.

Going further, outsourcing of certain activities by



insurer, was till recently a grey area and gave scope for delegation of certain not only administrative activities but also underwriting and claims related activities to the distribution channels under discussion. For example it is common for a motor dealer to tie up with an insurance company and offer a single window facility to the customer. Under the arrangement, a dealer selling motor vehicles would provide motor insurance cover to customers through a group entity that is a broking firm for which another group entity would provide the software, back office and call centre support. Generally in the single window system, the insurance proposal form would be automatically issued to the new customer by the administering entity after receiving the database of the car and its owner from the dealer. The insurance intermediary receives the remuneration for the business from the insurer while the administering entity receives "remuneration" for "infrastructure services". Whether this "remuneration" only covers the cost of "infrastructure services" or goes beyond is also a moot point. In addition, there is remuneration paid by the insurer to the dealer as well for access to the customer database. This would mean that there are three types of payments being made in respect of the same business.

The above is only one example in the area of motor insurance and this might as well be happening in other areas, including travel insurance, credit card insurance etc.

On outsourcing, the recent guidelines issued by IRDA address the concerns relating to conflicts as a result of outsourcing so far as the insurers are concerned. However, policyholders could be vulnerable to unethical and unfair practices when insurance products are thrust upon them as a result of their being customers of a product or service because of the forced bundling that takes place.

#### **VI. Other issues relating to Tying and Bundling per se:**

Going beyond the role of the Intermediaries and conflicts of interest that arise due to intermediation, the issue of tying and bundling per se, especially with other financial services, needs further discussion from the point of view of the role of the other service

provider (whether or not he is a corporate agent) and the insurance company. Tying insurance products with Mutual Funds is a case in point. Generally, group insurance covers are bundled with Mutual Fund products. One of the concerns that arises here is the manner in which this is advertised by the service provider. Providing information regarding the insurance cover is okay but highlighting that more than the core service being provided misleads the public. This violates the IRDA ( Insurance Advertisements) Regulations, 2000. The other important concern is complying with the group guidelines issued by IRDA. The insurance cover will have to be incidental to the other financial product. There could be instances where the public is led to believe that the insurance cover is the main feature of the product that is being sold. "White labeling" of insurance products makes it difficult for them to differentiate between the core product and the incidental one. This area, therefore, needs attention consumer protection point of view.

#### **VII. Issues to mull :**

- (1). Whilst on manufacturers of goods, should we take a view that manufacturers or dealers of automobiles and other goods shall not be allowed to sell insurance products to their customers? In other words, we do not allow bundling of insurance products with goods.
- (2). Or should we allow this activity with some checks built in? What kind of checks can be built in? Perhaps the codes of conduct for agents and brokers need to be revisited and made more elaborate and stringent from the point of view of disclosure and transparency.
- (3). What about bundling of insurance products with services including travel, financial etc? We should lay down a framework that would prevent forced selling and mis-selling
- (4). "White labeling" of insurance products needs to be prevented. The onus of ensuring that this does not happen by monitoring the market should lie with the particular insurance company that has got into the tie-up arrangement.
- (4). Is there a need to revisit the concept of professional training and skills pertaining to

corporate agency, especially where the touch point is a dealer or manufacturer where quite often complex policies such as Extended Warranty policies may be sold or a bank or a credit card company where a Lost Card Liability Insurance policy may be sold?

- (5). Else, should we have a restriction on the type of insurance product that may be sold through such channels? Perhaps we should restrict it to only a few simple products.
- (6). Should we not ban brokers from distributing products belonging to their group entities?
- (7). Does not tying an insurance policy with a product or service and offering discounts of any sort on the tied product or offering freebies along with it for taking the insurance cover construe "rebating"?

**CONSUMER EDUCATION INITIATIVES  
BY  
LIFE INSURERS**



**AEGON RELIGARE LIFE INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

S. No.	Details of Consumer Education Initiatives	Remarks, if any
1.	The Consumer Education strategy of your Company.	The education strategy of the company is to ensure that customer understands the product brought by him and the process of registering a claim.
2.	Whether your 'Consumer Education' strategy is approved by the Board.	Consumer Education strategy is part of the branding strategy approved by the Board.
3.	The initiatives taken by your Company to disseminate generic information on insurance	The initiatives taken by the company are as follows : Email/letter/SMS campaign to inform the policyholders : a. on the importance to pay the renewal premium on timely basis, b. benefits of doing fund switch, c. to recheck the personal details recorded in the proposal form, d. about the claim process, e. about the process to get in touch with TPA for registering the health claims, f. about the disadvantage of lapsing the policy, the details of the policy brought by them.
4.	Give the details of the programmes carried out for consumer education including media used	SMS campaign, letter and email campaign
5.	Specific initiatives taken to educate consumers in rural areas	No specific initiatives have been undertaken in rural areas.
6.	Steps to create awareness about Grievance Redressal Mechanisms	Awareness steps as prescribed by Authority
7.	Specific initiatives for senior citizens, women and students.	No
8.	Seminars conducted for consumers' awareness	No
9.	Initiatives to educate policyholders regarding their Rights & Duties.	Refer point 3
10.	Initiatives to educate policyholders about Claim settlement procedure.	Refer point 3
11.	Any other unique Consumer Education Initiative.	All the initiatives undertaken have been mentioned above.

**AVIVA LIFE INSURANCE CO LTD.  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

S. No.	Details of Consumer Education Initiatives	Remarks, if any
1.	The Consumer Education strategy of your Company -	Use the various knowledge sharing platforms available to demystify insurance nuances for consumers
2.	Whether your 'Consumer Education' strategy is approved by the Board -	NA
3.	The initiatives taken by your Company to disseminate generic information on insurance	(I) Opinion articles and columns in leading publications on demystifying insurance (ii) Research to understand consumer needs – like saving habits of young parents in India and highlighting the same through media to generate awareness on the importance of savings and protection; (iii) Participation of company spokespeople in various roundtables organized by industry bodies and media houses.
4.	Give the details of the programmes carried out for consumer education including media used	– Refer Point 3 herein above.
5.	Specific initiatives taken to educate consumers in rural areas.	In respect of rural sector policies, key feature document (KFD) is provided along with policy document in certain vernacular languages. Road shows with our Bancassurance partners like Punjab and Sind Bank and IndusInd Bank to generate awareness about the importance of insurance and financial planning.
6.	Steps to create awareness about Grievance Redressal Mechanisms (GRM) -	(I) Details of GRM is shared in the policy document and on Co's web site. (ii) Escalation matrix is shared in all the correspondences by the complaints team.
7.	Specific initiatives for senior citizens, women and students-	NA
8.	Seminars conducted for consumers' awareness	NA
9.	Initiatives to educate policyholders regarding their Rights & Duties	<b>(I) Most Important Terms (MIT)</b> - An easy to read MIT is sent along with the Policy Document highlighting the essence of the insurance contract. <b>(ii) Proposal Stage Calling (PSC)</b> - This serves the purpose of verification and ensuring that an appropriate product has been offered to the potential customer. <b>(iii) Welcome Calling-</b> Welcome call is made to the customer to confirm the policy document receipt. Under this calling, a customer is educated about important t&c of the policy, <b>(iv) Surrender Stalling-</b> At Branches surrender stall efforts are done rigorously. When a customer walks into a branch with a surrender request, the in-house member makes an attempt to retain the customer and tries to convince the customer that it is beneficial for him/her to continue with the policy. <b>(v) Call Centre-</b> At call centre, the team calls out the customers who have requested for surrender and makes effort to retain the customer. <b>(vi) Claim Review Committee (CRC) for claims related grievance</b> - As a customer friendly measure and to provide claimant an opportunity to present his case, we have CRC and in the communication of declining claim, we intimate claimant about the option of approaching CRC. <b>(vii) Customer Satisfaction Survey</b> -We take feedback from our customers on the service levels at each of the touch points. The feedback forms the basis on which we identify the improvement areas and action areas to improve service levels.
10.	Initiatives to educate policyholders about Claim settlement procedure.	A list of documents required for processing the claim is called for in one go and is made available on Company's website, branch offices, provided as part of communication sent to the customer on receipt of claim intimation.
11.	Any other unique Consumer Education Initiative	- NA

**BAJAJ ALLIANZ LIFE INSURANCE CO LTD.  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

S. No.	Details of Consumer Education Initiatives	Remarks, if any
1.	The Consumer Education strategy of your Company.	Help consumers develop the skills and knowledge to purchase life insurance policy effectively and responsibly.
2.	Whether your 'Consumer Education' strategy is approved by the Board.	No. However, the Company has in place a Policyholder Protection Committee wherein the interests of the policyholders are sought to be protected
3.	The initiatives taken by your Company to disseminate generic information on insurance.	<ul style="list-style-type: none"> <li>● Explain the importance of insurance benefits and savings.</li> <li>● Educate on the importance of investing in pension products.</li> </ul>
4.	Give the details of the programmes carried out for consumer education including media used	Organized street plays in Tier II and III markets, and in areas where presence of conventional media was negligible.
5.	Specific initiatives taken to educate consumers in rural areas.	<ul style="list-style-type: none"> <li>● Initiated Customer Preferred languages in the IVRS to ensure better understanding of the product and process.</li> <li>● Provide welcome letter /renewal details in vernacular language</li> </ul>
6.	Steps to create awareness about Grievance Redressal Mechanisms	<ul style="list-style-type: none"> <li>● Details of Grievance Redressal provided on policy bond &amp; website</li> <li>● Call centres inform the customers of the Turn around Time for resolution of complaint/grievance.</li> <li>● Escalation matrix is provided to the customer.z</li> </ul>
7.	Specific initiatives for senior citizens, women & students.	We have plans for senior citizens /women and for children which are also available on the corporate website.
8.	Seminars conducted for consumers' awareness	As mentioned in (4) above.
9.	Initiatives to educate policyholders regarding their Rights & Duties.	<ul style="list-style-type: none"> <li>● Provide welcome letter /renewal details in vernacular language</li> <li>● Communicate in vernacular language over phone with PH.</li> </ul>
10.	Initiatives to educate policyholders about Claim settlement procedure.	<ul style="list-style-type: none"> <li>● Instructions provided to the claimant detailing the relevant documents/process to the followed</li> <li>● The instructions are printed in English &amp; customer's preferred language.</li> <li>● Claimants are informed within 3 days of intimation of claim to brief them about the relevant claim forms etc.</li> </ul>
11	Any other unique Consumer Education Initiative.	<ul style="list-style-type: none"> <li>● Games, puzzles, flip charts and jingles used as awareness tools explaining the concept of insurance &amp; savings.</li> <li>● Audio-visual movie to trigger the thought process &amp; motivate the customer to view Life Insurance as an asset instead of additional burden</li> <li>● Customer satisfaction Survey used for feedback on existing products, sales&amp; services.</li> </ul>

**BHARTI AXA LIFE INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

S. No.	Details of Consumer Education Initiatives	Remarks, if any
1.	The Consumer Education strategy of your Company.	<ul style="list-style-type: none"> <li>● At the point of sale, brochures and pamphlets, Key Feature Document are shared with the customer</li> <li>● Verification calling is done to customer to inform them about their policy.</li> </ul>
2	Whether your 'Consumer Education' strategy is approved by the Board.	<ul style="list-style-type: none"> <li>● The initiatives / measures taken to increase Customer awareness on "material information" at the point of sale was approved by the Board.</li> </ul>
3.	The initiatives taken by your Company to disseminate generic information on insurance	No
4.	Give the details of the programmes carried out for consumer education including media used	No
5.	Specific initiatives taken to educate consumers in rural areas.	None
6.	Steps to create awareness about Grievance Redressal Mechanisms	<p>Details on steps and procedure of grievance redressal (including options of escalation within and outside company) are informed to the customers and/or prospects in the following form:</p> <ul style="list-style-type: none"> <li>● Details are provided on Bharti AXA Life website</li> <li>● Process is displayed at all branches</li> <li>● Our contact centre also provide steps on logging a grievance as and when customers enquire for it</li> <li>● Details provided in the policy bond / welcome kit</li> <li>● Our written communications sent to customers who have grievances, give details on the grievance procedure he/ she can follow</li> </ul>
7.	Specific initiatives for senior citizens, women and students.	None in particular
8.	Seminars conducted for consumers' awareness	None
9.	Initiatives to educate policyholders regarding their Rights & Duties.	<ul style="list-style-type: none"> <li>● We have displayed the list of customer rights and duties on our Branch notice board.</li> <li>● Relevant points are mentioned in the policy bond and the grievance procedure published to customers</li> </ul>
10.	Initiatives to educate policyholders about Claim settlement procedure.	<ul style="list-style-type: none"> <li>● Details about claim settlement procedure is made available in our Key Feature Document and it is also made available on our website</li> </ul>
11.	Any other unique Consumer Education Initiative.	No



**BIRLA SUN LIFE INSURANCE COMPANY LIMITED  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

S. No.	Details of Consumer Education Initiatives	Remarks, if any
1.	The Consumer Education strategy of your Company.	Under process
2.	Whether your 'Consumer Education' strategy is approved by the Board.	
3.	The initiatives taken by your Company to disseminate generic information on insurance	<ul style="list-style-type: none"> <li>● Awareness created vide</li> <li>● E-mailers/Web-Tutorials/Advisory Mailers</li> </ul>
4.	Give the details of the programmes carried out for consumer education including media used	<ul style="list-style-type: none"> <li>● Web-banners</li> <li>● TAT Awareness</li> <li>● Newsletters on Financial aspects</li> <li>● PR articles</li> <li>● Web-Tutorials</li> <li>● Go Green Strategy</li> </ul>
5	Specific initiatives taken to educate consumers in rural areas.	<ul style="list-style-type: none"> <li>● Awareness camps</li> <li>● Marketing campaigns</li> <li>● Womens awareness campaign</li> <li>● Education banners, pamphlets and brochures.</li> </ul>
6	Steps to create awareness about Grievance Redressal Mechanisms	<ul style="list-style-type: none"> <li>● Posters in all Branches displaying TAT's</li> <li>● Awareness through Website</li> <li>● Escalation mechanism for Grievance Redressal</li> </ul>
7	Specific initiatives for senior citizens, women and students	<ul style="list-style-type: none"> <li>● Mailers on MWP</li> <li>● Women's day mailers</li> </ul>
8	Seminars conducted for consumers' awareness	NO
9	Initiatives to educate policyholders regarding their Rights & Duties.	<ul style="list-style-type: none"> <li>● <b>'Application Acknowledgement Slip'</b> for customers to reduce Misselling</li> </ul>
10.	Initiatives to educate policyholders about Claim settlement procedure.	<ul style="list-style-type: none"> <li>● Front Offices are trained to provide detail process and procedure on Claim Settlement to avoid any delays later</li> <li>● Website gives complete details on Claim Settlement procedures</li> </ul>
11	Any other unique Consumer Education Initiative.	No

**CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE COMPANY LIMITED  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

S. No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	The Consumer Education strategy of the Company revolves on selling the right product to the customer. The Company has introduced sales aids to help customer identify right product. In addition the Company organizes various consumer events to promote the awareness of insurance products among the customers of our distributors.
2	Whether your 'Consumer Education' strategy is approved by the Board.	A formal consumer education strategy is planned for approval in next Board meeting.
3	The initiatives taken by your Company to disseminate generic information on insurance	The Company organizes workshops, and displays posters at distributor branches to disseminate generic information on insurance. The Company participated in an international survey to understand behavior pattern towards future planning. The summary of the report were released through press releases.
4	Give the details of the programmes carried out for consumer education including media used	Press releases on Claim process, importance of financial planning & need assessment, importance of life insurance & points to remember at the time of buying life insurance policy.
5	Specific initiatives taken to educate consumers in rural areas.	Participated in Rural outreach programs organised across India by our partner bank for educating & promoting life insurance through Self help groups/Joint liability groups/Micro credit group
6	Steps to create awareness about Grievance Redressal Mechanisms	Grievance management procedure is available on the company website & in the policy pack. The mechanism to register & track complaints is available on Company website. The customers are informed of complaints escalation process in complaint acknowledgement letters.
8	Seminars conducted for consumers' awareness	The company has conducted various customer events along with the partner banks in FY 2011-12 to increase awareness on the importance of financial planning, role of life insurance, need for protection, disciplined savings and retirement planning.
9	Initiatives to educate policyholders regarding their Rights & Duties.	The rights of the policy holder are displayed at each Company branch office. Importance of paying premium on time & methods to pay premium communicated to the customers vide letters.
10	Initiatives to educate policyholders about Claim settlement procedure.	The Company has a video on claim process on its website. Press release on the importance of the disclosure of material facts for smooth claim process.
11	Any other unique Consumer Education Initiative.	The Company has introduced an interactive online planning tool 'Life Insurance Simulator' in 4 languages. Released HSBC study 'Future of retirement (part VI): Why family matters' & 'The power of planning'. The research identified & recommended four actions which households can take to improve their future well being.

**DLF PRAMERICA LIFE INSURANCE COMPANY LTD.  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

S. No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	No defined strategy for Consumer Education
2	Whether your 'Consumer Education' strategy is approved by the Board.	NA
3	The initiatives taken by your Company to disseminate generic information on insurance	<ol style="list-style-type: none"> <li>1. Communication material on topics such as importance of planning for child's education, benefits of tax savings &amp; planning for retirement</li> <li>2. Information on website covering topics such as claims, common insurance terms etc.</li> <li>3. Contributory articles in various publications from management team</li> </ol>
4	Give the details of the programmes carried out for consumer education including media used	<ol style="list-style-type: none"> <li>1. Knowledge Series – printed communication material created to provide information on tax planning, child's future planning &amp; retirement</li> <li>2. Information on insurance requirements, claims, grievances etc. &amp; Life insurance calculator on website</li> <li>3. Customer engagement campaign on retirement planning conducted in Punjab:               <ol style="list-style-type: none"> <li>a. Customer awareness on retirement planning</li> <li>b. Need analysis done with customers to generate awareness on importance of protection for retirement years</li> </ol> </li> </ol>
5	Specific initiatives taken to educate consumers in rural areas.	<ol style="list-style-type: none"> <li>1. Bima saksharta abhyan &amp; Tatkai baithak – awareness campaign on the need and benefits of insurance.               <ol style="list-style-type: none"> <li>a. Touched over 10 Lakh customers across 93 villages in Eastern India Branded van across villages and marketplaces to spread awareness on insurance</li> </ol> </li> </ol>
6	Steps to create awareness about Grievance Redressal Mechanisms	<ol style="list-style-type: none"> <li>1. Posters at Company Branches (IGMS/Grievance Redressal &amp; Office of Ombudsman)</li> <li>2. Mention of IGMS/Grievance Redressal &amp; Office of Ombudsman, on Policy Packs issued to Policyholders</li> <li>3. On Company website: <a href="http://www.dlfpramericalife.com/GrievanceProcedure.aspx">http://www.dlfpramericalife.com/GrievanceProcedure.aspx</a></li> <li>4. Promoting IGMS/ Grievance Redressal by making part of the training material for intermediaries</li> </ol>
7	Specific initiatives for senior citizens, women and students.	<ol style="list-style-type: none"> <li>1. Presentations made to parents at schools highlighting the needs for planning for child's insurance needs</li> </ol>
8	Seminars conducted for consumers' awareness	
9	Initiatives to educate policyholders regarding their Rights & Duties.	<ol style="list-style-type: none"> <li>1. Posters at Company Branches (Office of Ombudsman, POS and Claims Timeframes &amp; IGMS/Grievance Redressal)</li> <li>2. Mention of Ombudsman, POS and Claims Timeframes &amp;</li> </ol>

		IGMS/Grievance Redressal on Policy Packs issued to Policyholders 3. On Company website: <a href="http://www.dlfpramericalife.com/POSAndClaimsTimelines.aspx">http://www.dlfpramericalife.com/POSAndClaimsTimelines.aspx</a> <a href="http://www.dlfpramericalife.com/GrievanceProcedure.aspx">http://www.dlfpramericalife.com/GrievanceProcedure.aspx</a>
10	Initiatives to educate policyholders about Claim settlement procedure.	Claim Procedure is mentioned on Company website: <a href="http://www.dlfpramericalife.com/ClaimProcedure.aspx">http://www.dlfpramericalife.com/ClaimProcedure.aspx</a> Mentioned in Policy Terms and Conditions under section Payment of Benefits which is provided to Policyholders
11	Any other unique Consumer Education Initiative.	NA

**EDELWEISS TOKIO LIFE INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

S. No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	<b>The company has identified 3 core values which includes "Customer centricity".</b> The company has created a unique need based selling approach which educates and helps the customer to classify his/her needs into simple buckets and take an informed decision on products matching with his/her specific requirements.
2	Whether your 'Consumer Education' strategy is approved by the Board.	Consumer Education strategy is discussed periodically in the board meetings. 'Need based sales approach' has formally been presented to the board.
3	The initiatives taken by your Company to disseminate generic information on insurance	Our product brochure details out necessary steps to take before buying an insurance policy. The company will launch future media campaigns which will disseminate more information on Insurance.
4	Give the details of the programmes carried out for consumer education including media used	We conduct periodic surveys to understand consumer awareness of insurance which we address through our product development and consumer interactions during the sales process.
5	Specific initiatives taken to educate consumers in rural areas.	We are taking help from various NGOs like Edelgive Foundation to educate consumers in rural areas.
6	Steps to create awareness about Grievance Redressal Mechanisms	Grievance Redressal Mechanism has been highlighted across consumer facing touch points such as branch welcome area, website, welcome call and Policy bond.
7	Specific initiatives for senior citizens, women and students.	November 2011 was dedicated to spreading awareness about need for Insurance to meet children's aspirations.
8	Seminars conducted for consumers' awareness	Presentations are periodically made to consumers to increase the awareness about Insurance.
9	Initiatives to educate policyholders regarding their Rights & Duties.	Information is provided through Policy Bond, Brochure, websites and other post sale reach outs.
10	Initiatives to educate policyholders about Claim settlement procedure.	Special section on the website and Policy bond on claim settlement process
11	Any other unique Consumer Education Initiative.	All our consumer facing processes (product design to customer engagement activities) emanate from the unique need based approach which is educative and is helping consumers to make an informed choice.

**FUTURE GENERALI INDIA LIFE INSURANCE COMPANY LIMITED  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

S. No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	Conducted promotional activities to increase the awareness for Insurance and make people realize the importance of Insurance, with a personal touch - on one basis, or organizing customer meets.
2	Whether your 'Consumer Education' strategy is approved by the Board.	No
3	The initiatives taken by your Company to disseminate generic information on insurance	<ol style="list-style-type: none"> <li>1. Future General Insurance Week Campaign</li> <li>2. Frequent Customer meets with the Chief Investment Officer (CIO)</li> <li>3. Our Chief Executive Officer (CEO) responds to readers insurance related queries on monthly basis.</li> </ol>
4	Give the details of the programmes carried out for consumer education including media used	<ol style="list-style-type: none"> <li>1. Future General Insurance Week was a mass media campaign (TV + radio + Web + Social media)</li> <li>2. Customer meets with our Chief Investment Officer (CIO). The details in Annexure A below.</li> </ol>
5	Specific initiatives taken to educate consumers in rural areas.	Residential society activations, where we put up booths to educate people about Insurance and resolve any queries / issues they would have with their current policies, if any.
6	Steps to create awareness about Grievance Redressal Mechanisms	The details in Annexure A below.
7	Specific initiatives for senior citizens, women and students.	Created employment opportunities - encouraging them to take Insurance agency - for women, by conducting workshops with help from various self-help groups across the country.
8	Seminars conducted for consumers' awareness	Various customer meets are organized with our CIO. The details as per Annexure A below.
9	Initiatives to educate policyholders regarding their Rights & Duties.	Our Chief Executive Officer (CEO) responds to readers insurance related queries on monthly basis. The details as per Annexure A below.
10	Initiatives to educate policyholders about Claim settlement procedure.	The details as per Annexure A below.
11	Any other unique Consumer Education Initiative.	

HDFC STANDARD LIFE INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12

S. No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	Our Strategy is a derivative of our Corporate Vision " <b>Customer Centric</b> " <b>Our Strategy:</b> "Ensure the customer is well informed and financially educated, to enable and empower him/her to make the right investment decision"
2	Whether your 'Consumer Education' strategy is approved by the Board.	Is being placed in the next board meeting in April 2012
3	The initiatives taken by your Company to disseminate generic information on insurance	Our corporate website provides a plethora of information to both prospect and existing consumers right from need analysis to tools and calculators. (details in subsequent pages)
4	Give the details of the programs carried out for consumer education including media used	Benefits of buying online insurance illustrated through article, 4 authored articles a month on demystifying insurance in Maharashtra Times (details in subsequent pages)
5	Specific initiatives taken to educate consumers in rural areas.	Seminars conducted in rural areas to inform importance of insurance, special presentations made to primary teachers co-operative societies. (details in subsequent pages)
6	Steps to create awareness about Grievance Redressal Mechanisms	Board approved grievance redressal guidelines put in place. Customer friendly initiatives such as 30 days lookin option and 12 month product assurance launched, robust malpractice matrix put in place. (details in subsequent pages)
7	Specific initiatives for senior citizens, women and students.	Survey launch in March 2012 to assess the current state of financial planning among urban women segment.
8	Seminars conducted for consumers' awareness	Interactive program conducted at corporate house to educate employees on the importance of buying term insurance and helping them arrive at the appropriate financial cover.
9	Initiatives to educate policyholders regarding their Rights & Duties.	Most Important document launched, Key product features uploaded on our website, welcome calling done to new customers (details in subsequent pages)
10	Initiatives to educate policyholders about Claim settlement procedure.	Claims review committee set up to review reject complaints, sms alerts to claimants on for claims intimation. Review by policyholders protection committee. (details in subsequent pages)
11	Any other unique Consumer Education Initiative.	Undertaken survey with Value Notes to measure awareness levels, level of financial planning, sufficiency and adequacy of financial plans. This serves as a benchmark to indicate how financial free an individual is in terms of his awareness, sufficiency, and adequacy.

**ICICI PRUDENTIAL LIFE INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	To provide simple information around the purchase and usage of insurance products to empower the consumer to take the right decision; and to disseminate such information regularly through multiple media and touch points.
2	Whether your 'Consumer Education' strategy is approved by the Board.	Consumer education is an integral part of the Company's Customer Service Strategy. The Board has directed the Company to initiate Consumer Education programs. For FY 2012, the focus has been to educate policyholders to - pay premium on time, to keep their life cover benefits active and to know policy benefits. The Board is updated on education efforts on a regular basis.
3	The initiatives taken by your Company to disseminate generic information on insurance	<ul style="list-style-type: none"> <li>● Nationwide customer education campaign done on press and radio</li> <li>● Regular communication to customers on various topics</li> <li>● Regular display of education material in offices of the Company</li> </ul>
4	Give the details of the programs carried out for consumer education including media used	<ul style="list-style-type: none"> <li>● 11 key topics like policy charges, premium paying term, etc., covered as per feedback from policyholders.</li> <li>● Presence in 19 newspapers like TOI, HT, Hindu, 5 magazines like India Today and 6 radio stations like Red FM, Big FM, etc. During the campaign, a multi-lingual IVR and a microsite gave concise and simple information on all topics covered.</li> <li>● E-mailers to customers on various topics.</li> </ul>
5	Specific initiatives taken to educate consumers in rural areas.	Special focus on the rural areas was given during the nationwide campaign by communicating in 10 local languages in many vernacular dailies like Dainik Bhaskar, Dainik Jagaran, Saakshi, Dinamalar, Ananda Bazar Patrika, Assomiya Pratidin, etc.
6	Steps to create awareness about Grievance Redressal Mechanisms	Grievance Redressal Mechanism information is available at branch offices, Company's website, policy documents and customer communications letters/emails, etc.
7	Specific initiatives for senior citizens, women and students.	For many customer profiles (including senior citizens, widows, etc), pro-active calling is done to ensure the product has been correctly purchased and important features are known to customer.
8	Seminars conducted	
9	Initiatives to educate policyholders regarding their Rights & Duties.	Communication is done through multiple touchpoints with the customers.
10	Initiatives to educate policyholders about Claim settlement procedure.	<p>The Company has taken multiple initiatives in this regard:</p> <ul style="list-style-type: none"> <li>● A 'Priority Claims' desk has been set up at all branches to address claimant queries. The central expert claims team also provides upfront clarifications through a 'Claims Hotline' interface.</li> <li>● A claimant can find out about document requirements through the website or the dedicated 24X7 ClaimCare helpline.</li> <li>● Policyholders and distributors are also educated on crucial topics through the Company's quarterly newsletter called 'ProClaims'.</li> </ul>
11	Any other unique Consumer Education Initiative.	

**IDBI FEDERAL LIFE INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	N.A.
2	Whether your 'Consumer Education' strategy is approved by the Board.	N.A.
3	The initiatives taken by your Company to disseminate generic information on insurance	<p>We have provided links on company website (<a href="http://www.idbifederal.com">www.idbifederal.com</a>) to generate Consumer awareness. The links are specified here in below:</p> <ul style="list-style-type: none"> <li>● Glossary: <a href="http://www.idbifederal.com/Glossary/Pages/default.aspx?page=a">www.idbifederal.com/Glossary/Pages/default.aspx?page=a</a></li> <li>● Tax Benefits: <a href="http://www.idbifederal.com/TaxBenefits/Pages/default.aspx">www.idbifederal.com/TaxBenefits/Pages/default.aspx</a></li> <li>● Happy &amp; Lucky: <a href="http://www.idbifederal.com/Pages/HappyLucky.aspx">http://www.idbifederal.com/Pages/HappyLucky.aspx</a></li> <li>● CIO Speak : <a href="http://www.idbifederal.com/CIOSpeak/Pages/CIO-Speak.aspx">www.idbifederal.com/CIOSpeak/Pages/CIO-Speak.aspx</a></li> </ul>
4	Give the details of the programmes carried out for consumer education including media used	N.A.
5	Specific initiatives taken to educate consumers in rural areas.	<ul style="list-style-type: none"> <li>● Financial Literacy Module for training the members of our MFI Partners located in rural areas</li> <li>● Financial Literacy campaign for customers of IDBI Bank under Financial Inclusion campaign in rural locations</li> </ul>
6	Steps to create awareness about Grievance Redressal Mechanisms	<ul style="list-style-type: none"> <li>● Grievance redressal procedure is available on all our policy documents for our customers</li> <li>● Grievance redressal policy is available on our website</li> <li>● Grievance redressal procedure and IGMS information has been shared with the sales channels in the form of a presentation</li> <li>● Grievance redressal procedure and IGMS training was given to all our call centre agents and customer service team.</li> </ul>
7	Specific initiatives for senior citizens, women and students.	N.A.
8	Seminars conducted for consumers' awareness	N.A.
9	Initiatives to educate policyholders regarding their Rights & Duties.	N.A.
10	Initiatives to educate policyholders about Claim settlement procedure.	<ul style="list-style-type: none"> <li>● Claims settlement requirements are available in our policy document.</li> <li>● Claims forms are available on our website</li> <li>● Grievance redressal mechanism on claims repudiation or delays in settlement of claim is available on our policy document</li> </ul>
11	Any other unique Consumer Education Initiative.	N.A.



**INDIAFIRST LIFE INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	1. Product Audio Visuals in regional languages for better understanding. We put our customers' first in everything we do.
2	Whether your 'Consumer Education' strategy is approved by the Board.	-
3	The initiatives taken by your Company to disseminate generic information on insurance	1. AVs on 'What is Life Insurance' and 'Recommending/ Choosing the right insurance plan' 2. Content put on our website.
4	Give the details of the programmes carried out for consumer education including media used	1. Contributory articles from senior functional heads in national and regional media. 2. Q&A section in our quarterly newsletter IndiaFirst Times which answers insurance queries 3. Our monthly e-newsletter (sections such as the lead story, smart money management, query corner, classroom)
5	Specific initiatives taken to educate consumers in rural areas.	1. Generic Audio Visual on 'What is Life Insurance' and 'Recommending/ Choosing the right insurance plan' – in Hindi. 2. Product AVs in 10 regional languages for better understanding.
6	Steps to create awareness about Grievance Redressal Mechanisms	1. Grievance Redressal and Contact Us posters in all bank branches 2. Details provided on our website. 3. Details provided in all policy documents.
7	Specific initiatives for senior citizens, women and students.	-
8	Seminars conducted for consumers' awareness	1. Functional head conducted Road Shows during December 2011 & January 2012 across the country.
9	Initiatives to educate policyholders regarding their Rights & Duties.	1. Product AVs in regional languages. 2. Information that we have provided on our website in LifeStore section.(Our Performance section and the Investment section details)
10	Initiatives to educate policyholders about Claim settlement procedure.	1. Detailed procedure along with mandatory documents for claim processing is posted on our website.
11	Any other unique Consumer Education Initiative.	1. Insurance Roundtables and Seminars with media on different aspects – such a health insurance etc. 2. Annual calendar which connects important facts about financial planning to day-to-day instances in a humorous manner.

**ING VYSYA LIFE INSURANCE COMPANY LTD.  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	<ul style="list-style-type: none"> <li>● To effectively communicate and interact with customers throughout the life cycle for an enriching insurance experience.</li> <li>● It is our endeavor to effectively communicate with our prospects and customers enabling them to take informed insurance decisions.</li> </ul>
2	Whether your 'Consumer Education' strategy is approved by the Board.	The Company has Policyholder Protection Committee of the Board of Directors and the Policyholder Protection Management Committee. The objectives of these committees are well aligned with the IRDA corporate governance guidelines.
3	The initiatives taken by your Company to disseminate generic information on insurance	Customer meets are held on a regular basis to educate customers on the key benefits of the insurance, importance of savings and protection. The venue include corporates, malls, residential welfare associations, clubs, parks, associations, and retail outlets under multiple themes like Celebration Week, Red Carpet Meets, Think Green – Plan & Plant etc.
4	Give the details of the programmes carried out for consumer education including media used	<ul style="list-style-type: none"> <li>● Quarterly newsletter to customers via e-mail</li> <li>● Awareness programme at mass transport stations in Bangalore</li> </ul>
5	Specific initiatives taken to educate consumers in rural areas.	-
6	Steps to create awareness about Grievance Redressal Mechanisms	Apart from the inclusion of details about the Grievance Redressal Mechanisms in the policy documents, the posters are displayed at all branches and the relevant details are also available on Company's website, for the benefit of the policyholders.
7	Specific initiatives for senior citizens, women and students.	Special customer meets such as SuperMom, Goodlife begins at fifty.
8	Seminars conducted for consumers' awareness	As described above
9	Initiatives to educate policyholders regarding their Rights & Duties.	Quarterly newsletter to customers
10	Initiatives to educate policyholders about Claim settlement procedure.	Apart from quarterly newsletter to the customers, the Company is launching claims specific brochure to educate customers on claims related processes to ensure hassle free claims payouts to the customers.
11	Any other unique Consumer Education Initiative.	-

**KOTAK MAHINDRA OLD MUTUAL LIFE INSURANCE LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	Micro level initiatives have been started in form of e-mailers and SMS alerts for policyholders education. However, broad level Consumer Education Strategy for KLIFE is still in the conceptualization stage and yet to be formalized.
2	Whether your 'Consumer Education' strategy is approved by the Board.	Currently, Consumer Education strategy is still in the conceptualization stage and we are continuously working on it to make it more robust.
3	The initiatives taken by your Company to disseminate generic information on insurance.	KLIFE disseminate generic information on insurance and its products and its relevance through its corporate website: <a href="http://www.insurance.kotak.com">www.insurance.kotak.com</a>
4	Give the details of the programmes carried out for consumer education including media used	<ul style="list-style-type: none"> <li>● Web – Initiative called Online Reputation Management which monitors any kind of discussion on KLIFE in the web space. It provides feedback and guidance for queries and issues raised.</li> <li>● Web – Creation of KLIFE page/handle on social networking sites like Facebook, Twitter</li> <li>● E-mailers/Mobile are used for educating customers on important aspects like prudence to be followed while making premium payments, payment on time etc.</li> </ul>
5	Specific initiatives taken to educate consumers in rural areas.	Currently being conceptualized as a part of the broad strategy.
6	Steps to create awareness about Grievance Redressal Mechanisms	<ol style="list-style-type: none"> <li>1. KLIFE Grievance Redressal Policy &amp; System is available on our website wherein the customers can register and track the complaints.</li> <li>2. Customer can register the complaint and reach Kotak Life Insurance through the following options: <ul style="list-style-type: none"> <li>● Any of our Branches</li> <li>● Toll free number 1800 209 8800</li> <li>● Website &amp; Online portal</li> </ul> </li> </ol>
7	Specific initiatives for senior citizens, women and students.	The Kotak Foundation wing is already working with the marginalized section of the society to provide education and employment which is sustainable and also plan to have series of initiatives aimed at health checkups, empowerment for senior citizens & women in the near future.
8	Seminars conducted for consumers' awareness	Being conceptualized as a part of the broad Consumer Awareness Strategy.
9	Initiatives to educate policyholders regarding their Rights & Duties.	Policyholders' rights & duties in respect to his KLIFE policy do form a part of the policy document sent to him which acts as our assurance of our commitment towards transparency with our policyholders at all times.
10	Initiatives to educate policyholders about Claim settlement procedure.	<ol style="list-style-type: none"> <li>1. Claim settlement procedure is mentioned in the policy contract.</li> <li>2. Website has basic details about claims. Tele claims &amp; document pick-up to facilitate required documentation to ensure speedy processing.</li> </ol>
11	Any other unique Consumer Education Initiative.	<ol style="list-style-type: none"> <li>1. Welcome call on conversion + 10 days to the customer to verify details of his policy and assist him within the free look period for</li> <li>2. Phishing alerts through SMS &amp; Email</li> <li>3. Based on trend of suspicious calls received by customers, SMS are shot out immediately to customers to alert them</li> </ol>

**LIFE INSURANCE CORPORATION OF INDIA (LIC)  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	Corporation educates its customers regarding insurance products, services offered, benchmarks in services, rights & privileges and grievance redressal mechanism through various media.
2	Whether your 'Consumer Education' strategy is approved by the Board?	Not yet
3	The initiatives taken by your Company to disseminate generic information on insurance.	Through advertisements regarding nature of the products, highlights of the product, press release / articles detailing features of the products
4	Give the details of the programmes carried out for consumer education including media used	i) Wall paintings in rural areas. ii) Participating in exhibitions in rural areas, stalls put up, LIC personnel man the stall and explain about our products and services. iii) Visits to paying authorities.
5	Specific initiatives taken to educate consumers in rural areas.	i) Stalls are placed in various fairs / melas held in rural areas. ii) Wall paintings are done in rural areas. iii) Advertisements for educating consumers are placed in Newspapers having wider rural reach. iv) Radio & TV channels are also used for reaching rural customers.
6	Steps to create awareness about Grievance Redressal Mechanisms	i) Our Web Site – www.licindia.in is displaying the names and telephone numbers of GROs at Divisional, Zonal & Central Offices. ii) Policy Bonds contains the address of Ombudsman's office for grievance redressal. iii) Names of GROs are displayed at BO/DO/ZOs. iv) Advertisements are placed in Newspapers regarding availability of GROs at ZO/CO. v) Help Book which is sent with New Policies has details about online Grievance Redressal mechanism and other information regarding various services.
7	Specific initiatives for senior citizens, women and students.	Exclusive products for women, Minors and Senior Citizens are there.
8	Seminars conducted for consumers' awareness.	i) Between 01/09/2011 and 07/09/2011 customer meets were arranged by all BOs and DOs. ii) Personal visits are made by BO officials to various offices of paying authorities of various Salary Saving Scheme policies to extend on the spot services to customers.
9	Initiatives to educate policyholders regarding their Rights & Duties.	i) Help Book in vernacular language is sent along with Policy Bond of new policies. It contains details of rights & duties of policyholders. ii) Policy servicing and claim settlement bench marks are displayed in all branches and divisional offices.
10	Initiatives to educate policyholders about Claim settlement procedure.	i) Claim settlement procedure has been detailed in the Help Book which is sent to policyholders along with Policy Bond of new policies. ii) Procedure is also detailed in new policy documents. iii) Press advertisement issued in leading and vernacular newspapers for popularizing claim payment through NEFT. iv) NEFT mandate forms are also sent along with claim intimations.
11.	Any other unique Consumer Education initiative.	

**MAX NEWYORK LIFE INSURANCE CO. LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	MNYL believes in continuously educating customers about life insurance, its products, rights of our customers and services offered. There is robust contact strategy and a yearly communication calendar which keeps our customer informed. A TCF program has been rolled out internally in MNYL in line with IRDA with initiatives for customer education which are being implemented.
2	Whether your 'Consumer Education' strategy is approved by the Board.	TCF communications as a part of the customer education strategy is reviewed by PPC (policy holder protection committee) which is a subcommittee comprising of board members. The PPC meets every quarter to review progress of TCF initiatives.
3	The initiatives taken by your Company to disseminate generic information on insurance	MNYL publishes multiple articles in print media to educate customers about life insurance. In line with TCF principles, clear information for the customer and need based selling are some of the key focus areas at MNYL.
4	Give the details of the programmes carried out for consumer education including media used	A customer education series in which monthly e-mailers are sent & our social media site Khusiyon ki planning which has a community size of more than 1 lakh. 51 articles have been published in print media in 2011 in popular news papers. All product brochures have been simplified and are created in vernacular language to ensure ease of understanding amongst customers.
5	Specific initiatives taken to educate consumers in rural areas.	Our distribution partner peerless also operates in rural areas- regular product literature in customer local language is created and distributed through peerless. Road shows are also conducted through peerless in select towns.
6	Steps to create awareness about Grievance Redressal Mechanisms	Customer Care contact details provided on website along with escalation matrix- email ID created by the name Manager.services@maxnewyorklife which is provided in all our communication for the customer to escalate in case not satisfied with the resolution provided. Grievance Redressal Policy available on MNYL website
7	Specific initiatives for senior citizens, women and students.	MNYL has customized communication highlighting the need of insurance for specific segments like women on specific occasions like mothers day, women's day etc
8	Seminars conducted for consumers' awareness.	30 customer meets have been conducted in 2011 to build awareness about insurance products & MNYL
9	Initiatives to educate policyholders regarding their Rights & Duties.	Customer charter outlining the rights and duties of customers is in the process of being created and approved.
10	Initiatives to educate policyholders about Claim settlement procedure.	Detailed claims training program for Agents and employees to ensure hassle free claims experience for customers. Claims awareness collateral for employees displayed at the GOs. New claims section added in the MNYL website to detail the claims process and documentation requirements.
11	Any other unique Consumer Education Initiative.	NIL

**METLIFE INDIA INSURANCE CO. LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	Consistent, clear and concise communication to the customers through our various touch points and channels like SMS, Letters, Calls etc.
2	Whether you're 'Consumer Education' strategy is approved by the Board.	Policy Holder Protection Committee is a board sub-committee which reviews customer issues and initiatives quarterly
3	The initiatives taken by your Company to disseminate generic information on insurance	<ul style="list-style-type: none"> <li>● Easily accessible information on our website</li> <li>● Communication through renewal notice and bulk mailers</li> <li>● Welcome and retention calling</li> </ul>
4	Give the details of the programmes carried out for consumer education including media used	Information on policy and servicing details through the company portal, letters and calls to the customers.
5	Specific initiatives taken to educate consumers in rural areas.	Vernacular communications initiated to increase awareness
6	Steps to create awareness about Grievance Redressal Mechanisms	Display of the grievance policy at: <ul style="list-style-type: none"> <li>● The local office,</li> <li>● Policy document</li> <li>● Company website</li> <li>● Grievance/Claims communications</li> </ul>
7	Specific initiatives for senior citizens, women and students.	Communication(s) sent to all customer segments
8	Seminars conducted for consumers' awareness	None
9	Initiatives to educate policyholders regarding their Rights & Duties.	Display of rights of the policyholder at the local office, policy document and company website along with communications to customers explaining policy features
10	Initiatives to educate policyholders about Claim settlement procedure.	Claims process details available in our policy document and the website
11	Any other unique Consumer Education Initiative.	Welcome Calling and Retention Communication done to educate customers on their policy features and benefits

**RELIANCE LIFE INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	<ul style="list-style-type: none"> <li>● Creating awareness about Insurance</li> <li>● Emphasizing the needs of the consumers at large</li> <li>● Shifting focus to from Investments to Savings cum Protection strategy (Retirement benefit, Savings for future expenses such as Marriage, Purchase of property etc.)</li> </ul>
2	Whether your 'Consumer Education' strategy is approved by the Board.	<ul style="list-style-type: none"> <li>● Yes – the Grievance Redress Policy is approved by the Board. Consumer education and Consumer awareness creation and their grievances are discussed in detail in the Board Policy Holders Protection committee.</li> </ul>
3	The initiatives taken by your Company to disseminate generic information on insurance	<ul style="list-style-type: none"> <li>● Directly through Sales agents and other licensed intermediaries</li> <li>● Indirectly through conference, seminars, website, and customer touch points like retention, branch and contact centre</li> </ul>
4	Give the details of the programs carried out for consumer education including media used	<ul style="list-style-type: none"> <li>● Direct face to face Customer Interaction through Customer's Day at 80 regional office locations</li> <li>● Radio and Television advertisement campaigns.(Saving tax and Protection)</li> <li>● "Above the line" (Online, Radio and Television) and "Below the line" marketing (posters, banners and mall promotions etc.).</li> </ul>
5	Specific initiatives taken to educate consumers in rural areas.	<ul style="list-style-type: none"> <li>● Rural Gala program</li> <li>● Venue awareness creation</li> <li>● Seminar or Mela.</li> <li>● Setting up branches in Tier 4 towns and villages and achieving greater penetration</li> </ul>
6	Steps to create awareness about Grievance Redressal Mechanisms	<ul style="list-style-type: none"> <li>● Posters at branches</li> <li>● Written Communication upon resolution of complaints.</li> <li>● Website</li> <li>● Policy Bond</li> </ul>
7	Specific initiatives for senior citizens, women and students.	<ul style="list-style-type: none"> <li>● Through seminars, conferences and meetings in various auspices. (Colleges, Indian Merchant Chambers and Industry Associations)</li> <li>● Housewife Channel for Women</li> </ul>
8	Seminars conducted for consumers' awareness	<ul style="list-style-type: none"> <li>● Sponsorship and Participation in Customer Welfare Association meets and initiatives</li> <li>● Participation in awareness creation campaigns of Consumer Welfare Associations and IRDA</li> </ul>
9	Initiatives to educate policyholders regarding their Rights & Duties.	<ul style="list-style-type: none"> <li>● Website, Customer Contact initiatives and grass root programs</li> </ul>
10	Initiatives to educate policyholders about Claim settlement procedure.	<ul style="list-style-type: none"> <li>● Advise through branch network, by the claims team, through the policy document</li> <li>● Through Sales brochures and Website</li> <li>● Ongoing through contact centre</li> </ul>
11	Any other unique Consumer Education Initiative.	<ul style="list-style-type: none"> <li>● Customer Contact Program (Customer's Day) to create awareness among customers.</li> <li>● Listening to customer feed-back at the grass root level</li> <li>● AC Nielsen survey every quarter to listen to the "Voice of Customers" for feedback post Customer Education initiatives.</li> </ul>

**SAHARA INDIA LIFE INSURANCE CO. LTD.  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	For making awareness through customer care centre/ Meetings/ Seminars
2	Whether your 'Consumer Education' strategy is approved by the Board.	Such strategies are discussed in Policy Protection Committee Meetings
3	The initiatives taken by your Company to disseminate generic information on insurance	Through Call Centres/ meetings/seminars
4	Give the details of the programmes carried out for consumer education including media used	In meetings/Seminars at Corporate Office as well as at LCOs. Through Monthly In House Sahara Life Bulletin and Apna Pariwar
5	Specific initiatives taken to educate consumers in rural areas.	In premium Notices as well as in Customer Meet. Rights and Duties are displayed through Posters in all LCOs about turn around time about servicing.
6	Steps to create awareness about Grievance Redressal Mechanisms	Informed to all Agents and the customers through Notices in Offices.
7	Specific initiatives for senior citizens, women and students.	Specific Plans for senior citizens, children
8	Seminars conducted for consumers' awareness	Quarterly Customer Meets were organized.
9	Initiatives to educate policyholders regarding their Rights & Duties.	In customer meet we convey Rights and Duties to them and through letters before fore-surrender of ULIPs to revive the policy or to give consent for continuation of risk.
10	Initiatives to educate policyholders about Claim settlement procedure.	Claim settlement procedure is written in policy bond and we also teach in Customer Meet for Maturity/Survival Benefit/Death Claims
11	Any other unique Consumer Education Initiative.	Conveying on SMS for premium in ECS mode to maintain sufficient balance in Saving Bank a/c and rejection/acceptance of transaction is also conveyed.



**SBI LIFE INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	The strategy comprises of reaching out to both existing and non-existing customers through traditional and new e-age mediums whose usage is increasing across socio-economic and geographical spectrum.
2	Whether your 'Consumer Education' strategy is approved by the Board.	No
3	The initiatives taken by your Company to disseminate generic information on insurance	a) Educational Newsletter, every quarter b) Mass Media Ad Campaign to promote customer service initiative
4	Give the details of the programmes carried out for consumer education including media used	Educational Newsletter, prominently details insurance concepts, eg: adequate insurance coverage, demystifying myths about life insurance, retirement planning and need for health insurance. (enclosing scanned copies of recent editions)
5	Specific initiatives taken to educate consumers in rural areas.	Customer education meets conducted by regional personnel in remote geographies.
6	Steps to create awareness about Grievance Redressal Mechanisms	Our website carries grievance redressal procedure. It includes contact details of Head-Client Relationship to whom all complaints can be addressed and addresses of Ombudsman offices if resolution provided by SBI Life is not acceptable. National TV campaign in all leading news channel was aired to promote our customer service initiative "SMS SOLVE" exclusively dedicated to redressing customer grievance. Additionally, an Outdoor campaign in 250 towns promoted the initiative.
7	Specific initiatives for senior citizens, women and students.	In many of the customer meets, senior citizens and women participate. In various sales & marketing initiatives involving schools and colleges, basic idea of insurance is imparted to the students in simple and easy-to-understand language.
8	Seminars conducted for consumers' awareness	Consumer meets are organized periodically at different regional centres.
9	Initiatives to educate policyholders regarding their Rights & Duties.	TAT for policy servicing activities, communication displayed at the branches. (enclosing scanned copies of poster)
10	Initiatives to educate policyholders about Claim settlement procedure.	No specific initiative taken.
11	Any other unique Consumer Education Initiative.	A multilingual website in nine languages, Hindi, Marathi, Tamil, Telugu, Bengali, Gujarati, Malayalam, Kannada, and Punjabi has recently been launched. The initiative simplifies consumer understanding products, services and concepts.

**SHRIRAM LIFE INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	We are in the process of formulating Consumer Education strategy that would predominantly focus on educating rural market.
2	Whether your 'Consumer Education' strategy is approved by the Board.	No
3	The initiatives taken by your Company to disseminate generic information on insurance	Initiative taken to disseminate generic information on insurance to the customers through quarterly news letters.
4	Give the details of the programmes carried out for consumer education including media used	Customer newsletters focus on importance of insurance, financial literacy and renewal payments.
5	Specific initiatives taken to educate consumers in rural areas.	Our group companies' network employees that have presence in rural area are specially trained. During this training they are given orientation to educate the rural population on importance of insurance.
6	Steps to create awareness about Grievance Redressal Mechanisms	Awareness is being created through Grievance Redressal awareness document and through grievance redressal procedure being sent along with the policy document.
7	Specific initiatives for senior citizens, women and students.	Not initiated.
8	Seminars conducted for consumers' awareness	Not initiated.
9	Initiatives to educate policyholders regarding their Rights & Duties.	Welcome calls are made to the policyholders explaining the details of policy purchased and their rights related to the policy like free Zlook cancellation etc.
10	Initiatives to educate policyholders about Claim settlement procedure.	Claims settlement procedure is mentioned in the policy documents.
11	Any other unique Consumer Education Initiative.	<ul style="list-style-type: none"> <li>● Newspaper advertisement: Cautioning consumers against mal-practices.</li> <li>● In the process of distributing CDs in regional languages to the customers.</li> </ul>

**STAR UNION DAI-ICHI LIFE INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	We have a broad strategy aimed at educating our consumers, involving the various communication channels, like Consumer Meets, Print & Electronic Media etc.
2	Whether your 'Consumer Education' strategy is approved by the Board.	Currently, all the Consumer education initiatives are taken at the management level and the Policyholders Protection Committee of the Board is kept updated about the various steps taken by the Company in this direction. Their guidance is also taken on the issue from time to time.
3	The initiatives taken by your Company to disseminate generic information on insurance	We have taken initiatives like organizing Bima Bazars in the sub-urban and rural areas in order to connect with our rural and suburban customers, and educate them about the concept of insurance, the benefits of taking insurance etc.
4	Give the details of the programmes carried out for consumer education including media used	We have so far organized 841 Bima Bazars in areas like Lucknow, Jamshedpur, Ratnagiri, Varanasi & in 25 other locations. We have provided posters and standees to our RO Offices and Bank Branches, which not only give details of our products but also talk about insurance, in general.
5	Specific initiatives taken to educate consumers in rural areas.	1. Bima Bazar: This is a very successful concept used by us, which is aimed at generating awareness about life insurance as well as educating the customers about various insurance products. We have advised all our Regions to conduct such meetings in their Regions. 2. We sponsored "Agro Vision", a workshop for farmers and agro based workers held at Nagpur, where we put up a stall to educate the participants about the concept of life insurance and its advantages.
6	Steps to create awareness about Grievance Redressal Mechanisms	<ul style="list-style-type: none"> <li>● Dissemination of Grievance Redressal Policy through our website</li> <li>● Appointment of Grievance Redressal Officers at Regional offices</li> <li>● SMS based customer feedback mechanism like Happy or Unhappy</li> <li>● Grievance Redressal Procedure part of Policy document</li> </ul>
7	Specific initiatives for senior citizens, women and students.	Reverse Mortgage Loan enabled Annuity (RMLeA) - for senior citizens. This product enables a senior citizen to mortgage his / her residential accommodation to one of our distributor banks – Union Bank of India or Central Bank of India – and the loan raised against the mortgage can be utilized to purchase a life-long annuity for the customer as well as his / her spouse. We are doing lot of publicity to the target segment for this product.
8	Seminars conducted for consumers' awareness	We have conducted a number of Bima Bazars and other meetings, where we have made our efforts to generate awareness about insurance in general and life insurance in particular. We have also been participating in the consumer meets organized by the banks.
9	Initiatives to educate policyholders regarding their Rights & Duties.	We have been circulating the IRDA advertisement titled "ULIPS Ke Chaar Sutra" among our customers. We have also been sending this pamphlet along with our policy document. We also communicate to policyholders towards their duties like renewal premiums, intimating change of address, etc.,
10	Initiatives to educate policyholders about Claim settlement procedure.	The information has also been disseminated to the marketing officials of the bank branches, which happen to be the regular and basic touch point for our customers. These steps are aimed at ensuring that at the sales stage also the customer is made aware about the claim processes.
11	Any other unique Consumer Education Initiative.	We have planned certain consumer education initiatives for next fiscal year like customer meets and seminars.

**TATA AIG LIFE INSURANCE COMPANY LIMITED  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	Key dimensions: a) Leadership Commitment, b) Policyholder Protection–Information Access–key enabler; Customer Engagement–important constituent.
2	Whether your 'Consumer Education' strategy is approved by the Board.	There is no formal approval from the Board on the Consumer Education strategy. However, Policyholder Protection framework and consumer education initiatives have been presented and discussed at the Policyholder Protection Committee Meetings.
3	The initiatives taken by your Company to disseminate generic information on insurance	Engagement with industry members / policyholders / distribution force / potential consumers through participation in industry conferences / presence in television and print media - to emphasise the importance, relevance and nuances of life insurance – with a thrust on delivering fair outcomes to consumers
4	Give the details of the programmes carried out for consumer education including media used	Consumer: Participation in industry conferences and articles in print media Policyholder: Via emails: Manage Policies on Customer Portal, Do's and Don'ts to manage your Life Insurance Policy, Benefits of investing instead of Premium Holiday, What to read in your Policy Contract; Policy Inserts: Key Feature Documents; SMS: Security TIP on premium payments by cash
5	Specific initiatives taken to educate consumers in rural area	Application form and policyholder contracts published in 10 local languages (available prior to Financial Year 2011-12)
6	Steps to create awareness about Grievance Redressal Mechanisms	The Grievance Redressal policy is made available at the following touch points: a) Policy document, b) Tata AIG Life branches, c) Tata AIG Life website Additionally, the Grievance Redressal Mechanisms (including escalation process) are highlighted with every response sent to aggrieved customers.
7	Specific initiatives for senior citizens, women and students.	Released the first of a series of a new communication campaign that reiterates the importance of inculcating strong values and foundations by parents amongst their children in December 2011. The crux of the communication leverages a strong insight that when the foundations are right, the future is protected Health Living programme was conducted in four metros in India (Nov 2011). Theme of the event: Foundation and awareness of healthy living is best laid during the early years; accordingly event theme was - Healthy Child is a Happy Child. Coverage: ~ 1500 students across 4 schools in 4 metros
8	Seminars conducted for consumers' awareness	Refer 3 above + The Company organises customer service camps on a monthly basis from December 2011 (16 locations covered; ~1500 customer visits)
9	Initiatives to educate policyholders regarding their Rights & Duties.	Rights: Policyholders are informed of a) the turnaround time to process transactions like issuance of policy, cancellations, etc. through branches. Every branch has displayed the policyholder servicing turnaround times. b) process in case they are not satisfied with the Company's resolution of their grievances by informing them the escalation matrix as well as providing the details of Ombudsman
10	Initiatives to educate policyholders about Claim settlement procedure.	Claim settlement requirements are mentioned in detail on the Tata AIG Life website and the list of documentation requirements is enclosed with the policy document. The Company's toll free numbers are available with customers and distribution force, where they can call for details about the Claim settlement procedure
11	Any other unique Consumer Education Initiative.	No. Initiatives covered above – in points 1 through 10

**CONSUMER EDUCATION INITIATIVES  
BY  
NON-LIFE INSURERS**



**AGRICULTURE INSURANCE COMPANY OF INDIA LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	The Company has a Publicity Policy which embraces aspects of consumer education and awareness strategy. The consumer education is also imparted through various media.
2	Whether your 'Consumer Education' strategy is approved by the Board	The above mentioned Publicity Policy is approved by Company's Board
3	The initiatives taken by your Company to disseminate generic information on insurance	Generic information is given through phone-in-programme of National DD and All India Radio participation in krishimelas, interviews in specialized programmes meant for farmers
4	Give the details of the programmes carried out for consumer education including media used	Advertisements in newspapers, magazines, AIR jingles, Doordarshan interviews by our Regional Managers in programmes like KrishiDarshan
5	Specific initiatives taken to educate consumers in rural areas	Participation in Rural melas, fairs, campaign conducted by State Govt before the onset of Kharif and Rabi seasons to educate the farmers about the availability of insurance
6	Steps to create awareness about Grievance Redressal Mechanisms	Display of Citizen's charter containing the mention of Grievance Redressal Mechanism at prominent places in Regional Offices across the country
7	Specific initiatives for senior citizens, women and students	20% of the farming community consists of senior citizens and automatically covered. Women folk are also participating in the programmes
8	Seminars conducted for consumers' awareness	Many seminars and workshops are conducted in various institutes and particularly in Agriculture Universities and Colleges under National Agricultural Innovation Project
9	Initiatives to educate policyholders regarding their Rights & Duties	Representation through KrishiBhimaSamstan in panchayat during Kharif and Rabi campaign conducted by State Govt every year. Participation in Panchayat and District level farmers meetings
10	Initiatives to educate policyholders about Claim settlement procedure	Distribution of leaflets in vernacular language in KrishiMelas, installation of stalls and kiosks in rural melas, exhibitions, fairs.
11	Any other unique Consumer Education Initiative.	Farmers who have filed consumer cases and writ petitions are being briefed about our Schemes which resulted in minimizing the litigation in certain pockets.

**APOLLO MUNICH HEALTH INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

	<b>Details of Consumer Education Initiatives</b>	<b>Remarks, if any</b>
1	The Consumer Education strategy of your Company.	Consistent information sharing through website, brochure and presentations (uploaded on web portals and shared through mails) and feedback mechanism on all customer queries round the clock (Call center).
2	Whether your 'Consumer Education' strategy is approved by the Board.	No
3	The initiatives taken by your Company to disseminate generic information on insurance	Audio visual medium used to elaborate on insurance needs and benefits at different customer engagement programs apart from detailed product brochures distributed across the country through distribution channels.
4	Give the details of the programmes carried out for consumer education including media used	Direct Program – helpdesk and information kiosk for customer query handling at hospitals etc. Digital Programs – Online video explaining benefits and importance of health insurance on Company website ( <a href="http://www.apollomunichinsurance.com">www.apollomunichinsurance.com</a> ) & social media websites.
5	Specific initiatives taken to educate consumers in rural areas.	1. Canvassing – Audio/Poster/Banners/Slip/Pamphlets. 2. Distribution of Guides books. 3. Newspaper advertisements. 4. Special campaign through Radio Jingles, Canvassing Van & print media.
6	Steps to create awareness about Grievance Redressal Mechanisms	1. Grievance Redressal Procedure is part of Policy Wordings and is also published on Company's Website. 2. Same is shared in e-mail Communication sent to customer/s. 3. Grievance Redressal TATs/process are Displayed at all the branches of the Company.
7	Specific initiatives for senior citizens, women and students.	1. Separate IVR option for Sr. citizen on toll free no. 2. Exclusive option provided under customer service page of the Company website for Sr. citizen.
8	Seminars conducted for consumers' awareness	Nil
9	Initiatives to educate policyholders regarding their Rights & Duties.	Every Policy Kit has a Customer Information sheet along with the terms and condition of the policy.
10	Initiatives to educate policyholders about Claim settlement procedure.	A member guide book detailing the DO s and DONTs in the event of a claim is provided to every customer along with the Policy Kit.
11	Any other unique Consumer Education Initiative.	Nil



**BAJAJ ALLIANZ GENERAL INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	Help consumers develop the skills and knowledge to purchase life insurance policy effectively and responsibly
2	Whether your 'Consumer Education' strategy is approved by the Board.	No. However, the Company has in place a Policyholder Protection Committee wherein the interests of the policyholders are sought to be protected
3	The initiatives taken by your Company to disseminate generic information on insurance.	<ul style="list-style-type: none"> <li>● Explain the importance of insurance benefits and savings.</li> <li>● Educate on the importance of investing in pension products.</li> </ul>
4	Give the details of the programmes carried out for consumer education including media used	Organized street plays in Tier II and III markets, and in areas where presence of conventional media was negligible.
5	Specific initiatives taken to educate consumers in rural areas.	<ul style="list-style-type: none"> <li>● Initiated Customer Preferred languages in the IVRS to ensure better understanding of the product and process.</li> <li>● Provide welcome letter / renewal details in vernacular language</li> </ul>
6	Steps to create awareness about Grievance Redressal Mechanisms	<ul style="list-style-type: none"> <li>● Details of Grievance Redressal provided on policy bond &amp; website</li> <li>● Call centres inform the customers of the Turn around Time for resolution of complaint/grievance.</li> <li>● Escalation matrix is provided to the customer.</li> </ul>
7	Specific initiatives for senior citizens, women & students.	We have plans for senior citizens / women and for children which are also available on the corporate website.
8	Seminars conducted for consumers' awareness	As mentioned in (4) above.
9	Initiatives to educate policyholders regarding their Rights & Duties.	<ul style="list-style-type: none"> <li>● Provide welcome letter / renewal details in vernacular language</li> <li>● Communicate in vernacular language over phone with PH.</li> </ul>
10	Initiatives to educate policyholders about Claim settlement procedure.	<ul style="list-style-type: none"> <li>● Instructions provided to the claimant detailing the relevant documents/process to be followed</li> <li>● The instructions are printed in English &amp; customer's preferred language.</li> <li>● Claimants are informed within 3 days of intimation of claim to brief them about the relevant claim forms etc.</li> </ul>
11	Any other unique Consumer Education Initiative.	<ul style="list-style-type: none"> <li>● Games, puzzles, flip charts and jingles used as awareness tools explaining the concept of insurance &amp; savings.</li> <li>● Audio-visual movie to trigger the thought process &amp; motivate the customer to view Life Insurance as an asset instead of additional burden</li> <li>● Customer satisfaction \Survey used for feedback on existing products, sales &amp; Service.</li> </ul>

**BHARTI AXA GENERAL INS CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	<ol style="list-style-type: none"> <li>1. "Welcome calling" is conducted for the newly On-boarded customer &amp; during the telephonic conversation important policy's Terms/ conditions are shared with the consumers.</li> <li>2. All details of the policies &amp; the terms/conditions are available on our website &amp; the website address is widely circulated on each &amp; every Policy &amp; Marketing materials.</li> </ol>
2	Whether your 'Consumer Education' strategy is approved by the Board.	Yes, The initiative taken for Consumer Education/ awareness is being presented to the Board through "Protection of policyholder's interest committee"
3	The initiatives taken by your Company to disseminate generic information on insurance	<ol style="list-style-type: none"> <li>1. We have participated in Consumer Forums/ Seminars where our Senior officials were the speakers. Example: 'Consumer Awareness Seminar' at National Law School at Bangalore.</li> <li>2. Authored article periodically in newspaper &amp; magazine to disseminate Generic Information on Insurance.</li> </ol>
4	Give the details of the programmes carried out for consumer education including media used	Authored article on "Motor Insurance" In Personal Finance section of Amar Ujala Newspaper.
5	Specific initiatives taken to educate consumers in rural areas.	It is being done through rural NGOs
6	Steps to create awareness about Grievance Redressal Mechanisms	<p>To make sure that we don't miss any complaints, we have 7 options by which customers can report their Complaints/Grievance/Dissatisfactions:</p> <ol style="list-style-type: none"> <li>1. Toll free No.1800 103 2292 (widely circulated on each &amp; every Policy &amp; marketing materials)</li> <li>2. Send a complaint mail on email ids: customer.service@bharti-axagi.co.in or claims@bharti-axagi.co.in</li> <li>3. Log a complaint at our website: www.bharti-axagi.co.in</li> <li>4. Email ids of Senior Management/Grievance Redressal officers (Department-wise, Zones-wise &amp; Branch-wise) available on our website (www.bharti-axagi.co.in)</li> <li>5. Call our Branch Telephone nos. or Corporate office Telephone nos.</li> <li>6. Walk in to Corporate Office or any branch office (Complaint registers are maintained at all Branches)</li> <li>7. Customer Satisfaction Surveys to proactively listen to any dissatisfaction.</li> </ol>
7	Specific initiatives for senior citizens, women and students.	
8	Seminars conducted for consumers' awareness	We have participated in Consumer Forums/ Seminars where our Senior officials were the speakers. Example: 'Consumer Awareness Seminar' at National Law School at Bangalore
9	Initiatives to educate policyholders regarding their Rights & Duties.	Policy turnaround times as prescribed by IRDA/ Details of the Ombudsman are displayed at all our offices.
10	Initiatives to educate policyholders about Claim settlement procedure.	Participated in Consumer Forums/ Seminars to educate Consumers on Claim settlement procedure.
11	Any other unique Consumer Education Initiative.	

**CHOLAMANDALAM MS GENERAL INS CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	Chola Consumer Education Strategy revolves around our brand strategy of Trust, Transparency and Technology. Transparency, a major source of consumer education and empowerment is enshrined into our brand mandate which we manifest through all customer facing documents.
2	Whether your 'Consumer Education' strategy is approved by the Board.	N.A
3	The initiatives taken by your Company to disseminate generic information on insurance	Articles on generic information about insurance published in "Chola Partners Portal" regularly. In May 2012, we plan to disseminate a small booklet on generic insurance in vernacular languages to all our policyholders.
4	Give the details of the programmes carried out for consumer education including media used	Dedicated Knowledge centre in our website which offers advisory information on Motor and Travel. Further, we had conducted 5 Corporate Seminars during the current year.
5	Specific initiatives taken to educate consumers in rural areas.	We publish various product literature like hospital networks list, prospectus etc., in vernacular languages for the benefit of rural customers
6	Steps to create awareness about Grievance Redressal Mechanisms	<ul style="list-style-type: none"> <li>a) Our policies contain the Grievance Redressal Mechanism with escalation process to the Ombudsman and contact details of their offices.</li> <li>b) Our website highlights the Grievance Redressal procedure with the names of the designated "Grievance officers". Escalation process to IRDA is also provided if req.</li> <li>c) Ack for complaints carry the complete Grievance Redressal procedure.</li> <li>d) All branch offices display the standard "SLA's" for policy and claims servicing, as prescribed by IRDA besides displaying the Grievance Redressal Procedure including Ombudsman escalation in case the policy holder is not satisfied with the resolution provided.</li> </ul>
7	Specific initiatives for senior citizens, women and students.	We offer "Chola Critical Healthline" offering special premium rates for women. We also offer a specific health plan for the students through our bancassurance partner Central Bank of India (CBI). We have recently launched a co-branded health product "Chola Arogya Bima" meant exclusively to cover rural customers of CBI.
8	Seminars conducted for consumers' awareness	We have conducted Brokers (2) and Agents meet. We also conduct seminars on RISK management, for the targeted specific industries.
9	Initiatives to educate policyholders regarding their Rights & Duties.	<ul style="list-style-type: none"> <li>a) Grievance redressal procedure in Website/ Policyholder communications.</li> <li>b) Display of standard "SLA's" for policy and claims servicing at our sales outlets.</li> </ul>
10	Initiatives to educate policyholders about Claim settlement procedure.	<p>Step by step Claim settlement procedure detailed in Chola MS web site containing</p> <ul style="list-style-type: none"> <li>a) Procedure for claiming.</li> <li>b) Cashless / reimbursement processes</li> <li>c) Documentation requirement in case of a claim.</li> </ul>
11	Any other unique Consumer Education Initiative.	The Company has embarked upon a Customer Relationship Management initiative which helps further strengthen company's connect with our customers. It also helps enrich customer data for product designing and analysis.

**ECGC OF INDIA  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

	<b>Details of Consumer Education Initiatives</b>	<b>Remarks, if any</b>
1	The Consumer Education strategy of your Company.	Corporation's strategy to educate consumers (Exporters / Bankers) through meetings / seminars. – sending basic literature / brochures-updating PH/Bankers changes if any, regarding underwriting Policies of countries.
2	Whether your 'Consumer Education' strategy is approved by the Board.	No Board approval is required. The strategy is decided by CEO and Senior executives.
3	The initiatives taken by your Company to disseminate generic information on insurance.	The basic information is given through brochures and same is available on our Website.
4	Give the details of the programmes carried out for consumer education including media used.	As per MOU each Branch has to conduct 6/8 meetings. The records will be available at Branch level. We are publishing our advertisements in the Journal of councils etc.
5	Specific initiatives taken to educate consumers in rural areas.	Not applicable
6	Steps to create awareness about Grievance Redressal Mechanisms.	We are keeping notice Board in the office premises for consumer purpose .Grievance cell information is available on our Website.
7	Specific initiatives for senior citizens, women and students.	Not applicable
8	Seminars conducted for consumers' awareness.	Seminars / Meetings are conducting with regular intervals. We have conducted 253 meetings during the current year.(Apr – Feb)
9	Initiatives to educate policyholders regarding their Rights & Duties.	Yes. We are distributing Do's & Don'ts in the meetings/seminars
10	Initiatives to educate policyholders about Claim settlement procedure.	Seminars / Meetings we are educating the consumers. In EPC's programme. We are participating and clarifying the problems faced by them.
11	Any other unique Consumer Education Initiative.	All EPC's / Board's meetings the Corporation participating and educating the consumers.

**FUTURE GENERALI INDIA INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	Ensuring transparency & ease of availability of information to the customer and partners throughout the policy lifecycle and undertaking initiatives to increase insurance awareness and importance of staying protected.
2	Whether your 'Consumer Education' strategy is approved by the Board.	The Consumer Education Strategy is to be tabled before Board for their approval.
3	The initiatives taken by your Company to disseminate generic information on insurance	Health check-up camps, vehicle service camps, exhibitions in residential society, bank & malls. Training drives for employees as well as partners, who interact face to face with the customers.
4	Give the details of the programmes carried out for consumer education including media used	Print Media - Key Information displayed at branch offices, in policy documents & distributed product and claims procedure brochures. Electronic Media - Our website offers detailed product features, means to avail service, grievance redressal procedures & escalation mechanism Face-To-Face initiatives as noted in point 3.
5	Specific initiatives taken to educate consumers in rural areas	Mobile van campaigns & street plays. Education sessions with BWDA (Bullock Cart Workers Development Association), NGOs & village level execs. Stalls at rural festivals & get-together.
6	Steps to create awareness about Grievance Redressal Mechanisms	Posters at Branches, detailed information in policy literature & website. Periodic training to employees, prospective agents & communication to business partners.
7	Specific initiatives for senior citizens, women and students.	Meets for women self-help groups and senior citizens association to help them earn a living/additional income by becoming insurance agents. Student Suraksha – Student specific product.
8	Seminars conducted for consumers' awareness	Seminars & press conferences conducted from time to time. Distributed pamphlets, product brochures etc to consumers for awareness.
9	Initiatives to educate policyholders regarding their Rights & Duties.	Comprehensive information on website. Citizen's charter, SLA for services & grievance redressal procedures sent with policy kit and all complaint resolution letters/emails.
10	Initiatives to educate policyholders about Claim settlement procedure.	Step-by-step guidance provided to the customer throughout the claim process .Comprehensive information is also made available with policy kit as well as on our website.
11	Any other unique Consumer Education Initiative.	Conducted Quantitative Risk Assessment training programme, Public Liability exposure study, HAZOP study and Safety Audit for corporate clients. Prepared and distributed training module on Fire Basics and Claims Management to a number of customers. Calls & follow-through letters to customers whose cheques were pending realization.

**HDFC ERGO GENERAL INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	1) To ensure that customers are aware of our products, terms, rights, duties, obligations and the price.2)To educate customers approaching the Company through phone & SMS, e-mails, letters, website and intermediaries.3)Impart training to all customers through various touch points.
2	Whether your 'Consumer Education' strategy is approved by the Board.	All customer education initiatives are presented to the board.
3	The initiatives taken by your Company to disseminate generic information on insurance	1) Providing policy wordings/brochures to educate customers of the terms, conditions, inclusions and exclusions of the contract of insurance. 2) Providing proposal forms and brochures for selective products in regional languages. 3) Providing FAQs/Insurance Glossary on Company's website Viz. www.hdfcergo.com. 4) Providing information and service through client facing employees and Call center.
4	Give the details of the programmes carried out for consumer education including media used	1) Informative press articles on insurance products shared with media. Ex. Ways to derive maximum benefit out of car insurance, make your health claims hassle free, fire insurance for residential buildings etc. 2)Periodic up-dation of education tips and awareness on Facebook.
5	Specific initiatives taken to educate consumers in rural areas.	Conducted meetings with the farmers and educated them about Insurance and its benefits and distributed product brochures in regional language.
6	Steps to create awareness about Grievance Redressal Mechanisms	1) Display of grievance redressal policy on our website and in our branches. 2) Communicating channel partners. 3) Display of Name and Address of various Office of Ombudsman on our website and branches.
7	Specific initiatives for senior citizens, women and students.	NA
8	Seminars conducted for consumers' awareness	1) Global trends affecting engineering insurance. 2) Top ten properties of well protected construction sites. 3) Directors and Officers liability policy.
9	Initiatives to educate policyholders regarding their Rights & Duties.	1) Educating customers through channel partners. 2) Sharing information on covers, exclusions, claim and renewal process with the motor policy schedule. 3) Display of specific time frames for policy and claims servicing in all operating branches of the company.
10	Initiatives to educate policyholders about Claim settlement procedure.	In addition to point 9 above, product brochures clearly communicates the claims procedure.
11	Any other unique Consumer Education Initiative.	1) Outcalling done on leads to explain the prospective customers. 2) Customer satisfaction survey is done and feedback is incorporated in redesigning the actionable.

**ICICI LOMBARD GENERAL INSURANCE CO. LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	The Consumer Education strategy of the company is based on the three pillars of a) Generic education on General Insurance b) Product specific in-depth information c) Risk Advisory
2	Whether your 'Consumer Education' strategy is approved by the Board.	No formal proposal for approval of the various education programs is placed before the board. However, it is shared with the board every quarter as a part of Policy Holders' protection update
3	The initiatives taken by your Company to disseminate generic information on insurance.	Monthly newsletter "Smart Tips" is circulated to e-channel customers covering topics on insurance, health tips, changes in the website, travel tips etc. The company also conducts health camps to inform the customer base about their health quotient and to update them on the need of health insurance.
4	Give the details of the programmes carried out for consumer education including media used	"Did you Know" series e-mailers are sent regularly to educate the corporate and SME customers. Regular eye check up camps is also organized for commercial vehicle owners and drivers. Twice a month, emailers explaining a particular product in detail are sent out to e-channel customers.
5	Specific initiatives taken to educate consumers in rural areas.	"Nukkad Nataks" & folk performances relating to mass health insurance are regularly organised. Farmer meetings are conducted to facilitate discussion on weather insurance through Krishi Melas and road show.
6	Steps to create awareness about Grievance Redressal Mechanisms	Information sheet detailing redressal mechanism is sent with policy kits. The grievance redressal mechanism is also displayed at all our branches.
7	Specific initiatives for senior citizens, women and students.	Various emailers are sent to NRI data bases to inform them about products which take care of senior citizens who in turn ( NRIs) can insure their parents and relatives in India.
8	Seminars conducted for consumer awareness	We conduct emailer campaigns and webinars to educate students about the need for insurance and also educate them about the various risks they are exposed to while studying abroad.
9	Initiatives to educate policyholders regarding their Rights & Duties.	Policy terms & conditions are published in bold and conspicuous manner in the policy kit and proposal forms.
10	Initiatives to educate policyholders about Claim settlement procedure.	Regular mailers explaining the claim settlement process are sent out to customers. Also, a welcome call is made to all the customer after they purchase the insurance policy to explain the claim settlement process in detail
11	Any other unique Consumer Education Initiative.	We conduct a health awareness campaign during World Health Day where we encourage the customers to take a health pledge based on maintaining an active lifestyle, reducing stress levels, maintaining healthy & balanced diet, insuring one's health etc. Health related tips are also broadcast on YouTube.

**IFFCO-TOKIO GENERAL INSURANCE CO. LTD.  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	IFFCO the main promoter being in Fertilizer business the strategy is to create insurance awareness in rural poor and penetrate Insurance in rural market.
2	Whether your 'Consumer Education' strategy is approved by the Board.	Consumer Education strategy is part of Publicity and PR activity that forms part of Business Plan of the Company which is approved by Board. No separate approvals are sought from the Board on Consume Strategy.
3	The initiatives taken by your Company to disseminate generic information on insurance	Through use of mass media, distribution of company's leaflets on the products, etc. Detailed information is provided against relevant points.
4	Give the details of the programmes carried out for consumer education including media used	Use of mobile vans , wall painting and spreading the word of insurance by holding meetings (microagents and Bima Sahayaks in particular)
5	Specific initiatives taken to educate consumers in rural areas.	The Company uses its Corporate Agent IFFCO TOKIO INSURANCE SERVICES. Bima Kendras have proved to be effective points of generating insurance awareness . Mobile vans have been used to educate about rural products including micro insurance
6	Steps to create awareness about Grievance Redressal Mechanisms	Through the web-site – there is complete description of grievance resolution procedure along with facility to lodge grievances .Suggestions/Complaints Boxes have been put at designated Centres.
7	Specific initiatives for senior citizens, women and students.	Setting up kiosks during cultural meets ( like college festivals )
8	Seminars conducted for consumers' awareness	Various Formal and informal consumer awareness seminars and workshops have been organised .
9	Initiatives to educate policyholders regarding their Rights & Duties.	Workshops / Seminars have been organised at various branches to educate policy holders about their rights and duties.
10	Initiatives to educate policyholders about Claim settlement procedure.	Informative workshops have been organized while distributing claim cheques at various locations.
11	Any other unique Consumer Education Initiative.	Sankatharan (personal accident coverage given on purchase of a fertiliser bag) has brought about a lot of insurance awareness amongst cooperatives and rural population.



**L&T GENERAL INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	To support/sponsor various consumer education initiatives undertaken at an industry level.
2	Whether your 'Consumer Education' strategy is approved by the Board.	Yes, our Board has approved this strategy.
3	The initiatives taken by your Company to disseminate generic information on insurance	Our CEO has contributed various articles for Magazines, Journals, business newspapers as also participated for discussion on 'ET Now'.
4	Give the details of the programmes carried out for consumer education including media used	Our Company website has information on types of products, handling of customer queries, etc. Policy kits issued contains Policy wordings providing in-depth information on the product.
5	Specific initiatives taken to educate consumers in rural areas.	Through Street Plays in more than 90 villages & by a mobile van with audio equipment to popularize general insurance in 9 districts of Vidarbha.
6	Steps to create awareness about Grievance Redressal Mechanisms	Website mentions email-id grievance@ltinsurance.com for addressing grievances.
7	Specific initiatives for senior citizens, women and students.	Participated in Insurance Summit organized by NIA School of Management for student of the university
8	Seminars conducted for consumers' awareness	Sponsored and participated in various industry seminars & conferences on a range of topics viz. Asia Insurance Post, FICCI, ASSOCHAM, FPSB, ICC
9	Initiatives to educate policyholders regarding their Rights & Duties.	Policy wordings, Policy at a glance, help@ltinsurance.com for queries, grievance@ltinsurance.com for grievances. Case Manager facility for specific health product, who would visit the customer and explain policy details.
10	Initiatives to educate policyholders about Claim settlement procedure.	Company Website, policy wordings details the procedure. For my:health Medisure Prime Insurance, Case Manager also explains claims and Concierge Service is available at select cities who takes care of entire claim procedure.
11	Any other unique Consumer Education Initiative.	Facility of 'Case Manager' which can be availed by policyholders of my:health Medisure Prime Insurance product who explains the policy details.

**MAX BUPA HEALTH INSURANCE COMPANY LIMITED  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	<ul style="list-style-type: none"> <li>Primarily through PR initiatives such as contributory articles, aiding journalist research, advertorials etc.</li> <li>Digital Media – Explain &amp; educate on choosing right Health Insurance.</li> </ul>
2	Whether your 'Consumer Education' strategy is approved by the Board.	<ul style="list-style-type: none"> <li>Yes, Approved as part of the overall communication strategy where consumer education is one of the key pillars.</li> </ul>
3	The initiatives taken by your Company to disseminate generic information on insurance	<ul style="list-style-type: none"> <li>Website</li> <li>Social Media</li> <li>Print Publications</li> <li>Participations in industry forums Participation in TV New stories</li> </ul>
4	Give the details of the programmes carried out for consumer education including media used	<ul style="list-style-type: none"> <li>Website (maxbupa.com &amp; yourhealthfirst.in)</li> <li>Social Media (facebook page)</li> <li>Print Publications (max health line advertorial supplement in TOI Delhi edition, articles in mainline &amp; financial newspapers like Mint/Tribune/Financial Express/Financial Chronicle etc.)</li> <li>Participations in industry forums (Industry roundtable and discussions – FICCI/ CII/Money Today etc.)</li> <li>Participation in TV new stories (Zee News/Doordarshan/CNBC Awaaz/NDTV etc.</li> </ul>
5	Specific initiatives taken to educate consumers in rural areas.	<ul style="list-style-type: none"> <li>New Stories &amp; Articles in Doordarshan Maharashtra/ Malayalam, Telugu, Tamil, Marathi, Bengali, Gujarati &amp; Hindi paper</li> <li>Vernacular language collaterals.</li> </ul>
6	Steps to create awareness about Grievance Redressal Mechanisms	<ul style="list-style-type: none"> <li>Grievance Redressal policy is being displayed in all our branch locations and NOC. Complaints handling procedure along with escalation matrix is made available on our web site.</li> <li>Complaint management process is specified in our all product T&amp;C.</li> <li>Max Bupa newsletter for customers.</li> </ul>
7	Specific initiatives for senior citizens, women and students.	<ul style="list-style-type: none"> <li>Articles by CFO on retirement planning including healthcare needs in newspapers &amp; magazines.</li> <li>Reaching students &amp; Young population through digital media &amp; social media.</li> <li>Launched a campaign called "Health Promise" to promote awareness about health &amp; Healthcare management. It's an ongoing initiative and includes on-ground and digital outreach programs over 100,000 people touched through on-ground activities &amp; 50,000 people participated on the digital platform.</li> </ul>
8	Seminars conducted for consumers' awareness	<ul style="list-style-type: none"> <li>Not yet but planned for 2012.</li> </ul>
9	Initiatives to educate policyholders regarding their Rights & Duties.	<ul style="list-style-type: none"> <li>Policyholders rights and duties are being send along with our product T&amp;C.</li> <li>Policyholder's rights and duties are displayed in all our branch locations and NOC.</li> <li>Complaints management process along with next steps which could be adopted by the customer if complaints are not resolved as per their satisfaction are included in all our product T&amp;C.</li> </ul>
10	Initiatives to educate policyholders about Claim settlement procedure.	<ul style="list-style-type: none"> <li>Claim Settlement procedure is depicted in the form of a flow chart on every claim form. Claim settlement process is included in our all product T &amp; C. Max Bupa newsletter for customers.</li> </ul>
11	Any other unique Consumer Education Initiative.	<ul style="list-style-type: none"> <li>Health Promise Campaign.</li> </ul>

**NATIONAL INSURANCE CO. LTD.  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	The Publicity Plan for the current year is focused towards educating the consumer on various non life insurance products, and the processes and procedures of underwriting and claims. We plan to have a Consumer Education Campaign through our Regional Offices.
2	Whether your 'Consumer Education' strategy is approved by the Board.	The Consumer Education initiatives are placed before the Policy holders Protection Committee constituted by NIC's Board of Directors for review.
3	The initiatives taken by your Company to disseminate generic information on insurance	FAQs have been prepared on the Personal line insurances and will be shortly displayed on the Company website. Melas, exhibitions, seminars and "Door to door campaign", Agent Kiosks by operating offices are utilized as platforms for educating the general public.
4	Give the details of the programmes carried out for consumer education including media used	NIC has made inroads into the psyche of the young and educated generation through sponsorship of Events such as College seminars, festivals, sports meets etc in eminent educational and professional institutions besides utilizing traditional media such as TV, Radio, Print etc
5	Specific initiatives taken to educate consumers in rural areas.	Our Rural Branches regularly attend rural melas and hold meetings with NGOs and SHGs informing them about Products such as UHIS, Farmers Package policy, Gramin Suraksha and Gramin Suswasthya Insurance
6	Steps to create awareness about Grievance Redressal Mechanisms	The Company website displays the name and telephone no of officials handling Customer grievances. An official is designated to handle grievances received through the specified email id. The Address of the insurance ombudsman is incorporated in all claim repudiation letters – details of a Grievance Redressal officer is also displayed in all NIC offices. All external communication also carry the website address
7	Specific initiatives for senior citizens, women and students.	Some products such as Varishta Medclaim, Amartya Siksha Yojana, Shishu Suraksha Insurance, Students Safety Insurance, Rajrajeshwari and Bhagyashree policies are customized. Senior citizens have a single window facility – SAMMAN - in the company website and a designated officer attends to the queries/complaints etc on priority basis.
8	Seminars conducted for consumers' awareness	Interfaces and Customers Seminars are regularly conducted office wise to advise, inform and apprise Consumers of new products, changes etc.
9	Initiatives to educate policyholders regarding their Rights & Duties.	The Citizen's Charter earlier adopted by the Company was popularized and displayed in every office. Handouts with the details were distributed with every policy. We are in the process of adopting the fresh Charter.
10	Initiatives to educate policyholders about Claim settlement procedure.	The policy document incorporates the steps and the procedure to be followed in the event of a Claim. Marketing force is trained to guide the claimant on the procedures, surveyors also work as facilitators. The concerned office also communicates directly the requirements for claim settlement both verbally as well as through letters etc.
11	Any other unique Consumer Education Initiative.	<ul style="list-style-type: none"> <li>● As a pilot project, the Company has customized 4 mobile vans "Office on Wheels" which will be traversing through the city educating and informing the general public about insurance.</li> <li>● We have more than 352 Business centers located in remote and so far unrepresented areas (both urban and semi urban) which reach insurance to the doorstep of the public at large</li> </ul>

**THE NEW INDIA ASSURANCE CO LTD.  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company	We hold Retail Customers' meet to understand needs & wants of Insuring Public & to get feedback of our Delivery standards. We educate customers by Visual & Audio visual mode. We advertise in Electronic & Print Media & provided Toll Free No. to give information about our products. Advising Agents to educate customers on our various products etc.
2	Whether your Consumer Education Strategy is approved by the Board	We made it Mandatory for all the RO's to hold atleast one Retail Customers Meet in a year. So far 14 such Meets have been conducted by various RO's during this Financial year. Representatives also attend such Meets from Head office to know about Customers expectations & to improve our products.
3	Initiatives taken by Co. to disseminate generic information on insurance	We have displayed Product Information on our Website. We have also advertised in Mumbai MUTP locals about various products available. Hoardings are put up in Important Railway Stations, Airports etc.
4	Give the details of the programs carried out for consumer education including media used.	Our Regional offices are conducting Cattle Health camps & also participating in various Melas-Krishi Bima Mela etc by installing stalls to reach & cater to the needs of rural customers. We have tie up with Agricultural Insurance Corp. of India -for canvassing their products.
5	Specific initiatives taken to educate consumers in rural areas.	In West Bengal, Manipur & Nagaland Block level Meetings were arranged with the help of Govt. officials to make the people aware of Health Insurance & cover was issued under RSBY to Below Poverty Line Families. Also opened Micro offices to cater to the needs of the customers in unrepresented area.
6	Steps to create awareness about grievance Redressal Mechanisms	We have advised our R.O's to display the name of the Officer -with day & time-who can be contacted for their queries. We have also displayed the Name, Contact No. address of the Grievance Redressal Officer at Regional Office level. List of Ombudsman offices at various places is also displayed in our website.
7	Specific initiatives for Senior citizens, Women & students.	Special Health Ins. policy for Senior Citizen. Bhagyashree & Rajarajeswari Mahila Yojana to cover Women from economically & socially weaker section of the society. Students Safety Insurance policy issued to cover students.
8	Seminars conducted for consumers' awareness	Retail Customers Meet held in 14 Regional centres.
9	Initiatives to educate Policyholders regarding their Rights & Duties	Our citizen charter is displayed in all our offices addressing Rights & Duties. Direct Customer Online facility provided - to lodge complaints, to get information about products, services, claims etc.
10	Initiatives to educate policyholders about Claim settlement procedure	Issued claim guidelines to our operating offices. Claim procedure in Website. Autoservice of providing information on SMS about policy confirmation to customers giving policy No., claim information & updates. Clauses are printed in Regional & English languages for certain Personal & Rural line of business.
11	Any other unique Consumer Education Initiatives.	We are the First PSU to launch unique Website, which is friendly to provide service for the benefit of Visually impaired persons.

**ORIENTAL INSURANCE CO LTD.  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company	The Consumer Education Strategy of the company envisages on line as well off line dissemination of knowledge of the usefulness of insurance and about our products through on-line portal and off-line workshop or seminars.
2	Whether your Consumer Education Strategy is approved by the Board	The Board has been informed of the 'Consumer Education' strategy of the company.
3	Initiatives taken by Co. to disseminate generic information on insurance	Through Company's web portal as well as through Newspaper advertisement and Publicity brochures.
4	Give the details of the programs carried out for consumer education including media used.	Five Workshops were held for OBC and PNB banks to impart education and training to their employees. Client meet was held at two places in Punjab. One Workshop for corporate client in Chennai. One Rural clients workshop in Bihar.
5	Specific initiatives taken to educate consumers in rural areas.	Workshop on Fisheries held on 17.06.2011 conducted by our Regional Office Patna in Bihar.
6	Steps to create awareness about grievance Redressal Mechanisms	It has been done through our web site as well as through Workshop/Meetings with Consumers/Clients
7	Specific initiatives for Senior citizens, Women & students.	This will be done in the current year
8	Seminars conducted for consumers' awareness	A Seminar was conducted by M/s Capital Local Area Bank held on 21.06.2011 under our Regional Office Chandigarh in Punjab.
9	Initiatives to educate Policyholders regarding their Rights & Duties	It is being done constantly through our web portal.
10	Initiatives to educate policyholders about Claim settlement procedure	It is being done constantly through our web portal, helpline and now call centre.
11	Any other unique Consumer Education Initiatives.	We have planned it for the current year 2012-13

**RAHEJA QBE GENERAL INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	To facilitate understanding of Contract Certainty, Emerging risks and risk management best practices through preferred partners
2	Whether your 'Consumer Education' strategy is approved by the Board.	The Consumer Education Strategy is not approved by Board but broad direction and guidance is provided by the Board
3	The initiatives taken by your Company to disseminate generic information on insurance	Ongoing engagement with brokers, trade bodies, specialist agencies & customers on specific risks and solutions
4	Give the details of the programmes carried out for consumer education including media used	Our Company has organized seminars in collaboration with specialized trade bodies like Institute of Chartered Accountants of India, Confederation of Indian Industry etc.
5	Specific initiatives taken to educate consumers in rural areas.	Initiated education program for the farmers under the name "Project Kisan" in collaboration with partnering companies
6	Steps to create awareness about Grievance Redressal Mechanisms	Board Approved Grievance Redressal Policy is on website
7	Specific initiatives for senior citizens, women and students.	Focus on the student community is more in terms of sharpening skills on emerging risks. Higher level engagement on cancer prevention and detection amongst the aged and women
8	Seminars conducted for consumers' awareness	Seminars with bodies like Insurance Brokers Association Of India, Federation of Indian Chambers of Commerce and Industry etc.
9	Initiatives to educate policyholders regarding their Rights & Duties.	Displayed information about the rights available to policy holders in our offices.
10	Initiatives to educate policyholders about Claim settlement procedure.	Our team spends time with brokers and clients to explain claims process
11	Any other unique Consumer Education Initiative.	"Customer Service Manual" & Training to staff on IGMS and Policy Holder's Protection Regulations

**RELIANCE GENERAL INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	<ul style="list-style-type: none"> <li>● Creation of awareness amongst public about General Insurance</li> <li>● Doing need analysis of the consumers segment wise</li> <li>● Dissemination of product information through mass scale distribution of sales literature physically and virtually</li> </ul>
2	Whether your 'Consumer Education' strategy is approved by the Board.	<ul style="list-style-type: none"> <li>● Yes, grievance redressal policy is approved by The Board. Steps for consumer awareness is also discussed by the policy holder's protection committee</li> </ul>
3	The initiatives taken by your Company to disseminate generic information on insurance	<ul style="list-style-type: none"> <li>● FAQs on our website about various insurance products.</li> <li>● Directly through Sales agents and other licensed intermediaries.</li> <li>● Indirectly customer touchpoints like retention, branch and call centre</li> </ul>
4	Give the details of the programs carried out for consumer education including media used	<ul style="list-style-type: none"> <li>● Radio and various advertisement campaigns.</li> <li>● Regularly through branch, contact centre, retention team and website</li> <li>● Consumer feedback mechanism on our website</li> </ul>
5	Specific initiatives taken to educate consumers in rural areas.	<ul style="list-style-type: none"> <li>● Health Camps organized for artisans under Rajiv Gandhi Shilpi Swasthya Bima Yojana</li> <li>● Toll free call center for farmers to respond to issues raised by them regarding their crops, weather, insurance etc. (In pipeline)</li> <li>● Conducted seminar for tractor buyers through tractor dealers.</li> </ul>
6	Steps to create awareness about Grievance Redressal Mechanisms	<ul style="list-style-type: none"> <li>● Posters detailing grievance escalation steps at all our branches</li> <li>● Details of grievance escalation steps on our website including ombudsman office address</li> <li>● All policies carry number of our call center</li> </ul>
7	Specific initiatives for senior citizens, women and students.	<ul style="list-style-type: none"> <li>● Students travel plan with unique features covering study interruption, sponsor protection etc</li> </ul>
8	Seminars conducted for consumers' awareness	<ul style="list-style-type: none"> <li>● Conducted seminars for Taxi Association, Shopkeeper Association and Housing Society for creating awareness of need based product</li> <li>● Participation in awareness creation campaigns of National Consumer Helpline (NCH) and IRDA</li> </ul>
9	Initiatives to educate policyholders regarding their Rights & Duties.	<ul style="list-style-type: none"> <li>● Website, Customer Contact initiatives and grass root programs</li> <li>● Display of Protection of Policy Holder's Interest Act in all our operating offices</li> </ul>
10	Initiatives to educate policyholders about Claim settlement procedure.	<ul style="list-style-type: none"> <li>● Through Sales brochures</li> <li>● Complete procedure displayed on website, making it easily accessible.</li> <li>● Advise through operating offices, by the claims team, through the policy document, Surveyors, Investigators</li> <li>● Ongoing through call centre</li> </ul>
11	Any other unique Consumer Education Initiative.	<ul style="list-style-type: none"> <li>● Survey conducted through external agencies like AC Nielsen to get customer feedback</li> <li>● Outcalling done by call center</li> </ul>

**ROYAL SUNDARAM ALLIANCE INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company	Sharing general insurance information on issues, products and services through various mediums, in simple and easy manner with the consumers, empowering them to make informed financial decisions.
2	Whether your 'Consumer Education' strategy is approved by the Board	<ul style="list-style-type: none"> <li>✓ As mandated by the IRDA, there is a policy holder protection committee, which has been constituted and meets on periodical intervals.</li> <li>✓ Company also has Grievance Redressal policy, which is widely circulated.</li> <li>✓ As and when Customer policy related circulars issued by IRDA, including the TAT, we have taken steps to disseminate to all our employees and displayed posters in all our operating offices.</li> </ul>
3	The initiatives taken by your Company to disseminate generic information on insurance	<ul style="list-style-type: none"> <li>✓ A multifold approach to create awareness in a holistic way:</li> <li>✓ Offline - PR Initiatives, Direct Mailers, Brochure Distribution, Health Camps</li> <li>✓ Online - Social Media &amp; Blog</li> </ul>
4	Give the details of the programmes carried out for consumer education including media used	<ul style="list-style-type: none"> <li>✓ <b>PR Initiatives</b> – readers queries columns, article placement, advisory columns and participation in industry articles on products, services and processes,</li> <li>✓ <b>Direct Mailers</b> – educating customers about how to secure vehicle from theft and floods, how to secure property from various perils.</li> <li>✓ <b>Brochure Distribution</b> – products information, road shows, safe drive initiatives</li> <li>✓ <b>Health Camps</b> – with banks and affinity partners.</li> </ul>
5	Specific initiatives taken to educate consumers in rural areas	Banners, pamphlets, standees, posters, jingles, road shows in regional language
6	Steps to create awareness about Grievance Redressal Mechanisms	<ul style="list-style-type: none"> <li>✓ Display collaterals like posters displayed across offices.</li> <li>✓ Mentions of Grievance Redressal Mechanisms in customers calls at call centers</li> </ul>
7	Specific initiatives for senior citizens, women and students	-
8	Seminars conducted for consumers' awareness	Company actively takes part in all the consumer awareness programs organized by concerned organization and supports
9	Initiatives to educate policyholders regarding their Rights & Duties	-
10	Initiatives to educate policyholders about Claim settlement procedure	✓ By way of ongoing PR efforts - Advisory articles
11	Any other unique Consumer Education Initiative	-



**SBI GENERAL INSURANCE COMPANY LIMITED  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	SBI General has not yet documented any Consumer Education strategy. We have however ensured that our communications with our Prospects and Customers are simple, clear and transparent.
2	Whether your 'Consumer Education' strategy is approved by the Board.	No
3	The initiatives taken by your Company to disseminate generic information on insurance	We have so far not launched any specific initiative in this regard. Consumer awareness posters issued by IRDA have been prominently displayed in our offices.
4	Give the details of the programmes carried out for consumer education including media used	Nil
5	Specific initiatives taken to educate consumers in rural areas.	Nil
6	Steps to create awareness about Grievance Redressal Mechanisms	Display of Grievance Redressal Set-up of the Company at its Branches, in Policy Documents, on website etc.
7	Specific initiatives for senior citizens, women and students.	Nothing Specific
8	Seminars conducted for consumers' awareness	Nil
9	Initiatives to educate policyholders regarding their Rights & Duties.	Nil. However, the Policy document sent to the Policyholders has a distinct "grievances" section speaking about grievances redressal mechanism, steps to be followed to lodge a claim, internal Grievance Redressal Committee of the Company and option to approach Insurance Ombudsmen is spelt out. The Covering page of the Policy document also provides e-mail id/toll free no. and postal address of the concerned branch where the customer can approach in case of any grievances.
10	Initiatives to educate policyholders about Claim settlement procedure.	The Policy document includes steps to be taken by the Policyholders to intimate Claims, if any. There is a dedicated claim ID which is intimated to all Policyholders. The Company has its Call Centre which provides support for 12 hours every working day. During the recent Earthquake in Sikkim, the Company has proactively approached its Policyholders in that area enquiring about their well being, impact of earthquake on their insured houses and guiding them to facilitate their claim settlement. Similarly, during another equally unfortunate incident when the coastal areas were hit by cyclone "Thane" the Company had proactively approached its Policyholders to help them understand about their rights and to help them in settlement of claims.
11	Any other unique Consumer Education Initiative.	Nil

**SHRIRAM GENERAL INSURANCE COMPANY LIMITED  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	Arranging training for Employees and distribution channels to disseminate the awareness among consumers.
2	Whether your 'Consumer Education' strategy is approved by the Board.	No
3	The initiatives taken by your Company to disseminate generic information on insurance	Giving articles in leading Journals on Insurance for consumer awareness.
4	Give the details of the programmes carried out for consumer education including media used	No
5	Specific initiatives taken to educate consumers in rural areas.	No
6	Steps to create awareness about Grievance Redressal Mechanisms	Uploaded grievance redressal policy at our website. Grievance Software launched at our website.
7	Specific initiatives for senior citizens, women and students.	No
8	Seminars conducted for consumers' awareness	No
9	Initiatives to educate policyholders regarding their Rights & Duties.	Necessary instructions have been provided to all branches regarding IGMS, Grievance Guidelines & channels of Grievance redressal.
10	Initiatives to educate policyholders about Claim settlement procedure.	We have uploaded claim procedure on our website.
11	Any other unique Consumer Education Initiative.	SKYPE Training to all employees & distribution channels for consumer education.

**STAR HEALTH AND ALLIED INSURANCE CO LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	Strategy is to educate through brochures and Company's Health Magazines and regular advertisements and also through distribution of pamphlets in local vernacular. In respect of Mass Health Insurance Schemes health camps are conducted.
2	Whether your 'Consumer Education' strategy is approved by the Board.	Board is being kept apprised of this position.
3	The initiatives taken by your Company to disseminate generic information on insurance	Through regular customer meet at Zonal and Area Office level and distribution of brochures on Health Insurance
4	Give the details of the programmes carried out for consumer education including media used	By way of regular advertisements through newspaper, periodical distribution of Pamphlets & various media including TV & Radio and publishing of Company Health magazine once in a month
5	Specific initiatives taken to educate consumers in rural areas.	Conducting Health camps Health Insurance awareness
6	Steps to create awareness about Grievance Redressal Mechanisms	Display of notice Board for grievance redressal mechanism in each and every office and incorporation of specific clauses in the policy on grievance resolution.
7	Specific initiatives for senior citizens, women and students.	Participated in the seminars conducted by the Senior Citizen Forum and explained about the need for Health Insurance and type of covers available and the claim procedures. Participated in seminars organized by FICCI, CII, AIMO addressing college students
8	Seminars conducted for consumers' awareness	NIL
9	Initiatives to educate policyholders regarding their Rights & Duties.	Display through Notice Board of frames for policy and claims servicing to the public in each and every office. Links to IRDA, GIC, IIB are given in our Website for the public to access.
10	Initiatives to educate policyholders about Claim settlement procedure.	The policy itself contains a separate clause narrating the claim procedures in detail and the grievance mechanism. The claim settlement procedures are mentioned in the last page of our Health Magazine sent to all policy holders
11	Any other unique Consumer Education Initiative.	NIL

**TATA AIG GENERAL INSURANCE COMPANY LIMITED  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	"Customer First" is one of the six Values of Tata AIG General Insurance The Vision and Values of the company have been placed before the Board. In line with our "Values", the Company makes efforts on Consumer Education through manifold approach.
2	Whether your 'Consumer Education' strategy is approved by the Board.	"Customer First" is one of the six Values that Tata AIG, as a company, believes in. The Vision and Values of the company have been placed before the Board.
3	The initiatives taken by your Company to disseminate generic information on insurance	We provide knowledge based articles on insurance to the media. We also target relevant spaces in magazines, online, news wires, electronic channels etc. We also explore TV opportunities for Tata AIG to present unbiased, neutral information to consumers on General Insurance on the well-known channels.
4	Give the details of the programmes carried out for consumer education including media used	Author Q&A Consumer Query Columns in leading Mainlines. We speak to various leading newspapers and Magazines such as Times Of India, Economic Times, Outlook Money as well as news channels such as ET Now, Bloomberg, NDTV etc.
5	Specific initiatives taken to educate consumers in rural areas.	In the last year we organized District level and block level workshops involving local authorities, NGOs', Anganwadi workers etc. to create awareness about the RSBY scheme. Publicity material viz. brochures in vernacular languages namely Hindi and Marathi are provided for livestock insurance.
6	Steps to create awareness about Grievance Redressal Mechanisms	Consumers are made aware of our Grievance Redressal mechanism vide the policy kit, website, office notice boards etc. Customer can also register their complaints through our recently launched Mobile App.
7	Specific initiatives for senior citizens, women and students.	<b>Senior Citizens:</b> Health Insurance policies entry age upto 65 years. <b>Students:</b> Group Personal Accident coverages & Student Guard International Travel Insurance policy. <b>Women:</b> Exclusive Health insurance plan like Wellsurance Women.
8	Seminars conducted for consumers' awareness	Changing nature of Liability Exposures, Corporate Governance and Managerial Liability, Liability Exposures faced by Cos, Product Innovation etc
9	Initiatives to educate policyholders regarding their Rights & Duties.	Policy documents of our various products, depicting the rights & duties of the policy holder can be viewed/downloaded from our website. These are prominently displayed on all relevant product pages. We also encourage customers to take informed decisions.
10	Initiatives to educate policyholders about Claim settlement procedure.	The claim procedure is made available in our website, product brochures and in the policy kits. We also send claim forms along with all our Private Auto Policy Kit & Well Assurance Products.
11	Any other unique Consumer Education Initiative.	Tata AIG releases the Car Insurance Factbook in association with several leading automobile magazines such as Auto Car Magazine, Top Gear etc. It is aimed to educate consumers on motor insurance, including information on car maintenance, additional covers available and an easy to understand fact file which gives the consumer an overview of a motor insurance cover.

**UNITED INDIA INSURANCE CO. LTD.  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

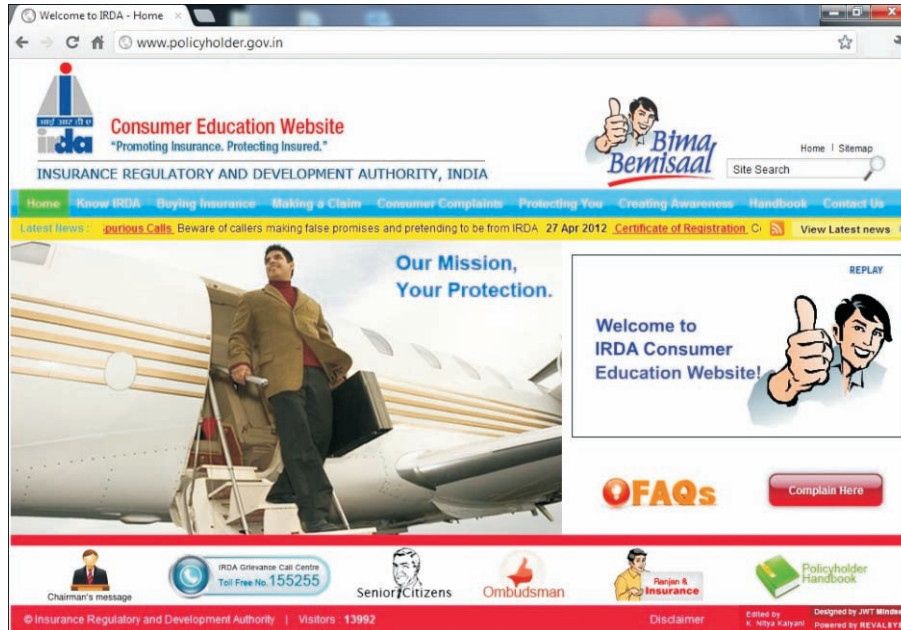
No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	The Consumer Education Strategy of the Company is being evolved.
2	Whether your 'Consumer Education' strategy is approved by the Board.	No. The same will be placed before the Board at the earliest.
3	The initiatives taken by your Company to disseminate generic information on insurance	Customer Seminars are being conducted regularly. Radio advertisement are also being given.
4	Give the details of the programmes carried out for consumer education including media used	Various Media including Print, Television, Radio and Outdoor across the country have been utilised in Educating the General Public about the salient features of Personal line Insurances like Householders', Shopkeepers', Health Insurance, Family medicare, Compact Policy, Top up and Supertop up, Uni Study care Policy, Overseas Mediclaim Policy Etc.,
5	Specific initiatives taken to educate consumers in rural areas.	<ol style="list-style-type: none"> <li>1. Village Adoption Programme where the entire villagers are being brought under Insurance fold. Eight villages in 6 states have been adopted.</li> <li>2. Rural Mass Contact Programme were conducted along with Government Machinery. We participate in exhibitions, fairs in Rural areas to disseminate knowledge about insurance.</li> </ol>
6	Steps to create awareness about Grievance Redressal Mechanisms	United India Grievance Redressal System (UGMS), an online portal for customers to post a complaint and track its disposal online has been introduced in the current year. The same is integrated to IGMS.
7	Specific initiatives for senior citizens, women and students.	<ol style="list-style-type: none"> <li>1. The Company had evolved a Programme "Vazhnthu Kattuvom" for empowering women in villages through the self help group in association with the Government Agencies.</li> <li>2. Issuance of Students Safety Insurance through Universities, Schools etc.,</li> </ol>
8	Seminars conducted for consumers' awareness	Created awareness about Insurance among the Rural women through woman Self Help Groups at Village Level by conducting various Seminars. Customer Seminars are regularly held for Large Corporate clients. We also participate as faculty in Seminars conducted by Consumer Group.
9	Initiatives to educate policyholders regarding their Rights & Duties.	DO s and DONT'S is printed along with the Policy conditions to guide the customers at various stages ie. Policy, Renewal etc., It is available in the Website.
10	Initiatives to educate policyholders about Claim settlement procedure.	DO s and DONT'S is printed along with the Policy conditions to guide the customers at various stages of Claims.,
11	Any other unique Consumer Education Initiative.	Appointment of Micro Agents to propagate insurance awareness at Village level.

**UNIVERSAL SOMPO GENERAL INSURANCE CO. LTD  
CONSUMER EDUCATION INITIATIVES DURING 2011-12**

No.	Details of Consumer Education Initiatives	Remarks, if any
1	The Consumer Education strategy of your Company.	USGIC provides the terms and conditions with all the policies to the client / insured.
2	Whether your 'Consumer Education' strategy is approved by the Board.	Not yet
3	The initiatives taken by your Company to disseminate generic information on insurance	Marketing
4	Give the details of the programmes carried out for consumer education including media used	Marketing
5	Specific initiatives taken to educate consumers in rural areas.	Marketing
6	Steps to create awareness about Grievance Redressal Mechanisms	USGIC has initiated a Quick link on the company website ( <a href="http://www.universalsompo.com">www.universalsompo.com</a> ) as Grievance Notification, which are linked to the Integrated Grievance Management System
7	Specific initiatives for senior citizens, women and students.	Marketing
8	Seminars conducted for consumers' awareness	Marketing
9	Initiatives to educate policyholders regarding their Rights & Duties.	Not yet
10	Initiatives to educate policyholders about Claim settlement procedure.	On the policy document the claim disclaimer is mentioned. Subsequently USGIC has a link for Claims which explains the entire claim procedure. In addition has a Quick Link for fast claim notification.
11	Any other unique Consumer Education Initiative.	USGIC also has an SMS program where the Prospect / Client send an SMS at 55454



## CONSUMER EDUCATION WEBSITE



Visit

[www.policyholder.gov.in](http://www.policyholder.gov.in)

IRDA's Consumer Education Website

created exclusively for  
educating policyholders and  
the general public about insurance



A public awareness initiative by

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**BIMA BEMISAAL**  
**Essay Writing Competition**  
**-Prize Winning Essays**

## **1st Prize Winner – Shri Devaraj Belke Mahadeva, NIA, Pune** **INCREASING INSURANCE PENETRATION IN INDIA**

Insurance as an industry has secured a vital position in the development of the nation's economy. An efficient insurance market is essential to achieve integration into the global economy and sustainable strong economic growth. In conjunction with the forces of global consolidation, current advances in information technology and the potential of e-business mark the beginning of a veritable efficiency revolution in the insurance industry.

One of insurance's key roles is safeguarding the financial health of small and medium-sized enterprises. In addition to the protection provided by social security systems, insurance cover is crucial for people to insure themselves against inability to work, set aside money for retirement or protect themselves against the loss of their assets.

Insurance reduces the investment risk faced by companies and the state. Many companies find it far more expensive, if not impossible, to take out a loan without purchasing the requisite insurance protection. Insured, thereby reduces the costs of raising the capital they need. By reducing investment risk, insurance can also encourage companies to think more long term and increase their risk tolerance. A lot of investments in new production facilities and newly founded companies would never happen if every company was required to have the necessary financial means to make good every conceivable loss. While arguable, it is no exaggeration that the availability of insurance is sometimes being heralded as a factor of production in itself. Hence Insurance has a huge potential to have a greater market share.

All factors are in place for the Indian insurance industry to blossom into one of the fastest growing financial services markets in the world. The still nascent market is at an inflection point—rising incomes driven by economic growth are boosting demand, and increasingly sophisticated consumers with differing needs are driving some differentiated plays. For companies wanting to address this opportunity, a "Even me" approach will prove insufficient. To emerge as winners, they must re-examine their strategies and commit to a few bold, breakthrough approaches. This

will not only put them in pole position in the race for customers, but will also help them build sustainable and profitable businesses.

India's life insurance market has grown rapidly over the past six years, with new business premiums growing at over 40 per cent per year. This impressive growth has been driven by liberalisation of the sector, that enabled the entry of a host of new players with significant growth aspirations and capital commitments. These players have contributed to the sector's development by significantly enhancing product awareness, promoting consumer education and information, and creating more organised distribution channels.

In urban areas, penetration of life insurance in the mass market is about 65 per cent, and it is considerably less in the low-income unbanked segment. In rural areas, life insurance penetration in the banked segment is estimated to be about 40 per cent, while it is marginal at best in the unbanked segment. This will change as India sees strongly accelerating household income and a more favourable demographic profile over the next two decades. This will accelerate insurance penetration and per capita coverage.

Adding to the growth driven by sheer economics is the demand for long-term savings and investment products—a gap met by insurance for the Indian consumer. Consumers rank life insurance higher than other investment options because of its ease and convenience in investing, tax benefits, and protection. Among all financial products in India, life insurance enjoys the highest popularity and demand. Contrary to the conventional directly correlated risk–return relationship, Indian consumers perceive life insurance as a low-risk and high-return investment—a perception driven by high awareness of the Life Insurance Corporation of India (LIC) and its record of delivering stable returns over the years.

### **Multiple Markets Emerging, Needing Distinct Approaches**

We can anticipate new distinct consumer segments with different needs, the rising importance of significantly wider reach, and competitive dynamics

such as the emergence of new business models from some competitors changing the game. new distinct consumer segments due to dramatic demographic shifts

Rising income levels and dramatic demographic shifts will lead to the emergence of distinct consumer segments that need to be served in fundamentally different ways. Consuming classes are likely to emerge by 2012: „

- **Rising affluent.** The affluent “globals” (annual household income greater than Rs. 10 lakh) will be 2.3 million households strong by the end of 2012 and will earn almost 12 per cent of the country’s aggregate disposable income. Going forward to 2025, this segment will swell to 9.5 million households earning 22 per cent of total disposable income. This segment has a relatively low need for risk protection, being self-insured with high investment balances. Insurance is viewed primarily as an investment vehicle and an estate management tool.
- **Growing middle class.** The middle class, comprising “seekers” (annual household income of Rs. 2 to 5 lakh) and “strivers” (annual household income of Rs. 5 to 10 lakh) will grow to 16 per cent of the population or 37.7 million households by 2012 end. In this segment, insurance is used largely for tax planning, retirement planning and savings, as well as for risk protection for the higher income professional class. While attractive, this segment is seeing intensifying competition, as most players are focusing on it to build volume.
- **Newly emerging bankable class.** At the lower end of the pyramid, the “aspirers” (annual household income of Rs. 90,000 to 2 lakh) will comprise 46 per cent of the population or 107.7 million households by 2012 end, representing a formidable emerging bankable class. In this segment, insurance is used for long-term savings, providing higher return at low risk, given the lack of alternative investment options. Key challenges in this segment are managing profitability due to low ticket sizes and high underwriting risk.

### Need to strengthen core product schemes

While life insurance premiums have grown over the last few years, low-margin single-premium products

and potentially volatile ULIPs have accounted for most of the growth. These products have proven easier to sell, but focusing exclusively on these could impair growth and long-term profitability for India’s life insurers.

### Scope to boost alternate channels

Of all non-agency channels, bancassurance is more acceptable to Indian customers for buying insurance than are non-bank finance companies, brokers, or direct channels such as the telephone or internet. Given the high penetration of banking products, bancassurance could be the single most important channel for insurers to rapidly acquire new customers. However, cross-sell rates in Indian banking are significantly lower than those in developed markets. In Spain, Italy and France, between 12 and 24 per cent of a bank’s customers would have bought insurance through the bank. Bank employees have high variance in selling skills, and banks in the public-sector typically face low operating flexibility in creating a true sales culture. Insurers usually do not invest in systematic training, a problem compounded by product complexity. In many cases, low technological capability and lack of process integration also results in poor service.

### Untapped opportunity in health and pensions

insurance players have only just begun addressing areas beyond traditional life products. There is an untapped opportunity in health insurance and pensions, where life insurance players so far have no meaningful presence: health insurance. Adjusting policy size for purchasing power parity shows that health insurance in India is about one-fifth the size of that in countries such as the United States, Germany and South Africa. Pensions. According to the Old Age Social and Income Security (OASIS report\*, 1999), there will be 113 million Indians over 60 years of age by 2016 and 179 million by 2026. For this segment, longevity risks are on the rise—as advanced healthcare has improved life expectancy, it has also increased the risk that people will outlive their savings. Indians will have an expected lifespan of 80 years, i.e., live a full 20 non-earning years. Healthcare costs have outstripped general inflation, eroding retirees’ purchasing power. Savings and investment risks are intensifying, with rising inflation or steep market declines. Barely 10 to 11 per cent of the estimated working population in India,

however, is covered by formal old-age social security mechanisms.

*Source: \*Project OASIS was initiated by the Ministry of Social Justice and Empowerment, Government of India, to examine institutional mechanisms for old-age security and recommend actions for the government.*

### **Three core market segments require differentiated strategies**

Insurance companies have an opportunity to create targeted and tailored offerings for different segments, building a different business model and even a different brand for each of the three core segments of the market, as described below.

- “Financial advisor” to the high net worth customer. To better serve high net worth individuals, life insurers could deploy a high-quality, specialised sales force, offer comprehensive financial advice and a broad product range (including third-party products) coupled with tailored products for specific sub-segments, and set up a separate unit to serve these customers.
- tailored product and distribution model for low-income urban groups. Life insurance players could build a non-traditional, profitable business with a separate range of simple products, minimal documentation, and low-cost, highly productive affinity-group-based distribution.
- Partnerships across a disaggregated value chain for the rural population. A successful model can be built for rural markets comprising a broad, bundled product suite of microinsurance, microcredit, savings, and other similar products, using partnerships and alliances for extensive consumer access and the infrastructure needed for distributed servicing.

### **Distribution excellence will determine success**

Success for Indian insurance players will hinge on achieving excellence in distribution by raising agency productivity while simultaneously exploring new models in non-agency distribution.

Transforming the performance of the agency force would require a comprehensive program to enhance professionalism, spanning the entire agent lifecycle.

This would entail initiatives such as optimising network configuration to plan the agency footfall based on the potential of each micromarket and driving individual agent performance based on market potential, rationalising agent time allocation, moving to more sophisticated sales tracking, agent support and compensation systems.

As they craft their bancassurance models, insurance companies should ensure significantly stronger sales support, seamless integration of systems and processes between insurance company and bank partner, and simple, over-the-counter products. Finally, some Indian insurance companies may want to consider a telephone and internet-based direct selling. This will require skills such as pricing and designing for risk, sophisticated process management to provide a convenient and hassle-free customer experience and straight-through processing with minimal human intervention.

### **Operational efficiency becomes important as scale increases**

Life insurance players in more mature markets have realised significant value from aggressively pursuing operational efficiencies. We believe some of India’s life insurance players have reached the scale at which operational efficiencies do matter, and that such efficiencies will increase in importance in the future. There is a substantial opportunity to enhance core profitability by redesigning products and operating processes that affect life insurance economics. Some product ideas for the Indian life insurers are increasing ticket sizes and tenures of policies, bundling high-yield additional products with high-volume, low-profit policies and adopting a design-to-cost approach in new product development.

Further, Indian life insurance companies should explore a range of tactical actions to improve persistency ratios, such as active CRM programs, incentives to agents for retention and disincentives for lapse, and well-orchestrated, centrally driven programs to promote retention. Finally, a systematic evaluation of end-to-end processes—product development, marketing and sales, underwriting, policy processing and IT—coupled with rigorous benchmarking have resulted in savings of up to 40 per cent in life insurance operations around the world.

### **Capturing the health and pensions opportunity profitably**

In the absence of government-funded health insurance and state-sponsored pensions (excepting those for government employees), I believe there is a huge opportunity for individual player-led health insurance and pension offerings in India. While there are obstacles and risks, life insurance players could focus on the following opportunities in the largely untapped markets:

- *Selective, risk-focused play in health insurance.*  
The Indian health insurance market is in its infancy, with only around 2 per cent of total healthcare expenditure covered through insurance products. We expect the health insurance market to grow significantly, driven by both increased supply and demand, but some critical challenges will have to be overcome. These include poor standardisation of treatment costs across providers, a lack of data for risk management and product design, untested demand from the individual segment, and limited bargaining power of health insurance players with providers. Life insurance players could initially focus on these segments and develop specific strategies for them.
- *Systemic reform and individual player innovation in pensions*

India will need to provide for an ageing population in the medium term with barely 11 per cent of the estimated working population in India eligible for formal old-age social security benefits. Only a few very first steps have been taken in Indian pension reform and there is a long journey ahead. India's policy-makers need to leverage learnings from other countries to improve retirement benefits to those under the pensions net, and also explore creative options to bring more people from the unorganised sector into retirement schemes.

### **Focused play for smaller players and new entrants**

The priority for smaller companies is simpler, but more urgent. They must achieve volume and build scale rapidly because most of them are operating below optimal scale and find themselves at an increasing competitive disadvantage. If this widening gap with

large-scale players is not bridged, the small players will face increasing structural barriers to growth, particularly on distribution, and fewer degrees of freedom in pricing and cost management. To combat pressure from large players, small companies will need to consider one of the following approaches:

Distinctive segment or channel-specialist strategy to penetrate select spaces: Focus on one or two customer segments, adopting a tailored approach for deep penetration or build a high-quality and profitable book by becoming a channel specialist, e.g., bancassurance or direct-only player.

Supply-side innovator strategy to grow rapidly in the traditional model:

Develop and refine a best-in-breed approach to managing talent constraints - creating a large, readily accessible pipeline of agents, and managing attrition and productivity better than competitors, or introducing a new distribution alliance strategy to overcome bottlenecks in organic distribution growth.

### **Awareness of Insurance:**

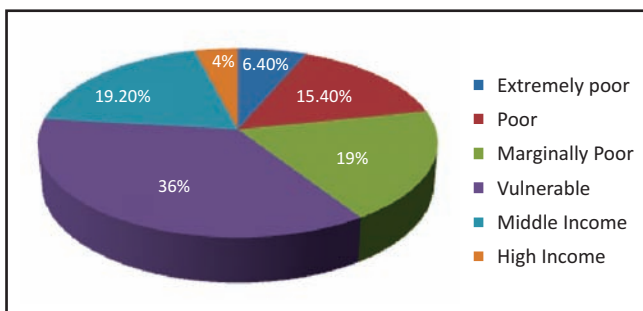
Insurance must be mandated in most of the social and political gatherings and it must be the priority in economic development during parliamentary sessions. Now, with the proposed plan of opening windows to 49% FDI, the regulatory framework can be more open to technology, compliance and global competition. The insurance penetration will certainly increase if people of India can be made aware of the various risks associated with their life, business and the internal and external environment. Nevertheless, insurance business is the art of selling promise and providing economic security which is the need of the hour to every individual is being cautiously provided through insurance, thereby strengthening the Nation's economy and growth.

2nd Prize Winner – Dr Vinita Rana, NIA, Pune

**Group Health Insurance Schemes of State Governments**

Over the last 50 years India has achieved a lot in terms of health improvement. But still India is way behind many fast developing countries such as China, Vietnam and Sri Lanka in health indicators. In case of government funded health care system, the quality and access of services has always remained major concern. The condition of health in a country like India is really bad, generally the expenses are borne by the individuals out of their pocket. The population living below poverty line is very large, and even the APL (Above Poverty Line) population is not able to bear the medical expenses. Below is the data of Indian population based on the economy:

**India’s Population by Different Expenditure Class, 2004-05**



(NCEUS, Ministry of Labor and Employment, 2009)

We have a big poor, marginally poor and vulnerable sector, who are not able to bear their medical expenses.. Most of the low- and middle income economies till recently have relied heavily on Out-Of-Pocket (OOP) payments of households, which are regarded as both inefficient and iniquitous. As a consequence, OOP causes financial catastrophe and impoverishment of vulnerable households. The underlying reasons are that the OOP payments preclude the conditions of prepayment, risk-pooling and cross-subsidization. So, to cater the health related needs of India’s large population we have to have some instrument. Therefore, the role of Universal Health Coverage in the form of Health Insurance came into picture.

Indian economic system has been developed on paradigm of mixed economy in which public and private enterprises co-exist. The past strategies of development based on socialistic thinking were focusing on the premise of restrictions, regulations and control and less on incentives and market driven forces. This affected the development process in the country in serious way. After the economic liberalization the paradigm changed from central planning, command and control to market driven development. Deregulation, decontrol, privatization, delicensing, globalization became the key strategies to implement the new framework and encourage competition. The social sectors did not remain unaffected by this change. The control of government expenditure, which became a key tool to manage fiscal deficits in early 1990s, affected the social sector spending in major way. The unintended consequences of controlling the fiscal deficits have been reduction in capital expenditure and non-salary component of many social sector programmes. This has led to severe resource constraints in the health sector in respect of non-salary expenditure and this has affected the capacity and credibility of the government health care.

The new economic policy and liberalization process followed by the Government of India since 1991 paved the way for privatization of insurance sector in the country. Health insurance, which remained highly underdeveloped and a less significant segment of the product portfolios of the nationalized insurance companies in India, is now poised for a fundamental change in its approach and management. The Insurance Regulatory and Development Authority, is consistently taking steps for the development of this sector.

The privatization of insurance and constitution IRDA envisage to improve the performance of the state insurance sector in the country by increasing benefits from competition in terms of lowered costs and increased level of consumer satisfaction. However, the implications of the entry of private insurance companies in health sector are not very clear. The cost

of private companies is very high and everyone cannot afford them, especially BPL population.

Global experience, both in highly industrialized countries as well as in low- and Middle-income economies clearly demonstrate the importance of achieving universal Coverage through either a purely tax-based regime or social health insurance mechanisms or a mix of both. Although India followed a mix of these strategies since 1950s, the penetration of health insurance remained low for the next six decades.

India's tryst with health insurance program goes back to the early 1950s, with the launch of Employees State Insurance Scheme (ESIS in 1952) and Central Government Health Scheme (CGHS in 1954).

However, India's landscape of health insurance has undergone tremendous changes in the last three years with the launch of several more health insurance schemes in the country, largely initiated by central and state governments. It is fascinating to observe the rapid and significant change in the geometry of health insurance coverage in the country. The country that has been witness to three health insurance programs until 2007 (ESIS, CGHS and Private Health Insurance - PHI), is now swamped by a plethora of insurance programs, in less than three years time the breadth, depth and height of health insurance coverage has witnessed enormous leap during this period, which includes Health Insurance programmes run by state governments.

For example some of them are:

Rajiv Arogyasri by A.P.Govt.

Kalaingar Scheme by Tamil Nadu Govt.,

other govt. like Karnatka, Shillong etc are also running these types of schemes.

#### **Coverage of Government Run Schemes:**

***The breadth of the coverage-*** denoted by the percentage of population covered by the insurance scheme – has accelerated from about 75 million people covered (roughly about 16 million family beneficiaries) in 2007, to an estimated 302 million people in 2010, about one-fourth of the population. Thanks to four important initiatives, by the central government (through Rashtriya Swasthya Bima Yojana - RSBY) and

state sponsored schemes, as in Andhra Pradesh, Tamil Nadu, and Karnataka. Three of the giant schemes (RSBY, Rajiv Arogyasri and Kalaingar) in a span of three years have covered roughly 247 million, over one-fifth of India's population. Comparatively, the breadth of the coverage is by any global standards quite breathtaking and occurred at a rapid rate in a span of three years, and this feat could be achieved even among the vulnerable population and informal workers, where the penetration is otherwise difficult till recently. The commitment to equity and access to poor people is clearly visible, especially in the case of Andhra Pradesh, as it covers over 85% of the states' population. The realisation among the leadership for the commitment to cover nearly all of the population despite their socio-economic status is quite commendable, since evidence clearly suggests that in India, it's not only the poor but a large sections of above poverty line (APL) population also end up paying catastrophic payments and suffer impoverishment (transitory poverty) due to illness.

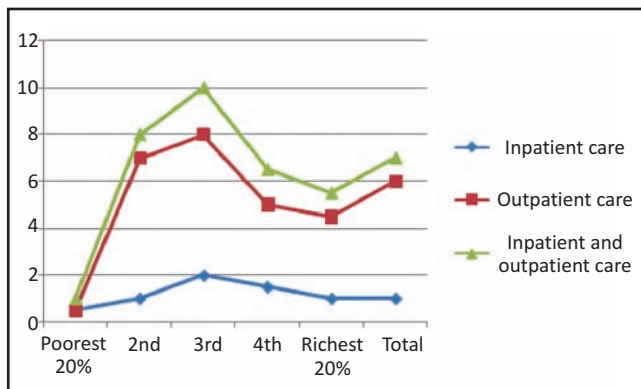
***The depth of the coverage*** - relates to the extent of benefit packages offered in the scheme, whether the scheme covers only hospitalization, or both inpatient and Outpatient care, does it include or exclude pre-existing conditions and what is maximum amount of coverage, etc. Except ESIS and CGHS, all the other schemes provide only hospitalization cover to the beneficiaries. In terms of benefit-packages, the sharp distinction between various schemes is visible as their priorities appear to be weighed due to different considerations and perceptions. While RSBY's package has been very moderate with limited mandate that it had set itself, Rajiv Arogyasri and Kalaingar's scheme has been the most ambitious of all the programs. The disproportionate thrust of these programs lies on tertiary care. For instance, CGHS, which currently covers about 3 million population in the country during 2009-10, spent nearly Rs. 16,000 million, as against Rajiv Arogyasri, which spent to the tune of Rs.12,000 million for population coverage of about 85% (out of 84 million total population) of the population of Andhra Pradesh. Similarly, the Tamil Nadu's model again covers only high-end surgical procedures to its 13.6 million families, accounting roughly to over 50 million population (out of 67 million total population) with a total outlay of over Rs. 5,173 million during 2009-10.

*The Height of the coverage* indicates the share of health care costs to prepayment and risk pooling (especially public subsidy of cost of care). As far as the health care cost is concerned, the major thrust of the current health insurance schemes are on inpatient care. Except the commercial insurance sector, where households and employers contribute to cover the costs of premium, in other schemes such as ESIS and CGHS, contributions from employees and employers are obtained. Therefore, the issue of prepayment and risk pooling, which is central to any health financing functions, are taken into account significantly in these two programs. Similarly, in all the other publicly funded schemes, the contribution is made by the government – central or state governments depending on the schemes. And thus, there is an element of prepayment and risk pooling, and so the share of entire burden of specialized hospital care for the covered population is borne by the government. To that level, the risk of paying catastrophic costs on illness and the likelihood of being impoverished due to hospitalization (surgical care) is reduced to some extent. That leaves a huge burden still borne by households. In the case of RSBY, even the hospitalization relates only to secondary care, leaving a huge burden still on households, while state-based schemes ignore primary and secondary care completely.

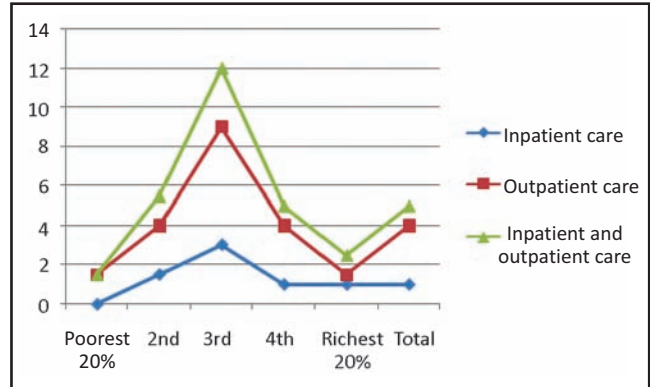
Generally all these schemes run by state government includes in-hospitalization only, whereas the majority of the charges are out-patient charges.

Below are some statistics:

**Percentage of Rural Households Falling BPL due to Health Care Expenditure**



**Percentage of Urban Households Falling BPL due to Health Care Expenditure**



( Peter Berman, Rajeev Ahuja, Laveesh Bhandar, April 17 2010)

So, to cover up all the health related needs of the population we also need to think about out-patient diseases.

The coverage provided by these state govt schemes which mainly cater to BPL families are around Rs.1-1.5lakh, whereas in critical diseases it is around Rs.2lakh for the whole family. The family includes head of family, spouse, 2 children, 2 parents. These schemes involves insurance companies, TPA (Third Party Administrator), empanelled hospitals. These hospitals charge less as compared to their normal rates. Andhra Pradesh government has covered almost 85% of the population. The sources of fund for these schemes are:

Scheme	Beneficiary Contribution	Average Premium Rates	Subsidies
Rajiv Aarogyasri Scheme (AP)	No	100%, State	267
Kalaingar (TN)	No	100%, State	NA
Vajapayee Arogyasri Scheme (KN)	No	100%, State	469
Yeshasvini (KN)	Yes	40%, State	150
RSBY Plus (HP)	No	100%, State	NA
ASBY (DEL) (proposed)	No	100%, State	NA

(Scheme Document Report Per Family per Year, 2010)



So here the expenses of these schemes are borne by government only in the form of premiums.

Hence, by these state run health insurance schemes we can serve the health needs of the large population, but with the increasing number of frauds in these schemes load is increasing on the state governments.

As per the data available, for the year 2009-10, the mean hospitalization expenses of the private health insurance industry stood at roughly Rs.19,637 per annum. Mean hospitalization expenses in Tamil Nadu and CGHS schemes are at around Rs. 33,720 and Rs 25,000 respectively.

The chances of frauds are there when at times hospital advice unnecessary operation, prolonged stay in hospital, and advice very expensive medicines when they come to know about insurance policy of the patient. These are known as Moral Hazards, so the chances of fraud are higher in Health schemes.

Ways should be looked out to stop these kinds of frauds in the Health Insurance schemes, like the record of paneled hospital should be checked before being empanelled. There should always be a close eye on the working of hospitals. Insurance industry should share the data with each other, so that hospitals that are practicing unethical can be blacklisted.

A proper grade for hospitals should be decided pan India by IRDA, so that rates of hospitals can be fixed in those bands only. By, these means we can reduce the load of expenses on state governments. A proper standardized format of treatment for major diseases can be made and followed, so that expensive medicines and prolonged stay can be avoided.

An investigation team should investigate the cases thoroughly, so that fraud cases can be caught.

Preventive camps should be organized in the state to increase the awareness and necessary steps taken to avoid diseases should be told to the public.

Also to increase the sum insured of the family we can use state run health insurance policies as a top-up on RSBY, which provides an insurance cover of Rs. 30000. So that basic hospitalization can be covered from this amount.

We should also look to include out-patient expenses which are more in amount than in-patient expenses, but necessary steps should be taken to control and minimize these expenses.

**Summing Up:** The recent growth of insurance schemes in India, in many ways, marks a new phase in India's

quest to provide health care to all. The key design features of health insurance scheme, revenue collection, pooling of funds and purchasing care need government intervention in order for the schemes to be equitable, efficient and effective. In terms of revenue collection, general taxation is the main source of funds for both health insurance schemes and direct public provision of care. Government must revisit the decision to bear dual financial burden of funding the network of public hospitals and national insurance. The risk pool for most schemes is comprised of the BPL population with least ability to pay leading to segmentation of the society. If the same schemes are extended to other populations of the society, the pools will become bigger and more financially unsustainable unless the beneficiary contribution is increased as in the case of rich subsidizing the poor in typical health insurance. The benefit package and package rates are the tools of purchasing care that government can use not only to control costs but also to monitor public expenditure on health, but these two need coordinated effort by different schemes to optimize benefit for the beneficiaries.

**Following are the things which we need to do formaking group health schemes of states more efficient and effective:**

1. Provide an outline of design features of various health insurance schemes currently being implemented in the country;
2. Document the institutional and organizational challenges of various schemes;
3. Identify gaps in regulatory frameworks;
4. Understand the pattern of moral hazard, adverse selection & fraud and mechanisms deployed to control imperfections in the market;
5. Examine the equity and efficiency of the existing health insurance models in India;
6. Analyze potential elements that had impeded or would facilitate significant scale up and sustainability of various health insurance schemes culminating in universal coverage;
7. Provide an outline of learning from each other programs.

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**3rd Prize Winner – Shri Raghav Jain, Birla Institute of Management Technology**  
**Mis-selling in Insurance and how to prevent it**

**1. Mis-selling at a glance**

By definition, mis-selling means selling a product by giving a wrong picture of a product, it may include, giving wrong information, giving unrealistic information, not giving full information about the product. You must have heard an insured, saying – but this was not I asked for. And, your agent accusing, but then I did mentioned all the details upfront, didn't I? Insurance is a business of selling commitments and here is a case where this was broken. Unfortunately the product was mis-sold. Mis-selling is not unique to insurance and happens in various lines of businesses (loans, credit cards, investment products, pharmacy, hospitality etc.), but Insurance being an intangible service – the principle of Caveat emptor prevails in insurance.

Often, the intermediary does not fully explain the policy details to the customer. Or the buyer (insured) is in a hurry and doesn't care to check the fine print. There have been cases reported where the agent deliberately misguided the buyer. Discussing an example of mis-selling: A person aged 54, having a handsome amount of savings with him and having no dependents (no kids and wife has passed away a few years ago), has no need of a term insurance (death benefit) but the agent may sell him this policy.

A common practice that is seen in this regard is where the agent sells the policy promising a single premium mode or a limited term policy but it actually turns out to be a regular premium mode. And the customer has no option but to surrender the policy or stop paying the premium. According to a survey conducted by Ernst & Young, compared to different types of frauds, insurance companies are most affected by "mis-selling" due to premeditated fabrication or fraudulent misrepresentation of material facts. Insurance continues to be mis-sold with senior citizens being the softest targets as they do not understand new products.

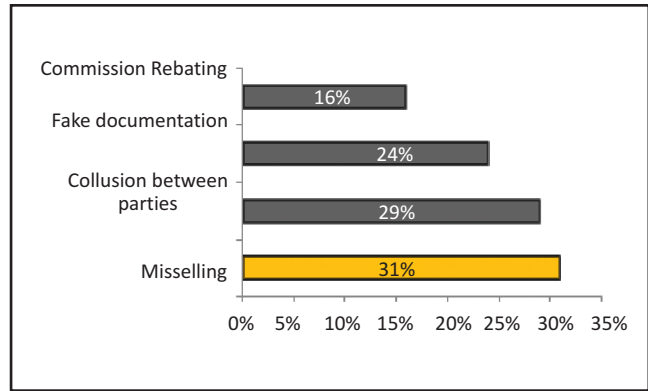


Figure 1. Different types of fraud affecting insurance companies.

Source: Ernst & Young Report on Frauds in Insurance.

**2. Mis-selling and its consequences**

● **Lapsation**

Lapsation has been one of the major concerns for insurance companies. Generally, once the policy is accepted in life insurance, the insurer undergoes costs for administrative processes, agent's commission and medical charges, which many times eat up almost whole the first years premium collected as well as the major part of second year premium. After incurring these expenses if there is an early lapse in the policy then it poses a major financial threat to the insurer. A major reason for lapsed policies is the lack of communication between the insured and insurer after the sale of policy, leading to strained relationships.

IRDA's annual report revealed that in 2010-11, policyholders surrendered policies worth Rs. 76,712 crores, more than double the amount (Rs. 36,225 crores) in the previous financial year. Also the total number of insurance policies – both public and private, that lapsed during FY 2010-11 stood at 1.40 crores, with an assured sum of Rs. 1.58 lakh crores as against 1.23 crores policies in the previous fiscal. There were 2,189 complaints of mis-selling registered with IRDA during the same period.

● **Cognitive Dissonance**

Often the misalignment in the objectives of the parties involved triggers mis-selling. For example, insured’s major objective may be to save taxes or built a corpus rather than life protection whereas the agent may be looking at earning higher commissions and helping him reach his target faster. This misalignment at the initial stage of policy itself may cause a huge divide at later stages. In case of insurance, cognitive dissonance will cause a previously cheated customer to never trust an insurance agent again, however good the policy may be.

● **Bad word of mouth**

The industry is facing the risk of bad publicity due to mis-selling. There are instances when people decline insurance policies just because of bad publicity by friends, relatives etc as they lose faith in it.

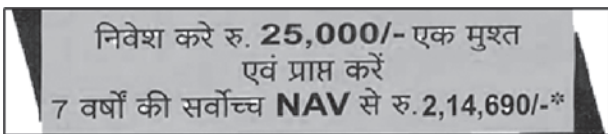
**3 Factors leading to Mis-selling**

The various factors can be broadly classified as:

● **Product related issues**

The complexity of the insurance product and asymmetry of information between the insured and insurer or his agent has led to a minefield of mis-selling. Also the policy document is full of jargons and fine prints which make it beyond the comprehensive ability of the insured to interpret the real meaning. This leads to controversies between the policyholder and the insurer.

● **Aggressive marketing**



The insurance products are promoted aggressively by the companies and the agents have no option but to sell it by hook or crook. Often, they show a performance chart to the proposer which shows

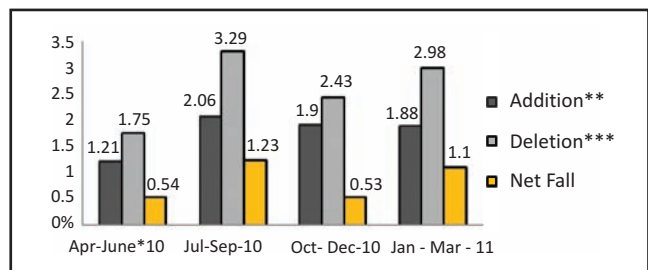
astronomical returns of 15% over a period of one year. Many times customers of ULIPS’s complain that they were told that they need to pay the premium only for three (or five) years and would receive guaranteed tax-free returns, but when they check the actual condition after three years they get shocked to see that their fund had actually diminished. IRDA has recently brought out many corrective and preventives measures to curb this problem but it will take some time for the consumers to realize the consequences.

● **Lack of awareness**

Being literate is not sufficient for understanding the BFSI products but consumers have to be “financially literate”. The major issue which needs immediate attention is financial literacy. In a situation where the prospect is not financially savvy, there is a greater probability that the sale would not be need based. People are not aware about their financial goals and hence they are not able to analyse their needs and buy products which are not in tuned with them. What they end up doing is help the agent in achieving his goals rather than theirs.

● **Dearth of qualified agents**

Most agents do not take this profession seriously and end up terminating their agencies sooner than later. The policies sold by these incompetent agents become “orphan policies” and without servicing they lapse. In the financial year 2010-11, 10.45 lakh agents left the insurance business while only 7 lakh joined which has led to a fall of 35 %. The companies are finding it really hard to recruit good agents.



\*Number of agents in lakh

\*\*At the beginning of the quarter

\*\*\*during the quarter

Source : IRDA

- **Lack of patience**

After the customer agrees to buy the policy, he does not see the policy literature carefully. They are in a hurry to wrap up the procedure and they don't even study the features properly. The agent no doubt should produce all the facts correctly, but the insured is also liable to check what he has purchased. Prompt inspection can lead to utilization of the "free-look period" in a better manner.

- **Reward system of Insurance agents**

Since agents are paid heavily front loaded commissions, they indulge in unethical practices. It brings in product bias as an agent has an incentive to recommend a particular product irrespective of the client's need. This fact became more evident when the agent commission's for ULIP products was capped post September'2010 IRDA guidelines. Insurance companies have lost almost 21% of their business after these reforms.

#### 4. Mis-selling in various distribution channels

The "possibility" of mis-selling through various distribution channels are as follows:

- **Bancassurance**

Bancassurance model has been viewed as the future of the distribution that will help Insurance to increase its penetration. But there have been various cases of mis-selling reported in this channel where the policy was forced to the customer in order to clear a loan. The customer unwillingly buys the policy in order to get the loan and stops paying the premium after one year. This practice is not good for the industry and IRDA needs to strictly deal with it as early as possible.

- **Brokers**

Brokers are also found to be contributing to this malice by pitching for policies which fetch them higher ticket size. Brokers should act as advisors to the customers and should recommend them the products which suit them the best as per their needs (Need Based Analysis). But there needs to be a change in the paying pattern to brokers which will solve the problem of mis-

selling to a great extent. Will we go to a doctor who examines for free but recommends buying medicines only from a particular company or to a doctor who charges a fee but provides the best possible medicine available in the market?

- **Online**

Various websites which present themselves as a source of expert knowledge for customers of insurance tend to go for comparison of various plans offered by different companies. But they fail to present their vested interests in running these websites as they sometimes compare products say of, health insurance cover provided by two companies having completely different attributes just on the basis of price. Though internet is a huge source of information but it lacks authentication aspects and many times prove to be misleading.

#### 5 Mis-selling in other businesses

- **Mutual Funds**

Mutual Funds are often mis-sold, this happens when the intermediary recommends a mutual fund without the analysis of the risk profile of the customer. He tries to push the fund which fetches him the best commission.

- **Ponzi Schemes**

The biggest financial fraud of recent times was by Speak Asia; a Singapore based company. Based on Multi-level Marketing, the company enrolled 1.9 lakh panellists who were promised an annual return of Rs. 52000 by just paying a subscription amount of Rs. 11000. According to the Mumbai Police, the total fraud was as big as Rs. 1320 crores.

- **Credit cards**

The credit card business is also full of malaise and there have been numerous instances where cards are been sold without explaining the terms and conditions properly. The customer realises this fact when he sees the statement with various hidden charges.

## 6. Steps taken by IRDA and insurance companies to curb Mis-selling

### ● Persistency norms

It has been seen that persistency in the life insurance business is on a decline and this can be attributed to mis-selling. Companies are not able to retain customers and hence IRDA came up with a persistency norm which said that the license of the agent will get cancelled if 50% of the policies sold by him are not renewed. This is a bold move by the regulator and it will ensure that the policies are sold on proper advice. More stress should be laid on collection of renewal premium rather than generating new business.

### ● Distance marketing guidelines

IRDA also came up with the distance marketing guidelines to protect customer's interest. The regulator has proposed a standardised script to be prepared by the insurer for the sale of insurance products through the SMS, E-mail, Snail mail and telephone. The script will assimilate key product features, benefits, and all other solicitations. All the sale activities should strictly be in line with the script. Also IRDA wants the companies to record every conversation call. Moreover now life insurance companies are not allowed to sell ULIP's with annual premiums exceeding Rs. 50,000 for non-single premium policies and Rs. 1,00,000 for single premium policies or variable insurance products (VIPs) via telemarketing.

### ● Online Grievance Management Portal

With the launch of IGMS (Insurance Grievance Management System) portal and call centers, an aggrieved customer can escalate his complaint to IRDA in case the insurer is not able to resolve the grievance. IGMS provides a common base to all insurance companies to resolve policyholder issues.

### ● Regulations for Web Aggregators

In November'11, IRDA came up with some restrictions for the web aggregators which do not allow them to compare products. These websites push products on

which they receive high commissions from the insurance companies and often the prospect lands up making wrong choice. Under the new guidelines, which come into effect from 1 February 2012, the commission which they receive has been capped and they have been banned from reviewing and rating products.

### ● Customer Centric Initiatives

Many companies have started taking customer centric measures to eradicate this problem like making 'welcome calls', in which the insured is again briefed on the product features and charges involved to ensure that he has taken an informed decision while buying the policy. HDFC Standard life also came up with their initiative "Most Important Document" (MID), a questionnaire to ensure that customers understand the product well before making a decision to purchase it.

## 7. Solutions which are workable

### ● Regulatory Solutions

- IRDA should consider the Swarup committee's recommendation of phased elimination of the agent's upfront commission. It calls for a fee based advised system and it can take cues from countries like Australia in this regards.

- The qualification limit for the agents should be raised at-least for those in the urban areas. Presently, a High School pass can become an insurance agent who may lack the required competency.

- IRDA should clearly demarcate or encompass the role of an agent with that of a financial advisor. Many agents today, are selling policies under the name of financial planners.

- IRDA should design a model to punish heavily the people who are involved in mis-selling and encourage incentives for those who are discarding such malpractices.

### ● Industry Solutions

- Drafting product literature in vernacular languages which will be easier for a layman to understand and it will also widen the reach. The terms and conditions,

benefits, charges, lock-in period etc should be specified in bold and simple language.

- Agents are the face of the industry and it is the best interest of the companies to collaborate and devise superior training programmes for agents/advisors that can reduce mis-selling.
- When the application for the insurance is under process, the underwriter should contact the customer and elicit response from him regarding the product which has been sold to him . He should also ensure that the customer has bought what he has intended to buy.
- Strengthening the IT and provide risk profiling software's to the sales force to promote need based selling. In Vietnam, Insurers have developed an Agent Management Program which cross-checks agent names with policy sales. The software tracks three year performance of agents and they are fired if found

indulging in illicit operations and they would not be recruited by another insurance company for next three years.

- Companies should simplify their terms and conditions to remove any hidden meanings or terms. They should take this as a part of their corporate governance to financially educate the insured.
- The interest of the distributor and the customer needs to be aligned by remunerating him throughout the term of the policy rather than heavily paying front loaded commissions. This will force the agents to sell products with long term perspective and will ensure proper policy servicing.

● **Conclusion**

This problem of mis-selling can only be eradicated by the combined efforts of Insurers, Regulators, Intermediaries and Customers as well. Lapses on any one of the front will allow this malice to manifest its ugly head again.

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# **DATA ON GRIEVANCES**



## **DATA ON GRIEVANCES LIFE INSURERS**

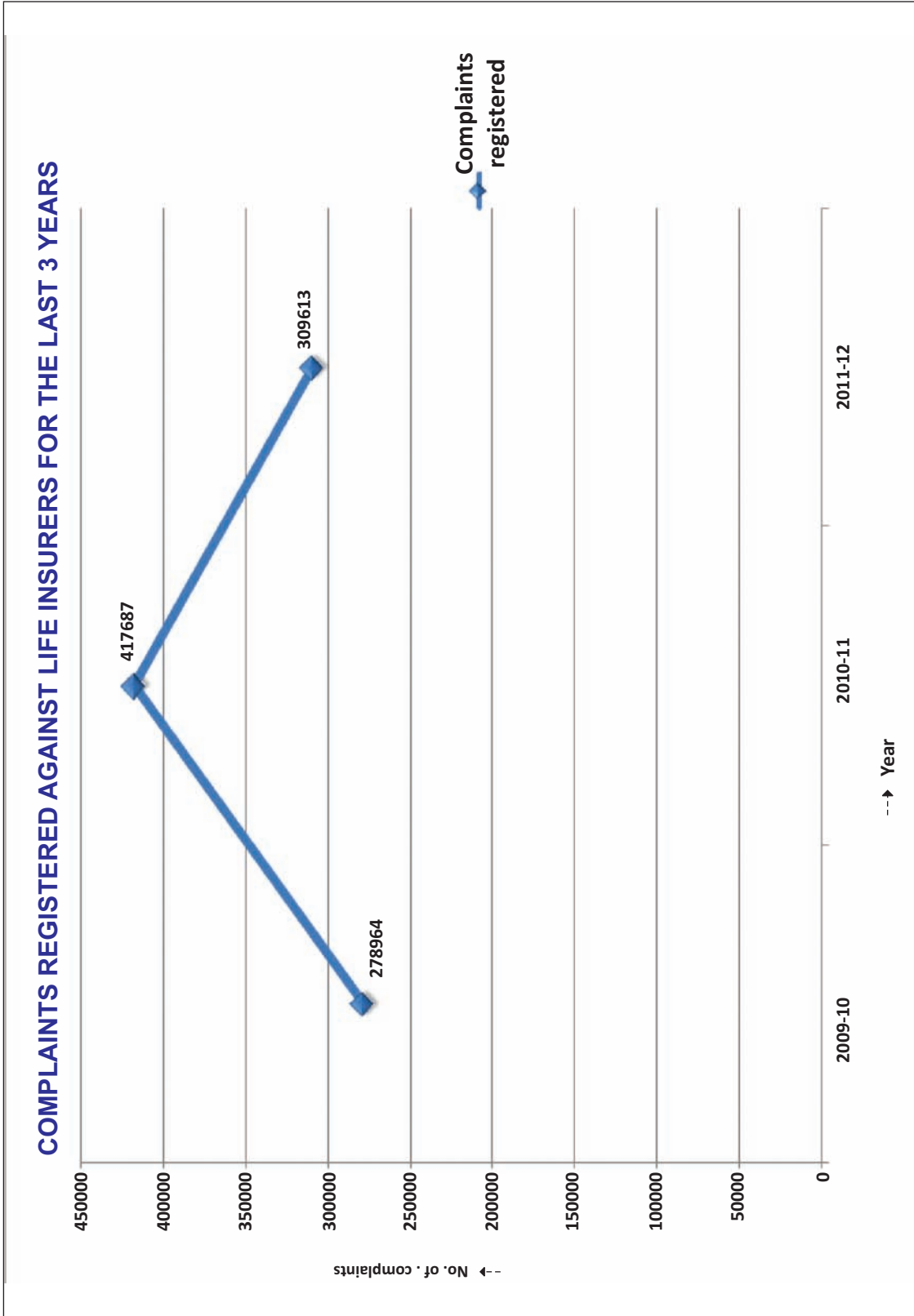
1. Cursory glance of registered & 'attended to' Life Complaints for the last 3 years
2. Complaints registered against Life Insurers for the last 3 years – Graphical Presentation
3. Movement of Complaints for 2010-11 & 2011-12
4. Analysis of registered Life Complaints for 2011-12
5. Classification of Life Complaints for 2011-12 – Graphical Presentation
6. Analysis of Unfair Business Practice Complaints for 2011-12
7. ULIP Complaints for the last 3 years
8. Complaints 'attended to' - in favour/not in favour of insured for 2011-12
9. State-wise Distribution of Complaints for 2011-12



**CURSORY GLANCE OF REGISTERED AND ATTENDED TO LIFE COMPLAINTS**

S.No.	Description	2009-10		2010-11		2011-12	
		Registered	Attended to	Registered	Attended to	Registered	Attended to
1	Complaints registered by Policyholders directly online in IGMS*	-	-	-	-	4871	4686
2	Complaints registered through IRDA	2449	2515	9656	9797	7292	7137
3	Compliants registered by Life Insurers	276515	215539	408031	466400	297450	296508
	<b>Total:</b>	<b>278964</b>	<b>218054</b>	<b>417687</b>	<b>476197</b>	<b>309613</b>	<b>308331</b>

\* IGMS implementation since 01.04.2011



## MOVEMENT OF COMPLAINTS - LIFE INSURERS

S.No	Name of the Insurer	2010-11				2011-12		
		Opening Balance	Reported during the year	Attended to during the year	Pending at the end of the year *	Reported during the year	Attended to during the year	Pending at the end of the year
1	LIC	8198	83917	91940	175	52300	52135	165
	<b>(i) Public total:</b>	<b>8198</b>	<b>83917</b>	<b>91940</b>	<b>175</b>	<b>52300</b>	<b>52135</b>	<b>165</b>
1	Aegon Religare	2	4516	4516	19	3440	2774	666
2	Aviva	2583	20312	22218	677	13520	13467	53
3	Bajaj Allianz	20186	24582	44732	36	22390	22388	2
4	Bharti Axa	239	8780	8556	463	7310	7285	25
5	Birla Sun Life	4440	11367	15628	179	11911	11632	279
6	Canara HSBC	30	2743	2657	116	5258	5256	2
7	DLF Pramerica	21	478	481	18	621	619	2
8	Edleweiss Tokio	0	0	0	0	6	6	0
9	Future Generali	109	15449	15264	294	15667	15640	27
10	HDFC Standard	23129	34983	57746	366	35218	35205	13
11	ICICI Prudential	269	47268	46775	762	22016	22016	0
12	IDBI Federal	0	545	545	0	502	500	2
13	India First	4	1886	1837	53	738	738	0
14	ING Vysya	314	12141	11600	855	10498	10497	1
15	Kotak Mahindra	147	12157	11941	363	8850	8844	6
16	Max Newyork	5407	25590	29129	1868	10362	10360	2
17	Met Life	15	4532	4442	105	2940	2940	0
18	Reliance	737	64282	64207	812	50807	50802	5
19	Sahara	11	20	24	7	29	29	0
20	SBI Life	154	16864	16595	423	18490	18482	8
21	Shri Ram	0	117	110	7	149	142	7
22	Star Union Daichi	0	261	229	32	284	283	1
23	Tata AIG	48	15241	15245	44	16307	16291	16
	<b>(ii) Private Total:</b>	<b>57845</b>	<b>324114</b>	<b>374477</b>	<b>7499</b>	<b>257313</b>	<b>256196</b>	<b>1117</b>
	<b>(iii) Grand Total:</b>	<b>66043</b>	<b>408031</b>	<b>466417</b>	<b>7674</b>	<b>309613</b>	<b>308331</b>	<b>1282</b>

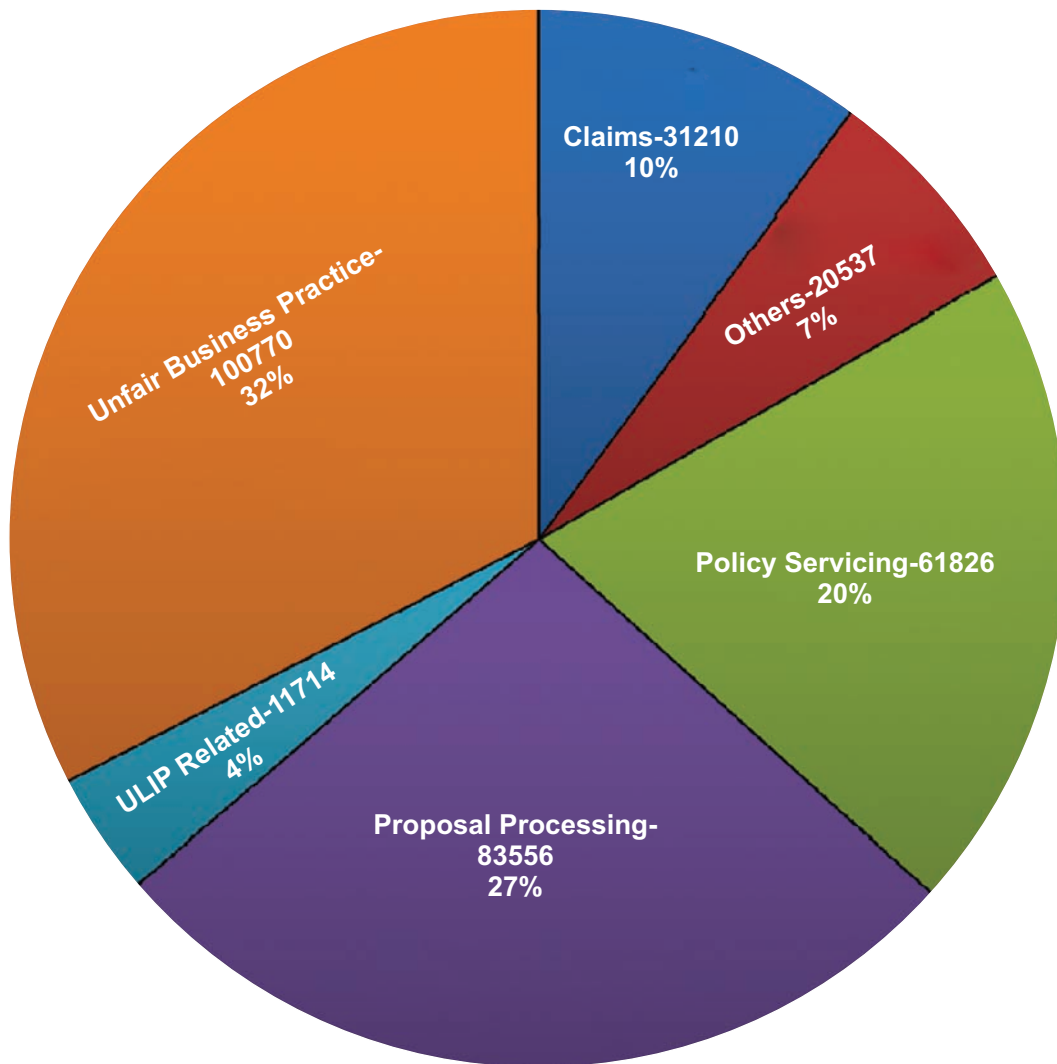
\*All pending complaints as on 31.03.2011 were 'Attended to' during 2011-12. Figures for 2011-12 reflects data from IGMS repository

**ANALYSIS OF REGISTERED LIFE COMPLAINTS (2011-12)**

S. No.	Name of the Insurer	Death Claims		Others		Policy Servicing		Proposal Processing		Survival Claims		ULIP Related		Unfair Business Practice		Total	
		Non-Linked	ULIP	Non-Linked	ULIP	Non-Linked	ULIP	Non-Linked	ULIP	Non-Linked	ULIP	Non-Linked	ULIP	Non-Linked	ULIP	Non-Linked	ULIP
1	LIC	1376	72	11463	1143	23239	1813	3204	293	5925	548	1552	1605	67	46812	5488	52300
	<b>(i) Public Total:</b>	<b>1376</b>	<b>72</b>	<b>11463</b>	<b>1143</b>	<b>23239</b>	<b>1813</b>	<b>3204</b>	<b>293</b>	<b>5925</b>	<b>548</b>	<b>1552</b>	<b>1605</b>	<b>67</b>	<b>46812</b>	<b>5488</b>	<b>52300</b>
1	Aegon Religare	9	9	17	4	195	170	82	25	13	12	26	2184	694	2500	940	3440
2	Aviva	15	23	1191	512	2437	1764	714	399	284	586	1392	4063	140	8704	4816	13520
3	Bajaj Allianz	1456	1480	291	147	1219	1824	940	961	2928	3634	2748	3590	1172	10424	11966	22390
4	Bharti AXA	44	0	22	8	546	5	871	2	181	3	429	2989	2210	4653	2657	7310
5	Birla Sunlife	26	40	59	100	420	1407	272	438	203	787	474	3429	4256	4409	7502	11911
6	Canara HSBC	5	23	6	67	65	812	399	2420	4	7	126	153	1171	632	4626	5258
7	DLF Pramerica	0	3	4	1	22	29	37	30	0	0	5	417	73	480	141	621
8	Edleweiss Tokio	0	0	0	0	1	0	3	0	0	0	0	2	0	6	0	6
9	Future Generali	40	10	12	4	57	37	12105	2346	7	3	11	685	350	12906	2761	15667
10	HDFC Standard	153	308	403	794	2110	3671	2365	3569	674	1960	1301	7774	10136	13479	21739	35218
11	ICICI Prudential	123	31	84	45	1097	1239	1191	782	477	278	1170	8510	6989	11482	10534	22016
12	IDBI Federal	26	3	7	3	12	11	15	5	4	5	14	272	125	336	166	502
13	IndiaFirst	0	4	4	2	56	28	212	43	0	0	29	360	0	632	106	738
14	ING Vysya	10	11	481	569	1533	1186	1011	338	955	2557	338	1215	294	5205	5293	10498
15	Kotak Mahindra	20	2	1366	824	181	94	148	46	69	40	139	4695	1226	6479	2371	8850
16	Max NewYork	99	50	62	42	1047	2759	2186	1488	115	218	72	1368	856	4877	5485	10362
17	MetLife	54	45	36	11	80	141	101	118	51	92	179	773	1259	1095	1845	2940
18	Reliance	166	92	179	80	2819	2432	25834	8013	463	258	515	9105	851	38566	12241	50807
19	Sahara	9	3	1	0	4	1	3	1	2	1	2	2	0	21	8	29
20	SBI Life	65	50	265	112	418	537	4153	5225	319	303	252	5047	1744	10267	8223	18490
21	Shri Ram	2	3	9	7	13	8	11	6	5	6	10	35	34	75	74	149
22	Star Union Daichi	1	1	3	10	11	12	12	28	1	0	12	52	141	80	204	284
23	Tata AIG	154	241	65	22	2675	1589	684	427	426	449	918	5743	2914	9747	6560	16307
	<b>(ii) Private Total:</b>	<b>2477</b>	<b>2432</b>	<b>4567</b>	<b>3364</b>	<b>17018</b>	<b>19756</b>	<b>53349</b>	<b>26710</b>	<b>7181</b>	<b>11199</b>	<b>10162</b>	<b>62463</b>	<b>36635</b>	<b>147055</b>	<b>110258</b>	<b>257313</b>
	<b>(iii) Grand Total:</b>	<b>3853</b>	<b>2504</b>	<b>16030</b>	<b>4507</b>	<b>40257</b>	<b>21569</b>	<b>56553</b>	<b>27003</b>	<b>13106</b>	<b>11747</b>	<b>11714</b>	<b>64068</b>	<b>36702</b>	<b>193867</b>	<b>115746</b>	<b>309613</b>

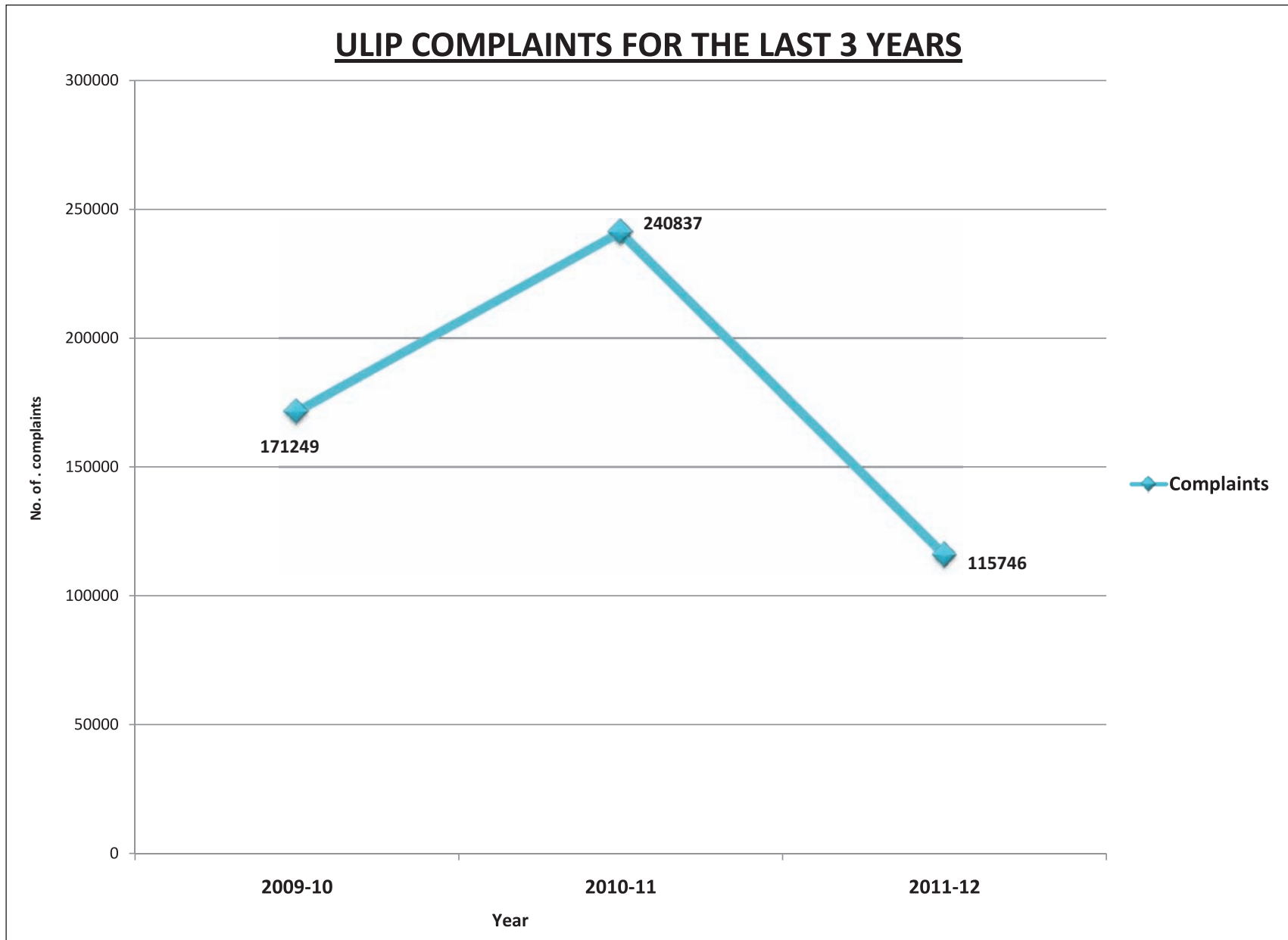


**CLASSIFICATION OF LIFE COMPLAINTS FOR 2011-12**

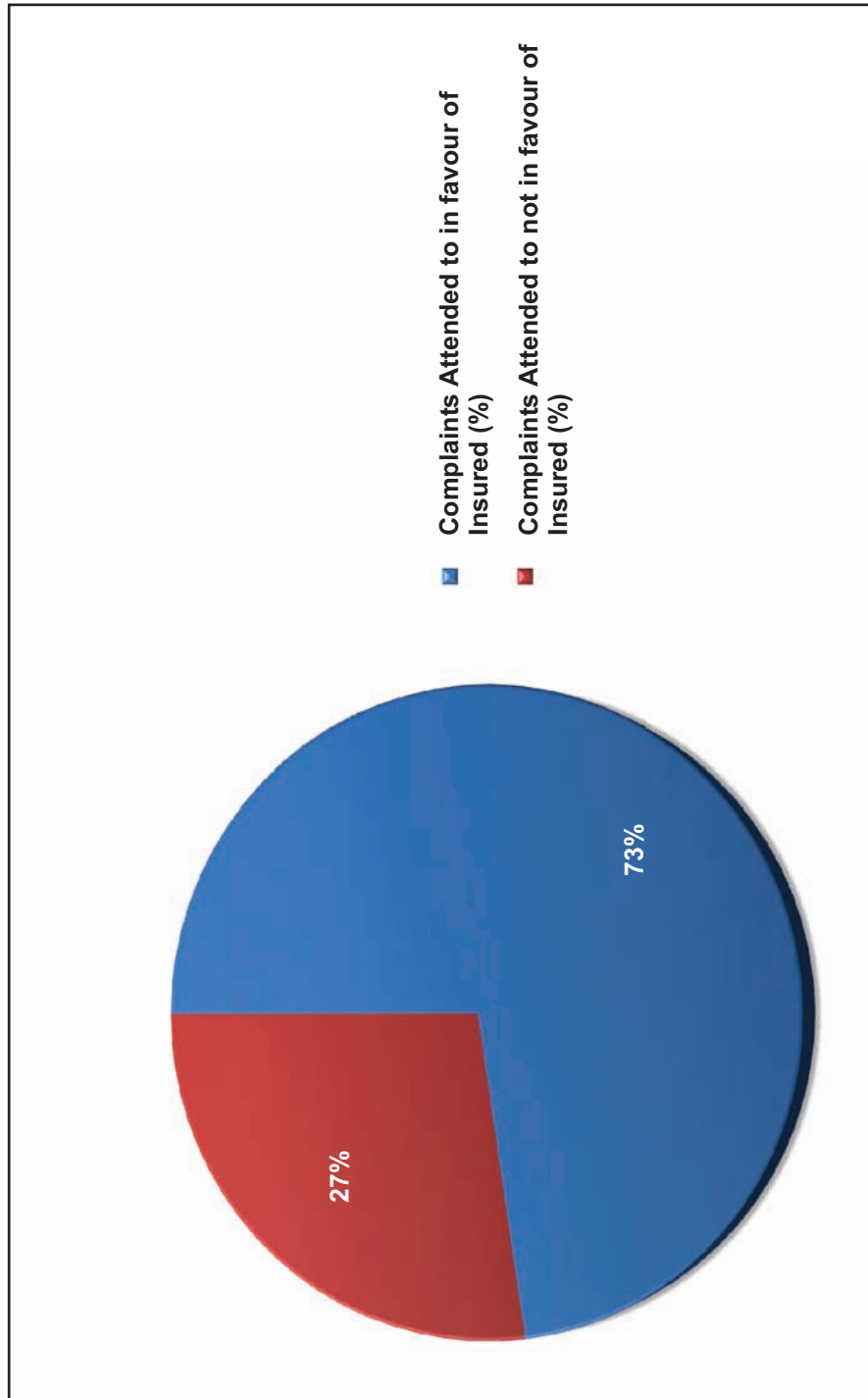


**ANALYSIS OF 'UNFAIR BUSINESS PRACTICE' COMPLAINTS (2011-12)**

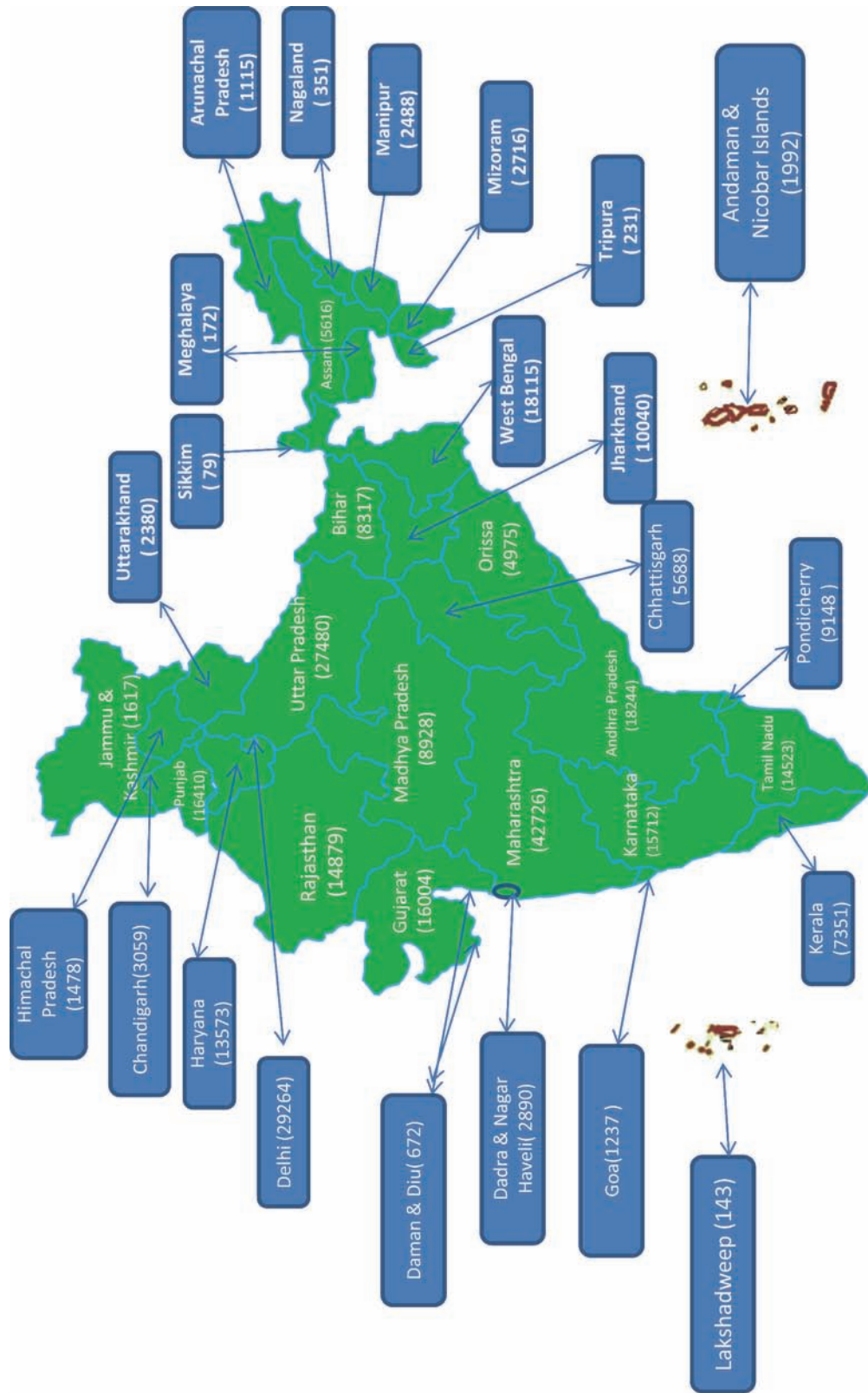
<b>S. No.</b>	<b>Complaint Description</b>	<b>Conventional</b>	<b>Health</b>	<b>Others</b>	<b>Pension</b>	<b>ULIP</b>	<b>Total</b>
1	Advice concerning Exclusions/limitations of cover not communicated	71	4	15	6	122	<b>218</b>
2	Annuity/Commutation/Cash Option /Rider/other Options not included as requested	359	2	29	42	34	<b>466</b>
3	Credit/Debit card debited without consent of Consumer	139	6	5	3	106	<b>259</b>
4	Do Not Call Registry	121	0	78	6	146	<b>351</b>
5	Free-look refund not paid	3284	60	464	85	2350	<b>6243</b>
6	Illegitimate inducements offered	1635	2	99	33	562	<b>2331</b>
7	Intermediary did not provide material information concerning proposed cover	614	10	75	29	793	<b>1521</b>
8	Malpractices	20529	296	2450	563	10961	<b>34799</b>
9	Misappropriation of premiums	2581	94	377	74	2243	<b>5369</b>
10	Mode of premium payment differs from requested or disclosed	727	12	99	24	448	<b>1310</b>
11	Premium paying period projected is different from actual	2127	38	94	41	1624	<b>3924</b>
12	Product differs from what was requested or disclosed.	10179	222	498	292	7484	<b>18675</b>
13	Proposed Insurance not in the interest of proposer	1928	45	74	26	1809	<b>3882</b>
14	Single premium Policy issued as Annual premium policy	4027	10	569	164	4040	<b>8810</b>
15	Surrender value projected is different from actual	447	3	75	21	471	<b>1017</b>
16	Tampering, Corrections, forgery of proposal or related papers	6186	79	368	148	3067	<b>9848</b>
17	Term(Period) of the policy is different/alterd without consent	912	5	100	35	442	<b>1494</b>
18	Spurious Calls	0	0	253	0	0	<b>253</b>
	<b>Total</b>	<b>55866</b>	<b>888</b>	<b>5722</b>	<b>1592</b>	<b>36702</b>	<b>100770</b>



**COMPLAINTS ATTENDED TO - IN FAVOUR /NOT IN FAVOUR OF INSURED**  
**- LIFE (2011-12)**



**STATE WISE DISTRIBUTION OF LIFE COMPLAINTS (2011-12)**





## **DATA ON GRIEVANCES NON-LIFE INSURERS**

1. Cursory glance of registered and 'attended to' Non-Life Complaints for the last 3 years
2. Complaints registered against Non-Life Insurers for the last 3 years – Graphical Presentation
3. Movement of Complaints for 2010-11 & 2011-12
4. Analysis of Non-Life Complaints for 2011-12
5. Classification of Non-Life Complaints for 2011-12  
-Graphical Presentation
6. Class-wise Non-Life Industry Complaints for the last 3 Years
7. Class-wise Non-Life Complaints for the last 3 years - Graphical Presentation
8. Analysis of Health Insurance Complaints for 2011-12
9. Health Insurance Complaints for 2011-12 - Graphical Presentation
10. Analysis of Motor Insurance Complaints for 2011-12
11. Motor Insurance Complaints for 2011-12 – Graphical Presentation
12. Complaints 'attended to' – in favour/not in favour of insured (2011-12)
13. State-wise Distribution of Complaints for 2011-12



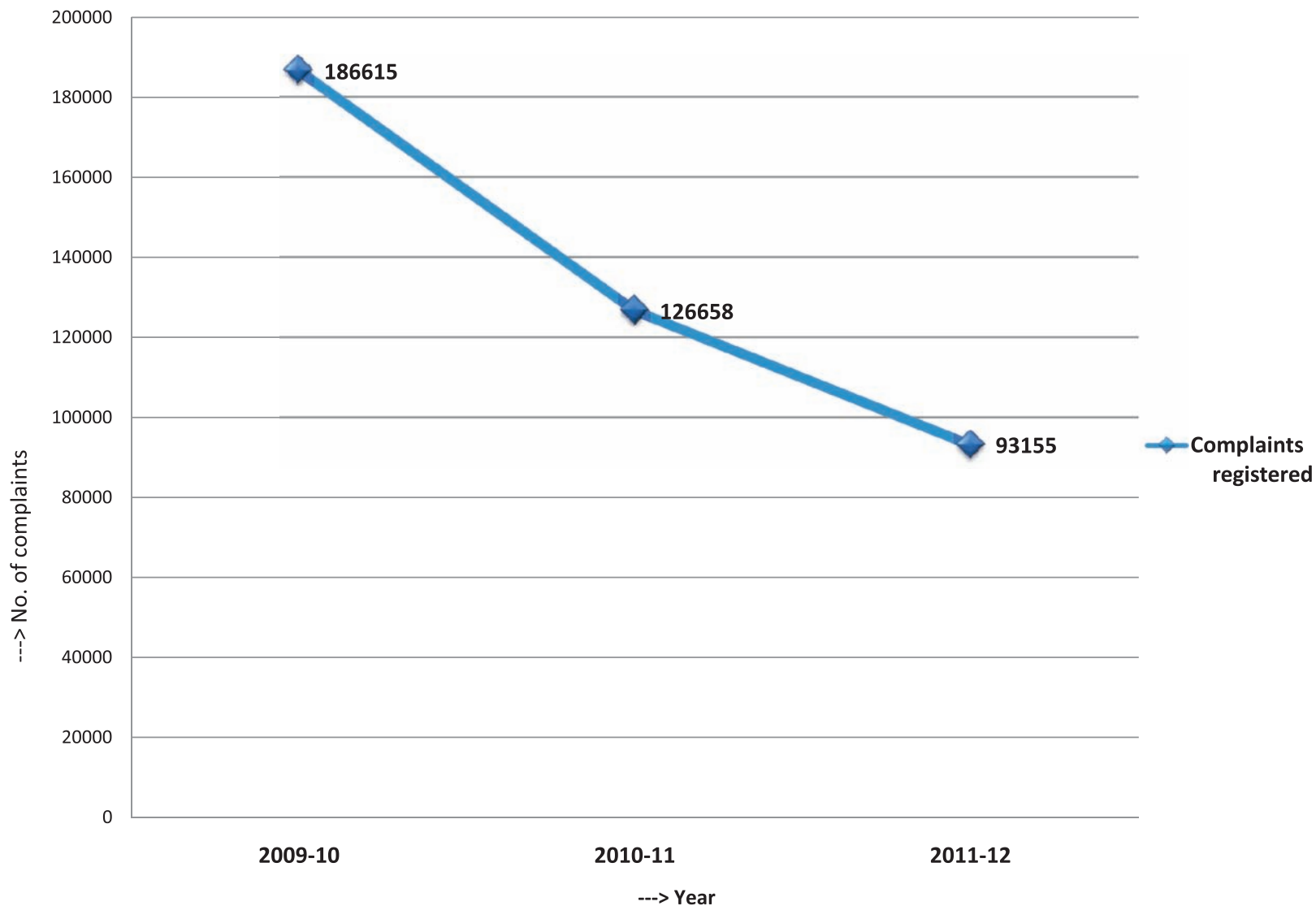


**CURSORY GLANCE OF REGISTERED AND ATTENDED TO NON-LIFE COMPLAINTS**

S.No.	Description	2009-10		2010-11		2011-12	
		Registered	Attended to	Registered	Attended to	Registered	Attended to
1	Complaints registered by Policyholders directly online in IGMS*	-	-	-	-	3070	2740
2	Complaints registered through IRDA	2076	2173	5274	4401	4861	4448
3	Complaints registered by Life Insurers	186615	192737	126658	127208	85224	84372
<b>Total:</b>		<b>188691</b>	<b>194910</b>	<b>131932</b>	<b>131609</b>	<b>93155</b>	<b>91560</b>

\* IGMS implementation since 01.04.2011

### COMPLAINTS REGISTERED AGAINST NON-LIFE INSURERS FOR THE LAST 3 YEARS



## MOVEMENT OF COMPLAINTS - NON-LIFE INSURERS

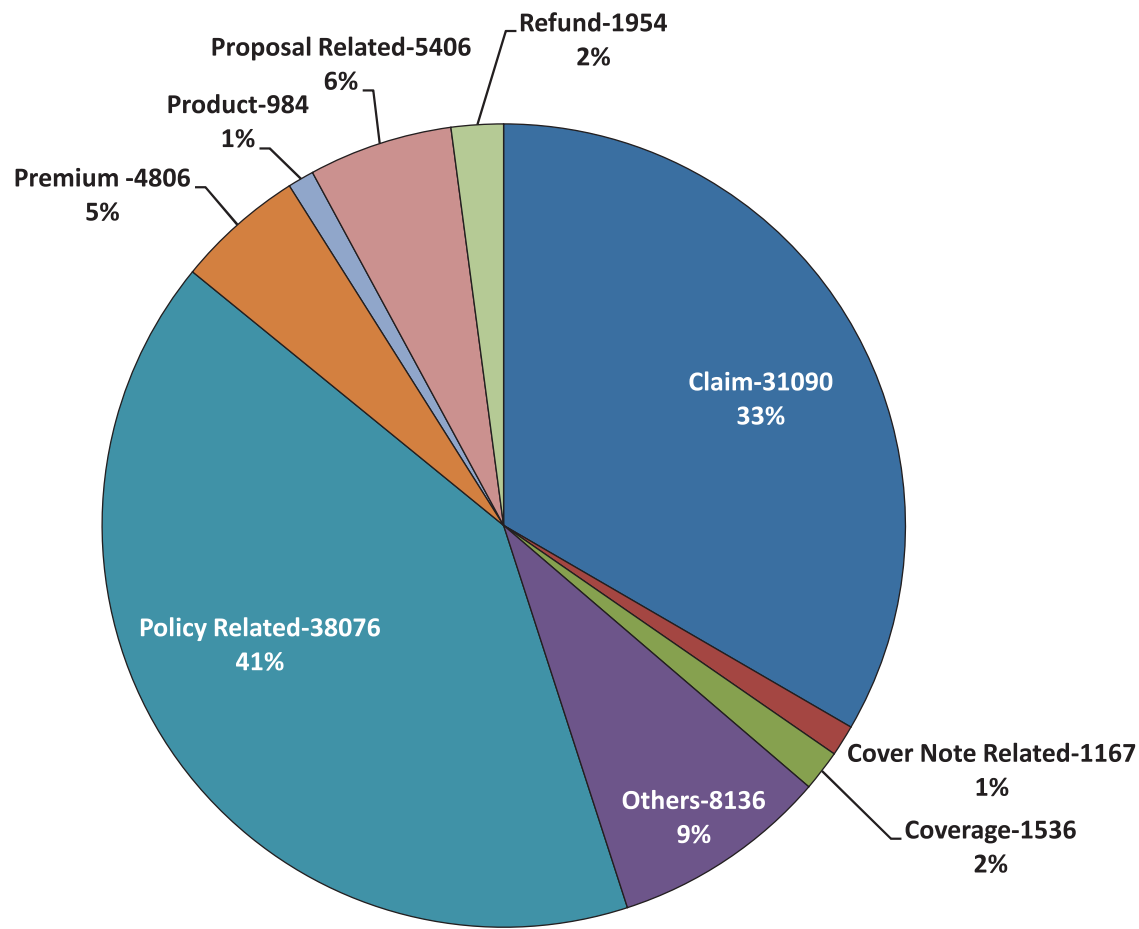
		2010-11				2011-12		
S.No	Name of the Insurer	Opening Balance	Reported during the year	Attended to during the year	Pending at the end of the year *	Reported during the year	Attended to during the year	Pending at the end of the year
1	Agriculture Insurance	0	486	459	27	0	0	0
2	ECGC of India	17	315	318	14	63	0	63
3	National Insurance	581	653	605	629	2426	1792	634
4	The New India Assurance	586	3963	4131	418	2035	1975	60
5	The Oriental Insurance	77	4393	3418	1052	4391	3923	468
6	United India Insurance	71	3596	3394	273	3743	3420	323
<b>(i) Total - PSU insurers</b>		<b>1332</b>	<b>13406</b>	<b>12325</b>	<b>2413</b>	<b>12658</b>	<b>11110</b>	<b>1548</b>
1	Apollo MUNICH Health Insurance	6	868	806	68	1117	1117	0
2	Bajaj Allianz General Insurance	19	11303	11280	42	11728	11727	1
3	Bharati Axa General Insurance	134	2455	2589	0	2701	2701	0
4	Cholamandalam MS General Insurance	89	6605	6589	105	10728	10725	3
5	Future Generali India Ins.	35	3096	3116	15	2336	2336	0
6	HDFC ERGO General Insurance	1	3633	3611	23	1917	1917	0
7	ICICI Lombard General Insurance	15	12829	12469	375	23735	23731	4
8	IFFCO Tokio General Insurance	168	4259	4240	187	4137	4137	0
9	L&T General Insurance	0	0	0	0	103	103	0
10	Max Bupa Health Insurance	0	355	339	16	735	734	1
11	Raheja QBE	0	0	0	0	3	3	0
12	Reliance General Insurance	4808	16357	16489	4676	9715	9682	33
13	Royal Sundaram Alliance General Insurance	1373	29618	30988	3	5884	5884	0
14	SBI General Insurance	0	24	20	4	447	445	2
15	Shriram General Insurance	0	316	316	0	169	168	1
16	Star Health and Allied Insurance	157	1976	1966	167	441	440	1
17	Tata- AIG General Insurance	753	19422	19943	232	4332	4331	1
18	Universal Sompo General Ins	5	136	122	19	269	269	0
<b>(ii) Total Private Insurers</b>		<b>7563</b>	<b>113252</b>	<b>114883</b>	<b>5932</b>	<b>80497</b>	<b>80450</b>	<b>47</b>
<b>(iii) Grand Total [ (i)+(ii)]</b>		<b>8895</b>	<b>126658</b>	<b>127208</b>	<b>8345</b>	<b>93155</b>	<b>91560</b>	<b>1595</b>

\*All pending complaints as on 31.03.2011 were 'Attended to' during 2011-12. Figures for 2011-12 reflects data from IGMS repository

**ANALYSIS OF REGISTERED NON-LIFE COMPLAINTS FOR 2011-12**

S.No.	Name of the Insurer	Claims Related	Cover Note Related	Others	Policy Related	Premium Related	Product Related	Proposal Related	Refund	Total
1	Agriculture Insurance	0	0	0	0	0	0	0	0	0
2	ECGC of India	47	0	13	1	2	0	0	0	63
3	National Insurance	1525	28	532	225	43	5	12	28	2426
4	The New India Assurance	1692	1	105	151	40	2	2	30	2035
5	The Oriental Insurance	2648	27	35	776	200	2	10	78	4391
6	United India Insurance	2555	42	32	540	105	9	21	62	3743
	<b>(i) Total - PSU insurers</b>	<b>8467</b>	<b>98</b>	<b>107</b>	<b>1693</b>	<b>390</b>	<b>18</b>	<b>45</b>	<b>198</b>	<b>12658</b>
1	Apollo MUNICH Health Insurance	275	16	0	532	26	47	60	63	1117
2	Bajaj Allianz General Insurance	2057	239	83	7994	312	34	249	368	11728
3	Bharati Axa General Insurance	972	36	13	1371	40	26	29	53	2701
4	Cholamandalam MS General Insurance	4537	15	8	5807	30	65	9	129	10728
5	Future Generali India Ins.	880	47	4	1143	18	24	17	14	2336
6	HDFC ERGO General Insurance	457	45	5	1183	4	5	65	21	1917
7	ICICI Lombard General Insurance	3884	582	825	6809	3252	437	4796	640	23735
8	IFFCO Tokio General Insurance	1791	9	15	1905	32	3	3	41	4137
9	L&T General Insurance	28	0	1	68	2	0	0	0	103
10	Max Bupa Health Insurance	72	0	25	124	11	208	90	31	735
11	Raheja QBE	0	1	0	1	0	0	1	0	3
12	Reliance General Insurance	5746	76	5	2370	49	97	10	41	9715
13	Royal Sundaram Alliance General Insurance	709	0	10	4109	423	13	1	112	5884
14	SBI General Insurance	9	0	4	408	6	3	1	2	447
15	Shriram General Insurance	127	0	0	26	1	0	2	7	169
16	Star Health and Allied Insurance	342	0	4	42	11	0	3	3	441
17	Tata-AIG General Insurance	688	3	427	2308	188	4	23	226	4332
18	Universal Sampo General Ins	49	0	0	183	11	0	2	5	269
	<b>(ii) Total Private Insurers</b>	<b>22623</b>	<b>1069</b>	<b>1429</b>	<b>36383</b>	<b>4416</b>	<b>966</b>	<b>5361</b>	<b>1756</b>	<b>80497</b>
	<b>(iii) Grand Total [ (i)+(ii) ]</b>	<b>31090</b>	<b>1167</b>	<b>1536</b>	<b>38076</b>	<b>4806</b>	<b>984</b>	<b>5406</b>	<b>1954</b>	<b>93155</b>

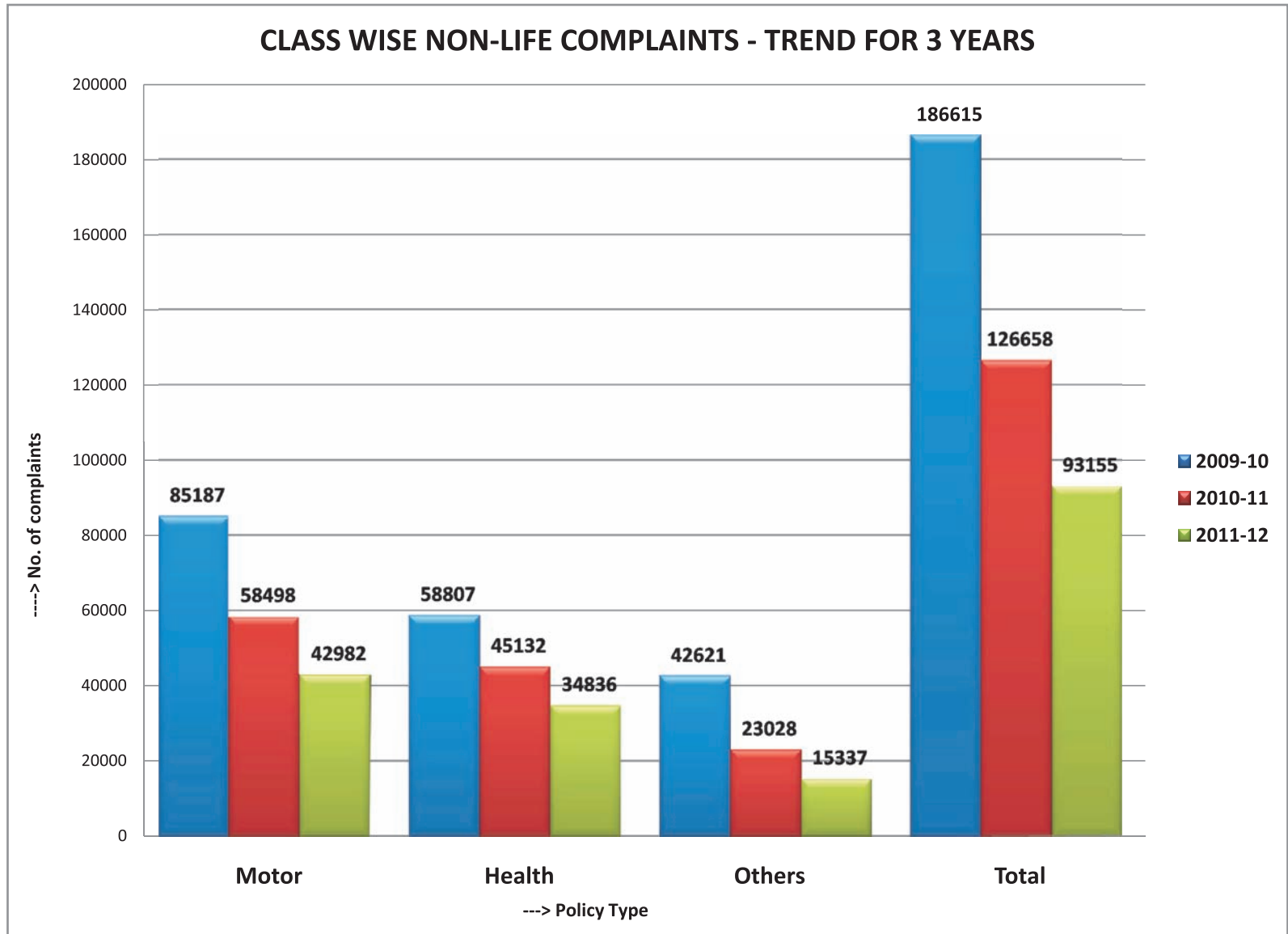
### CLASSIFICATION OF NON-LIFE COMPLAINTS FOR 2011-12



**Total No. of Complaints : 93155**

**CLASS-WISE NON-LIFE INDUSTRY COMPLAINTS FOR THREE YEARS**

<b>S.No.</b>	<b>Sector of Insurance</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
1	Motor	85187	58498	42982
2	Health	58807	45132	34836
3	Others	42621	23028	15337
	Total:	186615	126658	93155

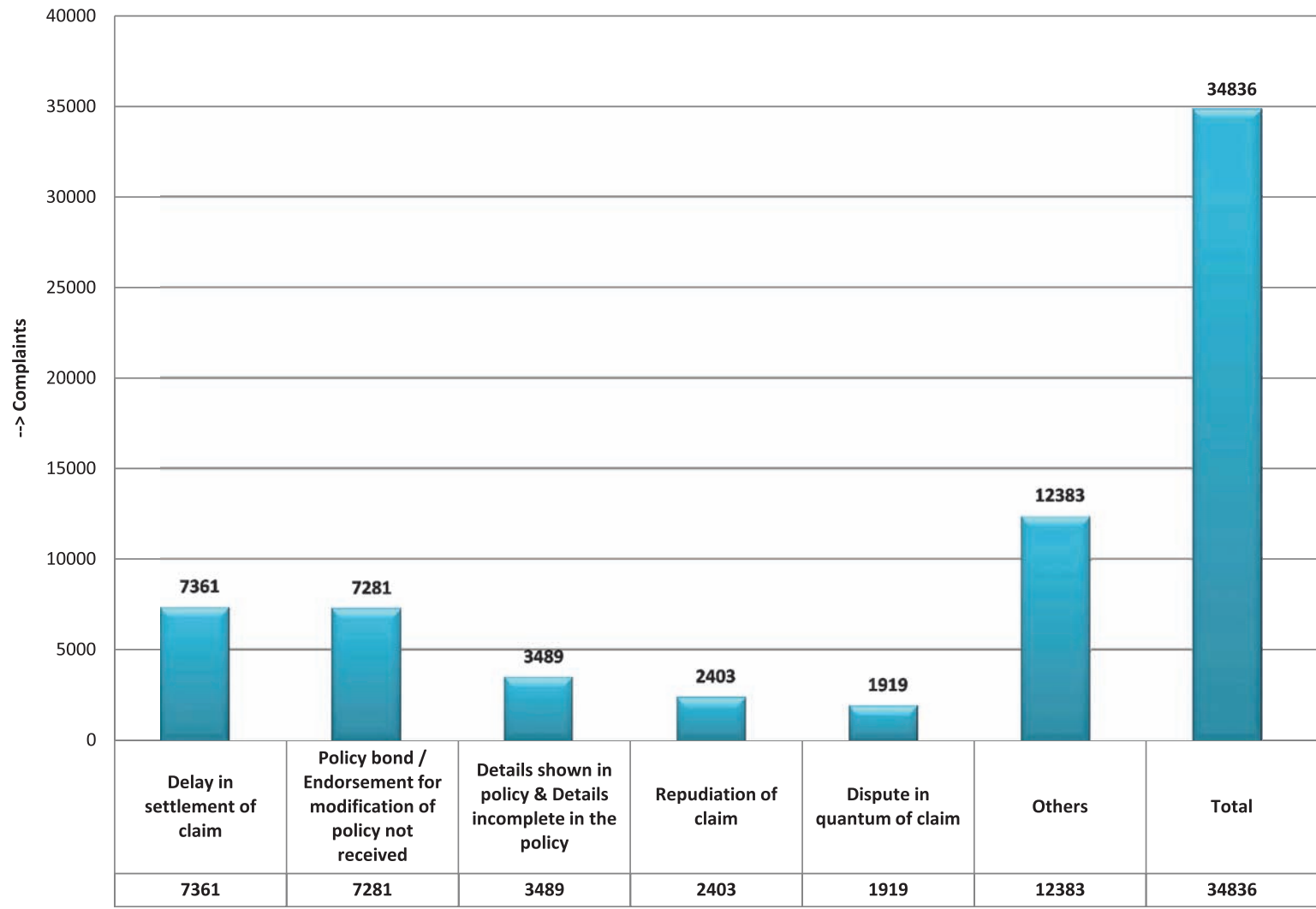


**ANALYSIS OF HEALTH INSURANCE COMPLAINTS (2011-12)**

<b>S.No</b>	<b>Classification</b>	<b>No. of complaints</b>
1	Delay in settlement of claim	7361
2	Policy bond / Endorsement for modification of policy not received	7281
3	Details shown in policy & Details incomplete in the policy	3489
4	Repudiation of claim	2403
5	Dispute in quantum of claim	1919
6	Others	12383
	<b>Total</b>	<b>34836</b>

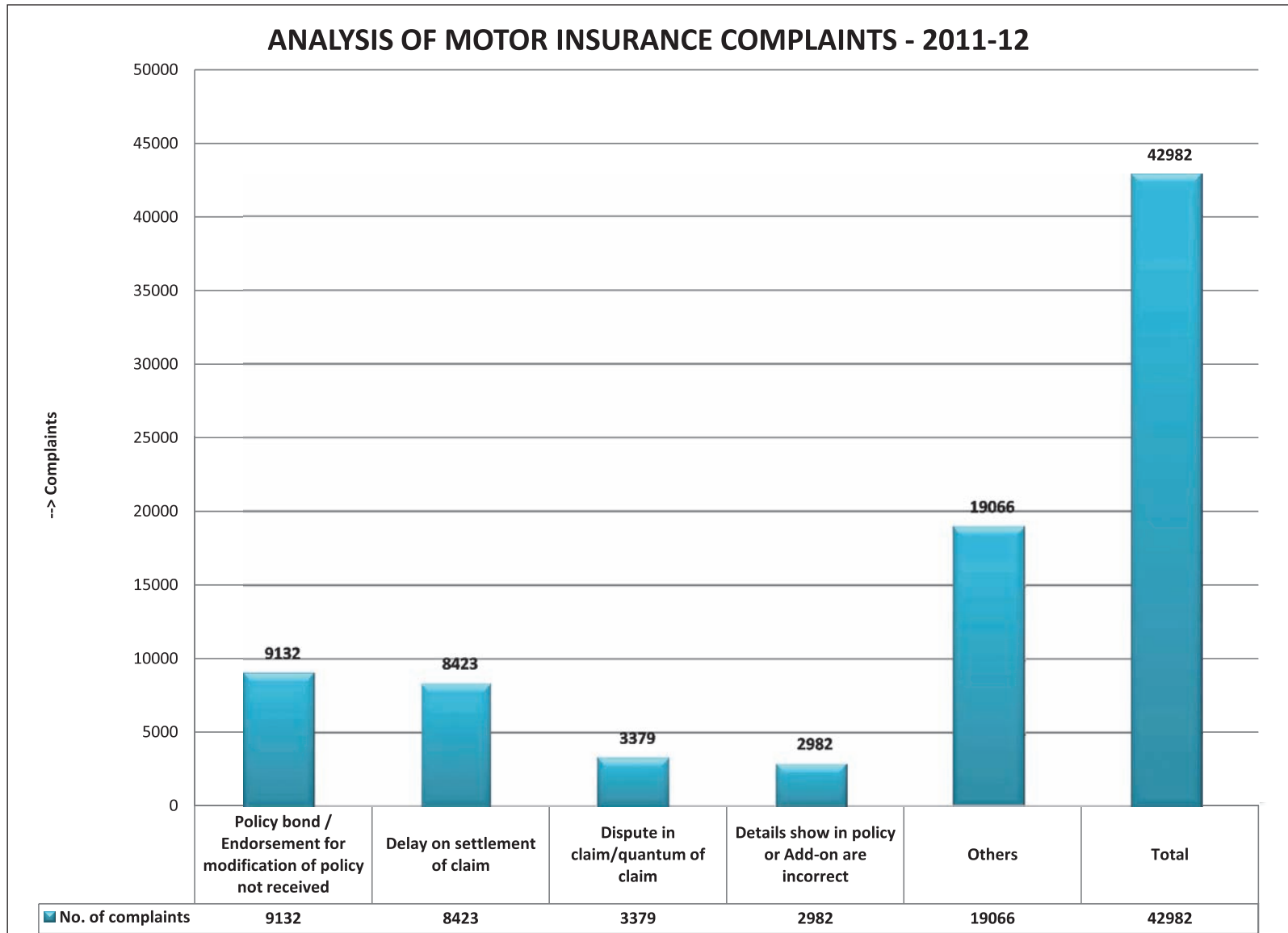


## ANALYSIS OF HEALTH INSURANCE COMPLAINTS (2011-12)

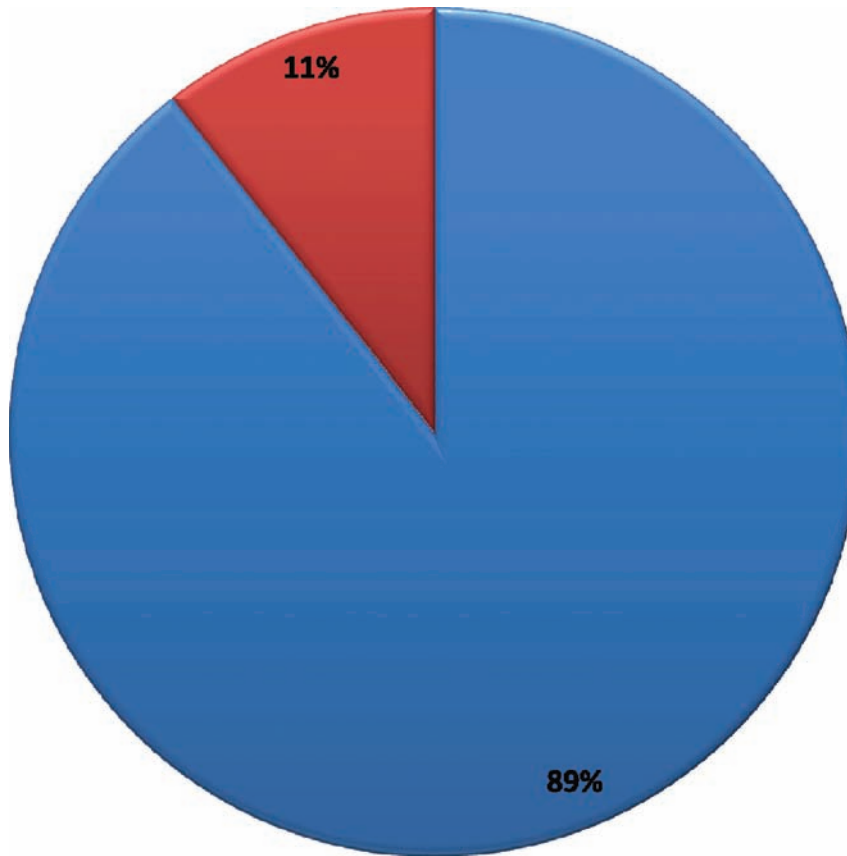


**ANALYSIS OF MOTOR INSURANCE COMPLAINTS 2011-12**

<b>S.No</b>		<b>No. of complaints</b>
1	Policy bond / Endorsement for modification of policy not received	9132
2	Delay on settlement of claim	8423
3	Dispute in claim/quantum of claim	3379
4	Details show in policy or Add-on are incorrect	2982
5	Others	19066
	<b>Total</b>	<b>42982</b>

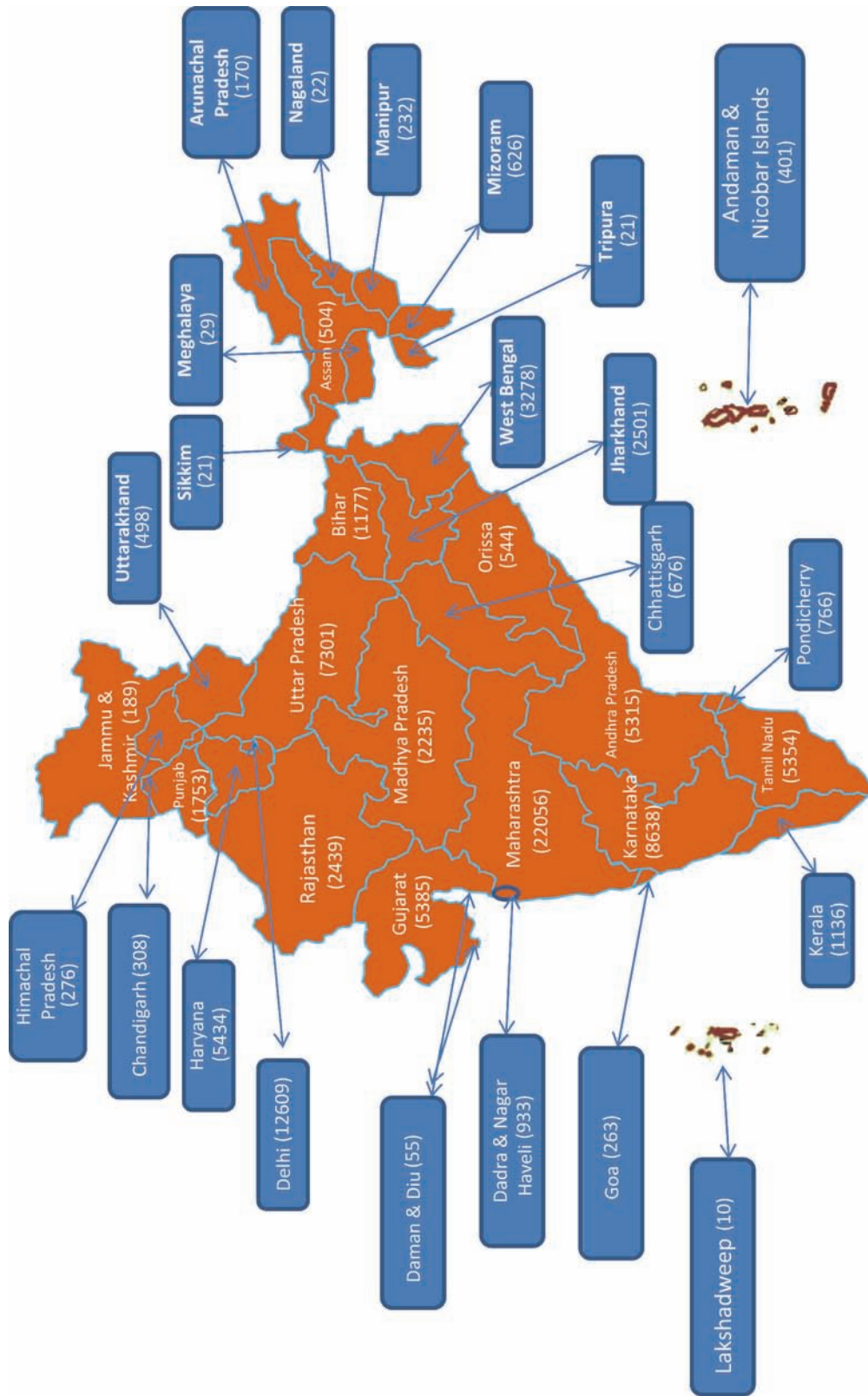


**COMPLAINTS ATTENDED TO - IN FAVOUR /NOT IN FAVOUR OF INSURED**  
**- NON LIFE (2011-12 )**



- Complaints 'Attended to' In favour of Insured (%)
- Complaints 'Attended to' not in favour of Insured(%)

**STATE WISE DISTRIBUTION OF COMPLAINTS NON LIFE (2011-12)**





## **INSURANCE OMBUDSMEN**

1. Cursory Glance of Complaints received for the last 3 years
2. Complaints received for the last 3 years – Graphical Presentation
3. Disposal of Complaints for 2010-11 and 2011-12
4. Classification of Complaints received for 2010-11 and 2011-12 – Graphical Presentation

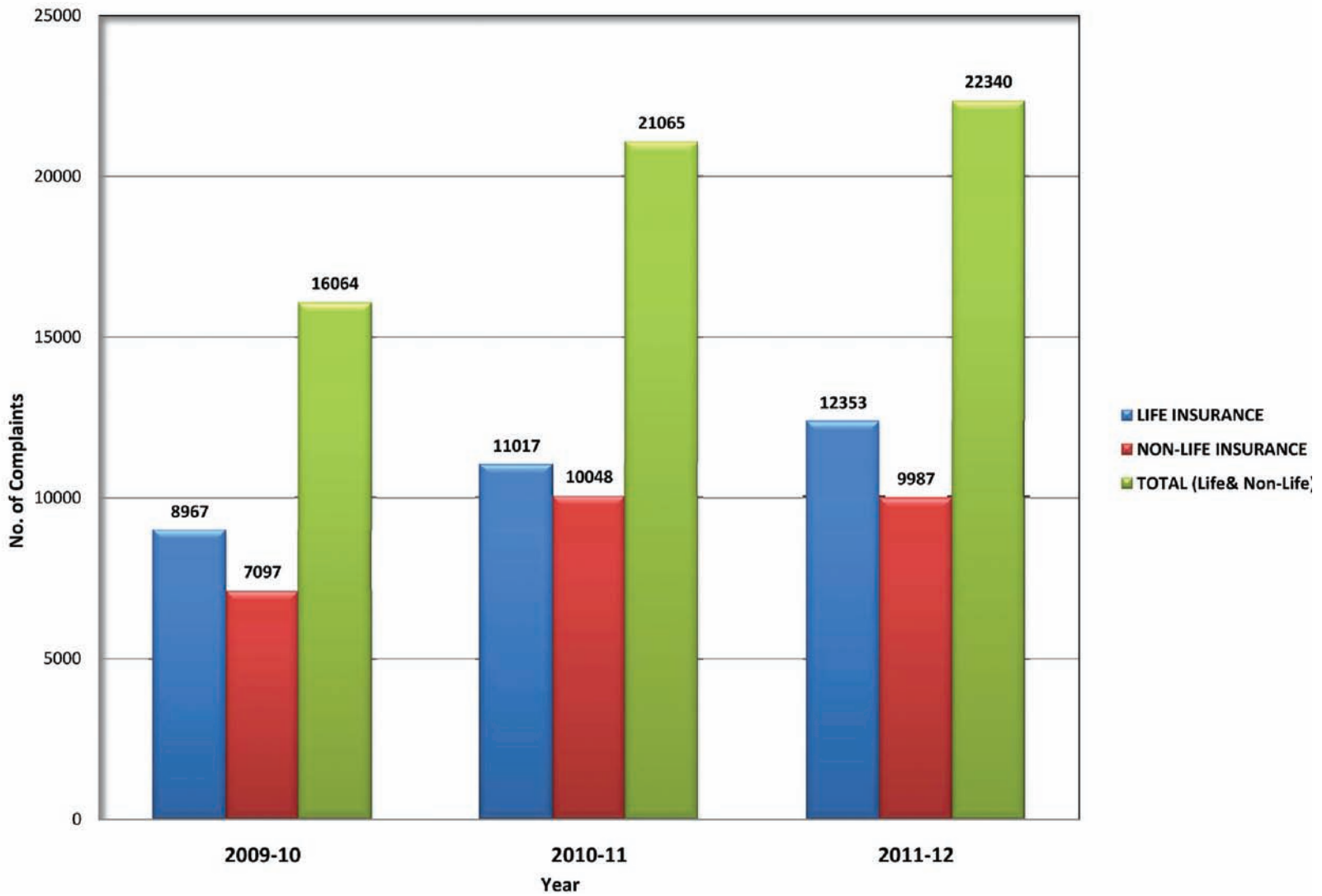




**COMPLAINTS RECEIVED BY INSURANCE OMBUDSMEN -  
CURSORY GLANCE**

<b>Insurance Type</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
LIFE INSURANCE	8967	11017	12353
NON-LIFE INSURANCE	7097	10048	9987
<b>TOTAL (Life &amp; Non-Life)</b>	<b>16064</b>	<b>21065</b>	<b>22340</b>

### COMPLAINTS RECEIVED BY THE OMBUDSMEN



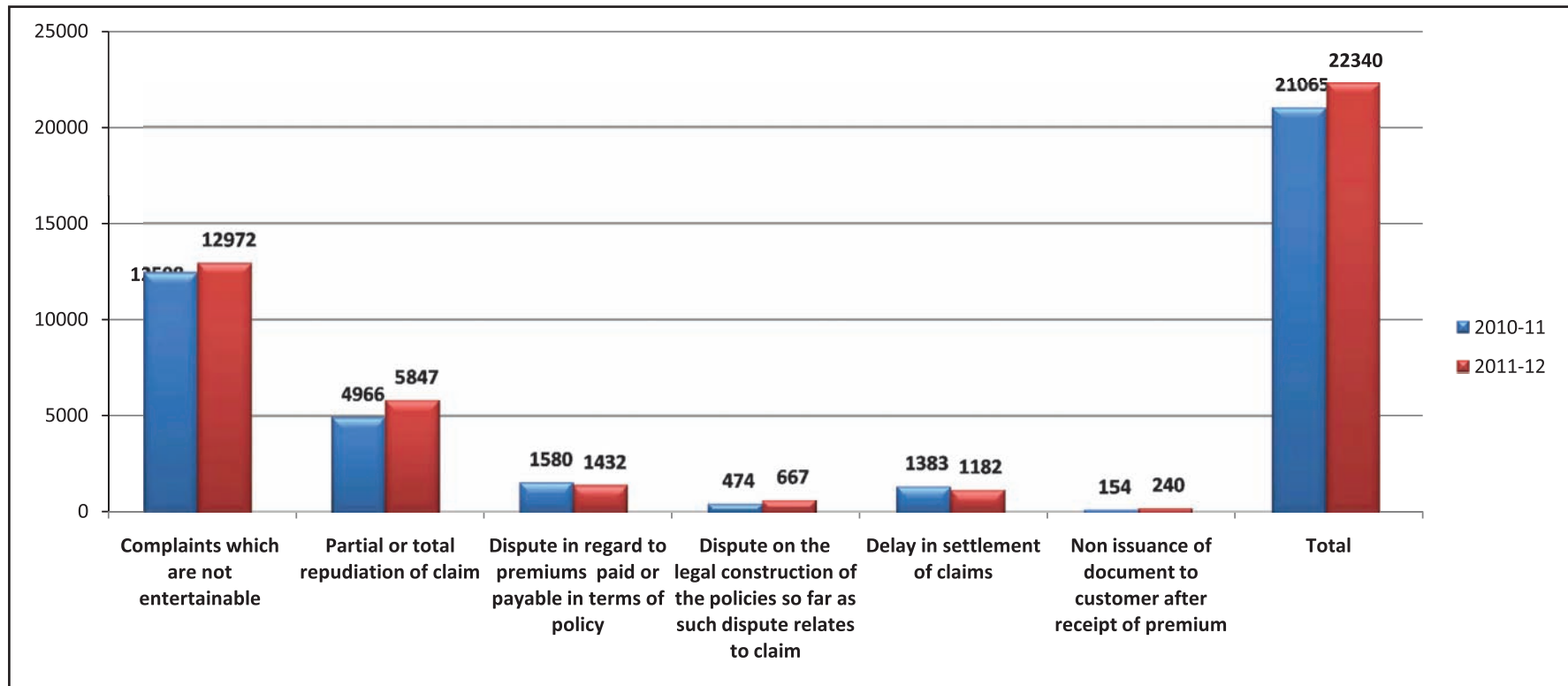
**DISPOSAL OF COMPLAINTS BY THE INSURANCE OMBUDSMEN**

Particulars	2010-11				2011-12			
	O/S as on 31.03.2010	Received	Disposed	O/S as on 31.03.2011	O/S as on 01.04.2011	Received	Disposed	O/S as on 31.03.2012
1. Against Life & General Insurers	2269	21065	17239	6095	6021	22340	21185	7176
2. Against Life Insurers	888	11017	9551	2354	2343	12353	11850	2846
3. Against General Insurers	1381	10048	7688	3741	3678	9987	9335	4330

**Note:** Post the publication of data in the booklet for 2010-11 there were certain changes in the data furnished by the GBIC. Hence, there is difference in the numbers as at the end of 31.3.2011 and beginning as on 1.4.2011

## CLASSIFICATION OF COMPLAINTS RECEIVED BY THE INSURANCE OMBUDSMEN (Life & General Insurers)

Particulars	Complaints which are not entertainable	Partial or total repudiation of claim	Dispute in regard to premiums paid or payable in terms of policy	Dispute on the legal construction of the policies so far as such dispute relates to claim	Delay in settlement of claims	Non issuance of document to customer after receipt of premium	Total
2010-11	12508	4966	1580	474	1383	154	21065
2011-12	12972	5847	1432	667	1182	240	22340



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# **REGULATORY FRAME WORK FOR GRIEVANCE REDRESSAL IN INSURANCE SECTOR**





## Insurance Regulatory and Development Authority (Protection of Policyholders' Interests) Regulations, 2002.

*In exercise of the powers conferred by clause (zc) of sub-section (2) of section 114A of the Insurance Act, 1938 (4 of 1938) read with sections 14 and 26 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), the Authority, in consultation with the Insurance Advisory Committee, hereby makes the following regulations, namely:*

### Short title and commencement

1. (1) These regulations may be called the Insurance Regulatory and Development Authority (Protection of Policyholders' Interests) Regulations, 2002

(2) They shall come into force on the date of their publication in the Official Gazette and shall apply to all contracts of insurance effected thereafter, except regulation 4(1) which shall come into force on 1st October, 2002.

(3) These Regulations are in addition to any other regulations made by the Authority, which may, inter alia, provide for protection of the interest of policyholders.

(4) These Regulations apply to all insurers, insurance agents, insurance intermediaries and policyholders.

### Definitions

2. (1) In these regulations, unless the context otherwise requires:

- (a) "Act" means the Insurance Act, 1938 (4 of 1938);
- (b) "Authority" means the Insurance Regulatory and Development Authority established under the provisions of section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
- (c) "Cover" means an insurance contract whether in the form of a policy or a cover note or a Certificate of Insurance or any other form prevalent in the industry to evidence the existence of an insurance contract;
- (d) "Proposal form" means a form to be filled in by the proposer for insurance, for furnishing all material information required by the insurer in respect of a risk, in order to enable the insurer to decide

whether to accept or decline, to undertake the risk, and in the event of acceptance of the risk, to determine the rates, terms and conditions of a cover to be granted.

**Explanation:** "Material" for the purpose of these regulations shall mean and include all important, essential and relevant information in the context of underwriting the risk to be covered by the insurer.

- (e) "Prospectus" means a document issued by the insurer or in its behalf to the prospective buyers of insurance, and should contain such particulars as are mentioned in Rule 11 of Insurance Rules, 1939 and includes a brochure or leaflet serving the purpose. Such a document should also specify the type and character of riders on the main product indicating the nature of benefits flowing thereupon;
- (f) Words and expressions used and not defined in these regulations, but defined in the Act, or the Life Insurance Corporation Act, 1956, (31 of 1956) or the General Insurance Business (Nationalisation) Act 1972 (57 of 1972), or the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) or the Insurance Rules, 1939 shall have the meanings respectively assigned to them in those Acts or the Rules.

### 3. Point of Sale

(1) Notwithstanding anything mentioned in regulation 2(e) above, a prospectus of any insurance product shall clearly state the scope of benefits, the extent of insurance cover and in an explicit manner explain the warranties, exceptions and conditions of the insurance cover and, in case of life insurance, whether the product is participating (with-profits) or non-participating (without-profits). The allowable rider or riders on the product shall be clearly spelt out with regard to their scope of benefits, and in no case, the

premium relatable to all the riders put together shall exceed 30% of the premium of the main product.

Explanation: The rider or riders attached to a life policy shall bear the nature and character of the main policy, viz. participating or non-participating and accordingly the life insurer shall make provisions, etc., in its books.

(2) An insurer or its agent or other intermediary shall provide all material information in respect of a proposed cover to the prospect to enable the prospect to decide on the best cover that would be in his or her interest.

(3) Where the prospect depends upon the advice of the insurer or his agent or an insurance intermediary, such a person must advise the prospect dispassionately.

(4) Where, for any reason, the proposal and other connected papers are not filled by the prospect, a certificate may be incorporated at the end of proposal form from the prospect that the contents of the form and documents have been fully explained to him and that he has fully understood the significance of the proposed contract.

(5) In the process of sale, the insurer or its agent or any intermediary shall act according to the code of conduct prescribed by:

- i) the Authority
- ii) the Councils that have been established under section 64C of the Act and
- iii) the recognized professional body or association of which the agent or intermediary or insurance intermediary is a member.

#### 4. Proposal for insurance

(1) Except in cases of a marine insurance cover, where current market practices do not insist on a written proposal form, in all cases, a proposal for grant of a cover, either for life business or for general business, must be evidenced by a written document. It is the duty of an insurer to furnish to the insured free of charge, within 30 days of the acceptance of a proposal, a copy of the proposal form.

(2) Forms and documents used in the grant of cover may, depending upon the circumstances of each case, be made available in languages recognised under the

Constitution of India.

(3) In filling the form of proposal, the prospect is to be guided by the provisions of Section 45 of the Act. Any proposal form seeking information for grant of life cover may prominently state therein the requirements of Section 45 of the Act.

(4) Where a proposal form is not used, the insurer shall record the information obtained orally or in writing, and confirm it within a period of 15 days thereof with the proposer and incorporate the information in its cover note or policy. The onus of proof shall rest with the insurer in respect of any information not so recorded, where the insurer claims that the proposer suppressed any material information or provided misleading or false information on any matter material to the grant of a cover.

(5) Wherever the benefit of nomination is available to the proposer, in terms of the Act or the conditions of policy, the insurer shall draw the attention of the proposer to it and encourage the prospect to avail the facility.

(6) Proposals shall be processed by the insurer with speed and efficiency and all decisions thereof shall be communicated by it in writing within a reasonable period not exceeding 15 days from receipt of proposals by the insurer.

#### 5. Grievance redressal procedure

Every insurer shall have in place proper procedures and effective mechanism to address complaints and grievances of policyholders efficiently and with speed and the same along-with the information in respect of Insurance Ombudsman shall be communicated to the policyholder along-with the policy document and as maybe found necessary.

#### 6. Matters to be stated in life insurance policy

- (1) A life insurance policy shall clearly state:
  - (a) the name of the plan governing the policy, its terms and conditions;
  - (b) whether it is participating in profits or not;
  - (c) the basis of participation in profits such as cash bonus, deferred bonus, simple or compound reversionary bonus;
  - (d) the benefits payable and the contingencies

upon which these are payable and the other terms and conditions of the insurance contract;

- (e) the details of the riders attaching to the main policy;
  - (f) the date of commencement of risk and the date of maturity or date(s) on which the benefits are payable;
  - (g) the premiums payable, periodicity of payment, grace period allowed for payment of the premium, the date the last instalment of premium, the implication of discontinuing the payment of an instalment(s) of premium and also the provisions of a guaranteed surrender value.
  - (h) the age at entry and whether the same has been admitted;
  - (i) the policy requirements for (a) conversion of the policy into paid up policy, (b) surrender (c) non-forfeiture and (d) revival of lapsed policies;
  - (j) contingencies excluded from the scope of the cover, both in respect of the main policy and the riders;
  - (k) the provisions for nomination, assignment, and loans on security of the policy and a statement that the rate of interest payable on such loan amount shall be as prescribed by the insurer at the time of taking the loan;
  - (l) any special clauses or conditions, such as, first pregnancy clause, suicide clause etc.; and
  - (m) the address of the insurer to which all communications in respect of the policy shall be sent.
  - (n) the documents that are normally required to be submitted by a claimant in support of a claim under the policy.
- (2) While acting under regulation 6(1) in forwarding the policy to the insured, the insurer shall inform by the letter forwarding the policy that he has a period of 15 days from the date of receipt of the policy document to review the terms and conditions of the policy and where the insured disagrees to any of those terms or conditions, he has the option to return the policy stating the reasons for his objection, when he shall be entitled to a refund of the premium paid, subject only to a deduction of a proportionate risk premium for the

period on cover and the expenses incurred by the insurer on medical examination of the proposer and stamp duty charges.

- (3) In respect of a unit linked policy, in addition to the deductions under sub-regulation (2) of this regulation, the insurer shall also be entitled to repurchase the unit at the price of the units on the date of cancellation.
- (4) In respect of a cover, where premium charged is dependent on age, the insurer shall ensure that the age is admitted as far as possible before issuance of the policy document. In case where age has not been admitted by the time the policy is issued, the insurer shall make efforts to obtain proof of age and admit the same as soon as possible.

#### **7. Matters to be stated in general insurance policy**

- (1) A general insurance policy shall clearly state:
  - (a) the name(s) and address(es) of the insured and of any bank(s) or any other person having financial interest in the subject matter of insurance;
  - (b) full description of the property or interest insured;
  - (c) the location or locations of the property or interest insured under the policy and, where appropriate, with respective insured values;
  - (d) period of Insurance;
  - (e) sums insured;
  - (f) perils covered and not covered;
  - (h) any franchise or deductible applicable;
  - (i) premium payable and where the premium is provisional subject to adjustment, the basis of adjustment of premium be stated;
  - (j) policy terms, conditions and warranties;
  - (k) action to be taken by the insured upon occurrence of a contingency likely to give rise to a claim under the policy;
  - (l) the obligations of the insured in relation to the subject matter of insurance upon occurrence of an event giving rise to a claim and the rights of the

insurer in the circumstances;

(m) any special conditions attaching to the policy;

(n) provision for cancellation of the policy on grounds of mis-representation, fraud, non-disclosure of material facts or non-cooperation of the insured;

(o) the address of the insurer to which all communications in respect of the insurance contract should be sent;

(p) the details of the riders attaching to the main policy;

(q) proforma of any communication the insurer may seek from the policyholders to service the policy.

- (2) Every insurer shall inform and keep informed periodically the insured on the requirements to be fulfilled by the insured regarding lodging of a claim arising in terms of the policy and the procedures to be followed by him to enable the insurer to settle a claim early.

### **8. Claims procedure in respect of a life insurance policy**

(1) A life insurance policy shall state the primary documents which are normally required to be submitted by a claimant in support of a claim.

(2) A life insurance company, upon receiving a claim, shall process the claim without delay. Any queries or requirement of additional documents, to the extent possible, shall be raised all at once and not in a piecemeal manner, within a period of 15 days of the receipt of the claim.

(3) A claim under a life policy shall be paid or be disputed giving all the relevant reasons, within 30 days from the date of receipt of all relevant papers and clarifications required. However, where the circumstances of a claim warrant an investigation in the opinion of the insurance company, it shall initiate and complete such investigation at the earliest. Where in the opinion of the insurance company the circumstances of a claim warrant an investigation, it shall initiate and complete such investigation at the earliest, in any case not later than 6 months from the time of lodging the claim.

(4) Subject to the provisions of section 47 of the Act, where a claim is ready for payment but the payment cannot be made due to any reasons of a proper identification of the payee, the life insurer shall hold the amount for the benefit of the payee and such an amount shall earn interest at the rate applicable to a savings bank account with a scheduled bank (effective from 30 days following the submission of all papers and information).

(5) Where there is a delay on the part of the insurer in processing a claim for a reason other than the one covered by sub-regulation (4), the life insurance company shall pay interest on the claim amount at a rate which is 2% above the bank rate prevalent at the beginning of the financial year in which the claim is reviewed by it.

### **9. Claim procedure in respect of a general insurance policy**

(1) An insured or the claimant shall give notice to the insurer of any loss arising under contract of insurance at the earliest or within such extended time as may be allowed by the insurer. On receipt of such a communication, a general insurer shall respond immediately and give clear indication to the insured on the procedures that he should follow. In cases where a surveyor has to be appointed for assessing a loss/claim, it shall be so done within 72 hours of the receipt of intimation from the insured.

(2) Where the insured is unable to furnish all the particulars required by the surveyor or where the surveyor does not receive the full cooperation of the insured, the insurer or the surveyor as the case may be, shall inform in writing the insured about the delay that may result in the assessment of the claim. The surveyor shall be subjected to the code of conduct laid down by the Authority while assessing the loss, and shall communicate his findings to the insurer within 30 days of his appointment with a copy of the report being furnished to the insured, if he so desires. Where, in special circumstances of the case, either due to its special and complicated nature, the surveyor shall under intimation to the insured, seek an extension from the insurer for submission of his report. In no case shall a surveyor take more than six months from the date of his appointment to furnish his report.

(3) If an insurer, on the receipt of a survey report, finds that it is incomplete in any respect, he shall require the surveyor under intimation to the insured, to furnish an additional report on certain specific issues as may be required by the insurer. Such a request may be made by the insurer within 15 days of the receipt of the original survey report.

Provided that the facility of calling for an additional report by the insurer shall not be resorted to more than once in the case of a claim.

(4) The surveyor on receipt of this communication shall furnish an additional report within three weeks of the date of receipt of communication from the insurer.

(5) On receipt of the survey report or the additional survey report, as the case may be, an insurer shall within a period of 30 days offer a settlement of the claim to the insured. If the insurer, for any reasons to be recorded in writing and communicated to the insured, decides to reject a claim under the policy, it shall do so within a period of 30 days from the receipt of the survey report or the additional survey report, as the case may be.

(6) Upon acceptance of an offer of settlement as stated in sub-regulation (5) by the insured, the payment of the amount due shall be made within 7 days from the date of acceptance of the offer by the insured. In the cases of delay in the payment, the insurer shall be liable to pay interest at a rate which is 2% above the bank rate prevalent at the beginning of the financial year in which the claim is reviewed by it.

**10. Policyholders’ Servicing**

(1) An insurer carrying on life or general business, as the case may be, shall at all times, respond within 10 days of the receipt of any communication from its policyholders in all matters, such as:

- (a) recording change of address;
- (b) noting a new nomination or change of nomination under a policy;
- (c) noting an assignment on the policy;
- (d) providing information on the current status of a policy indicating matters, such as, accrued bonus, surrender value and entitlement to a loan;

- (e) processing papers and disbursal of a loan on security of policy;
- (f) issuance of duplicate policy;
- (g) issuance of an endorsement under the policy; noting a change of interest or sum assured or perils insured, financial interest of a bank and other interests; and
- (h) guidance on the procedure for registering a claim and early settlement thereof.

**11. General**

(1) The requirements of disclosure of “material information” regarding a proposal or policy apply, under these regulations, both to the insurer and the insured.

(2) The policyholder shall assist the insurer, if the latter so requires, in the prosecution of a proceeding or in the matter of recovery of claims which the insurer has against third parties.

(3) The policyholder shall furnish all information that is sought from him by the insurer and also any other information which the insurer considers as having a bearing on the risk to enable the latter to assess properly the risk sought to be covered by a policy.

(4) Any breaches of the obligations cast on an insurer or insurance agent or insurance intermediary in terms of these regulations may enable the Authority to initiate action against each or all of them, jointly or severally, under the Act and/or the Insurance Regulatory and Development Authority Act, 1999.

**N.Rangachary**  
Chairman

[ADVT/III/IV/161/2002/EXTY]





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- There is delay in claim settlement
- Your claim is partially or totally rejected
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## Redressal of Public Grievances Rules, 1998 -Insurance Ombudsman

**MINISTRY OF FINANCE**  
**(Department of Economic Affairs)**  
**(Insurance Division)**

**NOTIFICATION**  
**New Delhi, the 11th November, 1998**

G. S. R. 670(E). – In exercise of the powers conferred by sub-section (1) of Section 114 of the Insurance Act, 1938 (4 of 1938) the Central Government hereby frames the following Rules, namely:-

1. Short title. - These Rules may be called the Redressal of Public Grievances Rules, 1998.
2. Application. - These Rules shall apply to all the insurance companies operating in general insurance business and in life insurance business.

Provided that the Central Government may exempt an insurance company from the provisions of these Rules, if it is satisfied that an insurance company has already a grievance redressal machinery which fulfills the requirements of these Rules.

3. The objects of these Rules are to resolve all complaints relating to settlement of claim on the part of insurance companies in cost effective, efficient and impartial manner.

4. Definition. - In these rules unless the context otherwise requires:-

- (a) "Act" means Insurance Act, 1938.
- (b) "committee" means an advisory committee referred to in Rule 19.
- (c) "financial year" means period of twelve months commencing from the 1st day of April of any year and ending on 31st day of March of the succeeding year.
- (d) "General Insurance Corporation of India" means a government company formed under sub-section (1) of section 9 of the General Insurance Business (Nationalisation) Act, 1972 and shall include a subsidiary company of such company.
- (e) "governing body" means governing body of the

Insurance Council constituted under sub-rule (1) of rule 5.

- (f) "Insurance Council" means the Life Insurance Council and the General Insurance Council referred to in section 64C of the Act.
- (g) "Insurance Regulatory Authority" means a body established by Government of India vide Resolution No. 17(2)/94 Ins.V dated 23-01-1996 to monitor the orderly growth of insurance industry.
- (h) "Insurance Company" means the Life Insurance Corporation of India, the General Insurance Corporation of India and any other company which has been given a license to carry on business of life insurance or of the general insurance, as the case may be.
- (i) "insured person" means an individual by whom or on whose behalf an insurance policy has been taken on personal lines.
- (j) "Life Insurance Corporation of India" means the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956.
- (k) "Personal lines" means an insurance policy taken or given in an individual capacity.

### 5. Governing body of Insurance Council -

(1) There shall be a Governing Body of the Insurance Council which shall consist of one representative from each of the insurance companies.

(2) The representatives of an insurance company shall ordinarily be Chairman or Managing Director or any one of the Directors of such company.

(3) The Governing body shall formulate its own procedure for conducting its business including the election of the Chairman.

Provided that the Chairman of the Life Insurance Corporation of India shall act as the first Chairman of the governing body.

### 6. Ombudsman –

- (1) The governing body shall appoint one or more

persons as ombudsman for the purpose of these rules.

(2) The Ombudsman selected may be drawn from a wider circle including those who have experience or have been exposed to the industry, civil service, administrative service, etc. in addition to those drawn from judicial service.

(3) An Ombudsman shall be appointed by the Governing Body from a panel prepared by the Committee consisting of—

- (a) Chairman of Insurance Regulatory Authority - Chairman.
- (b) Two representatives of Insurance Council including one each from the Life Insurance Business and from General Insurance Business respectively - Member.
- (c) One representative of the Central Government - Member.

**7. Term of Office –** An Ombudsman shall be appointed for a term of three years and shall be eligible for re-appointment. Provided that no person shall hold office as such Ombudsman after he has attained the age of 65 years. (According to the amendment dt. 21.6.99, provision of reappointment has been cancelled).

**8. Removal from Office. –**

(1) An Ombudsman may be removed from service for gross misconduct committed by him during his term of office.

(2) The Governing Body may appoint such person as it thinks fit to conduct enquiry in relation to misconduct of the Ombudsman.

(3) All enquiries on misconduct will be sent to Insurance Regulatory Authority which may take a decision as to the proposed action to be taken against the Ombudsman.

(4) On recommendations of the Insurance Regulatory Authority if the Governing Body is of opinion that the Ombudsman is guilty of misconduct, it may terminate his services.

**9. Remuneration etc. of Ombudsman –**

(1) There shall be paid to Ombudsman a salary which is equal to the salary of the Judge of a High Court. (This has been changed as per amendment dt. 21.6.99)

(2) The other allowances and perquisites of the Ombudsman shall be such as may be specified by the Central Government.

**10. Territorial Jurisdiction of Ombudsman**

(1) The office of the Ombudsman shall be located at such place as may be specified by the Insurance Council from time to time.

(2) The Governing Body shall specify the territorial jurisdiction of each Ombudsman.

(3) The Ombudsman may hold sitting at various places within his area of jurisdiction in order to expedite disposal of complaints.

**11. Staff –**

(1) The Ombudsman shall have such secretarial staff as may be provided to him by the insurance Council after having consultation with the Ombudsman.

(2) The ombudsman may engage the services of professional expert with a view to assist him in discharging his functions.

(3) The salary, allowances and perquisites payable to Ombudsman, the salary, allowances and other benefits payable to the staff of the secretariat and all expenses incurred for the purposes of these rules shall be borne by the Insurance council.

(4) The Ombudsman shall prepare the budget indicating the requirement of funds before the beginning of every financial year.

(5) The budget of the office of Ombudsman will be sent to the Governing Body.

(6) The Governing Body will finalise the budget in consultation with the Ombudsman and shall allocate the funds to the office of Ombudsman.

(7) The total expenses on Ombudsman and his staff shall be incurred by the insurance companies who are members of the insurance council in such proportion as may be decided by the Governing Body from time to time. Provided that till a decision is taken by the Governing Body, the entire expenditure shall be shared equally between the insurance companies in the life insurance business and general insurance business in equal proportion.

(8) The share of expenditure which is to be incurred by

each insurance company shall be in the ratio of premium income for the previous year of such company.

**Explanation:-** For the purpose of this sub-rule "premium income" means the gross direct premium income of the insurer without taking into account from time to time income on reinsurance accepted by the insurance company.

## 12. Power of Ombudsman :-

### (1) The Ombudsman may receive and consider :-

- (a) Complaints under rule 13;
- (b) any partial or total repudiation of claims by an insurer;
- (c) any dispute in regard to premium paid or payable in terms of the policy;
- (d) any dispute on the legal construction of the policies in so far as such disputes relate to claims;
- (e) delay in settlement of claims;
- (f) non-issue of any insurance document to customers after receipt of premium.

(2) The Ombudsman shall act as counsellor and mediator in matters which are within his terms of reference and, if requested to do so in writing by mutual agreement by the insured person and insurance company.

(3) The Ombudsman's decision whether the complaint is fit and proper for being considered by it or not shall be final.

### 13. Manner in which complaint is to be made :-

(1) Any person who has a grievance against an insurer, may himself or through his legal heirs make a complaint in writing to the Ombudsman within whose jurisdiction the branch or office of the insurer complaint against is located.

(2) The complaint shall be in writing duly signed by the complainant or through his legal heirs and shall state clearly the name and address of the complainant, the name of the branch or office of the insurer against which the complaint is made, the fact giving rise to complaint supported by documents, if any, relied on by the complainant, the nature and extent of the loss

caused to the complainant and the relief sought from the Ombudsman.

(3) No complaint to the Ombudsman shall lie unless:-

(a) the complainants had before making a complaint to the Ombudsman made a written representation to the insurer named in the complaint and either insurer had rejected the complaint or the complainant had not received any reply within a period of one month after the insurer concerned received his representation or the complainant is not satisfied with the reply given to him by the insurer.

(b) the complaint is made not later than one year after the insurer had rejected the representation or sent his final reply on the representation of the complainant; and

(c) the complaint is not on the same subject matter, for which any proceedings before any court, or Consumer Forum, or arbitrator is pending or were so earlier.

### 14. Ombudsman to act fairly and equitably.:

(1) The Ombudsman may, if he deems fit, adopt a procedure other than mentioned in sub-rule (1) and (2) of Rule 13 for dealing with a claim: Provided that the Ombudsman may ask the parties for necessary papers in support of their respective claims and where he considers necessary, he may collect factual information available with the insurance company.

(2) The Ombudsman shall dispose of a complaint fairly and equitably.

### 15. Recommendations made by the Ombudsman:

(1) When a complaint is settled, through mediation of the Ombudsman, undertaken by him in pursuance of request made in writing by complainant and insurer through mutual agreement, the Ombudsman shall make a recommendation which he thinks fair in the circumstances of the case. The copies of the recommendation shall be sent to the complainant and the insurance company concerned. Such recommendation shall be made not later than one month from the date of the receipt of the complaint.

(2) If a complainant accepts the recommendation of the Ombudsman, he will send a communication in writing within 15 days of the date of receipt of the recommendation. He will confirm his acceptance to

Ombudsman and state clearly that the settlement reached is acceptable to him, in totality, in terms of recommendations made by the Ombudsman in full and final settlement of complaint.

(3) The Ombudsman shall send to the insurance company a copy of the recommendation along with the acceptance letter received from the complainant. The insurer shall thereupon comply with the terms of the recommendations immediately not later than 15 days of the receipt of such recommendation and the insurer shall inform the Ombudsman of its compliance.

**16. Award:**

(1) Where the complaint is not settled by agreement under Rule 15, the Ombudsman shall pass an award which he thinks fair in the facts and circumstances of a claim.

(2) An award shall be in writing and shall state the amount awarded to the complainant: Provided that Ombudsman shall not award any compensation in excess of which is necessary to cover the loss suffered by the complainant as a direct consequence of the insured peril, or for an amount not exceeding rupees twenty lakhs (including ex-gratia and other expenses), whichever is lower.

(3) The Ombudsman shall pass an award within a period of three months from the receipt of the complaint.

(4) A copy of the award shall be sent to the complainant and the insurer named in the complaint.

(5) The complainant shall furnish to the insurer within a period of one month from the date of receipt of the award, a letter of acceptance that the award is in full and final settlement of his claim.

(6) The insurer shall comply with the award within 15 days of the receipt of the acceptance letter under sub-rule (5) and it shall intimate the compliance to the Ombudsman.

17. Consequences of non-acceptance of award: If the complainant does not intimate the acceptance under sub-rule (5) of rule 16, the award may not be implemented by the insurance company.

18. Power to make Ex-gratia payment.: If the Ombudsman deems fit, he may award an Ex-gratia payment.

**MISCELLANEOUS PROVISIONS:**

19. Advisory Committee: An Advisory Committee consisting of not exceeding five eminent persons shall be notified by the Government to assist the Insurance Regulatory Authority to review the performance of the Ombudsman from time to time. The Insurance Regulatory Authority shall decide the time, venue and quorum of such meeting. The authority, after discussing the matter with the Governing Body, may recommend to Government appropriate proposals for effecting improvements in the functioning of Ombudsman. In the light of recommendations made by the Insurance regulatory Authority, the Government may carry out such amendments to these rules as they may deem fit.

20. The Ombudsman shall furnish a report every year containing a general review of the activities of the office of the Ombudsman during preceding financial year to the Central Government and such other information as may be considered necessary by it. In the Annual Report, the Ombudsman will make an annual review of the quality of services rendered by the insurer and make recommendations to improve these services.

21. Recommendation of the Insurance Council: The Insurance Council may suggest to the Ombudsman such recommendation as it deems fit and which in its opinion will enhance the utility of the annual report and also so that the objectives of the rules are clearly analysed in terms of the activities in the year under review. Suggestions for long term improvement of insurance sector will be incorporated by the Ombudsman in his report.

[F. No. 56/32/97 - Ins.1]  
D.C. SRIVASTAVA, Director

**The Gazette of India  
EXTRAORDINARY**

PART II-Section 3-Sub-section (I)  
PUBLISHED BY AUTHORITY  
NEW DELHI, FRIDAY, DECEMBER 18,  
1998/AGRAHAYANA 27, 1920.  
MINISTRY OF FINANCE  
(Department of Economic Affairs)  
(Insurance Division)

**NOTIFICATION**

New Delhi, the 18th December, 1998

G. S. R. 752(E). – In exercise of the powers contained by sub-section (1) of Section 114 of the Insurance Act, 1938 (4 of 1938) the Central Government hereby frames the following Rules, namely:-

**1. Short title and commencement: -**

(1) The Rules may be called the Redressal of Public Grievances (Amendment) Rules, 1998.

(2) This shall be deemed to have come into force from the date of Publication.

2. In Rule 4(F) of the Redressal of Public Grievances Rules, 1998, the following shall be substituted, namely:-

(f) Insurance Council will consist of Life Insurance Corporation of India, General Insurance Corporation of India and its four subsidiaries and other Insurance Companies which will be permitted to do insurance business in future.

[F. No. 56/12/97 - Ins.1]

C.S.RAO, Jt. Secy.

Foot Note :- The Principal rules were published under Notification No. GSR 670 (E) dt. 11-11-1998.

**The Gazette of India**

**EXTRAORDINARY**

PART II-Section 3-Sub-section (I)

PUBLISHED BY AUTHORITY

NEW DELHI, MONDAY,

JUNE 21 1999 / Jyaistha 31, 1921.

**MINISTRY OF FINANCE**

(Department of Economic Affairs)

(Insurance Division)

**NOTIFICATION**

New Delhi, 21st June, 1999

G. SR. 448(E). – In exercise of the powers conferred by sub-section (1) of Section 114 of the Insurance Act, 1938 (4 of 1938) the Central Government hereby makes the following amendments in the Notification of the Government of India No. GSR 670(E) dated the 11th November, 1998:-

1. Delete existing para 7; and substitute the following in its place:- “7.Term of Office. – An Ombudsman shall be appointed for a term of three years or till the incumbent attains the age of sixty five years, whichever is earlier. Re-appointment is not permitted.”

2. Delete existing paragraph 9(1); and substitute the following in its place:- “9. Pay and Allowances of Ombudsman – (1) The Ombudsman shall be allowed a fixed pay of rupees twenty six thousand per month. Any pension to which he is entitled from the Central Government or a state Government or any other organization / institution shall be deducted from his salary.”

3. In para 16(1), Delete the words “an award” and substitute the following words in their place:- “a speaking award with detailed reasoning”.

[F. No. 56/32/97 - Ins.1]

C.S.RAO, Jt. Secy.

Ref: 3/CA/GRV/GrvRedrGuidelines/YPB/10-11 dated 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 Redress 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 acknowledgment to a complainant within 3 working days of the receipt of the grievance.
- (b). The acknowledgment 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 acknowledgment.
- (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.
- (f). 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 sent a final response to the satisfaction of the complainant.
- (b). Where the complainant has indicated in writing, acceptance of this response.
- (c). Where the complainant has not responded to the insurer within 8 weeks of the company's written response.

#### 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.

**(A. Giridhar)**  
Executive Director

## CORPORATE GOVERNANCE GUIDELINES

### Policyholder Protection Committee of the Board

The Authority places significant emphasis on the protection of policyholder's interests and on the adoption of sound and healthy market conduct practices by insurers. Towards meeting these objectives, IRDA has notified the (i) Protection of Policyholders' Interests Regulations, 2002 and (ii) Insurance Advertisements and Disclosure Regulations, 2002. The Authority has also put in place the Guidelines on Advertisements, Promotion & Publicity of Insurance Companies and Insurance Intermediaries in January 2006. Insurers are also required to report on the number and nature of complaints to the IRDA at monthly intervals to enable IRDA to assess the governance and market conduct issues with respect to each insurer. With a view to addressing the various compliance issues relating to protection of the interests of policyholders, as also relating to keeping the policyholders well informed of and educated about insurance products and complaint-handling procedures, each insurer shall set up a Policyholder Protection Committee which shall directly report to the Board.

The Committee should put in place systems to ensure that policyholders have access to redressal mechanisms and shall establish policies and procedures, for the creation of a dedicated unit to deal with customer complaints and resolve disputes expeditiously.

#### **Thus, the responsibilities of the Policyholder Protection Committee shall include:**

- ✓ Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including misselling by intermediaries.
- ✓ Ensure compliance with the statutory requirements as laid down in the regulatory framework. Review of the mechanism at periodic intervals.
- ✓ Review of the mechanism at periodic intervals.
- ✓ Ensure adequacy of disclosure of "material information" to the policyholders. These disclosures shall, for the present, comply with the requirements laid down by the Authority both at the point of sale and at periodic intervals.
- ✓ Review the status of complaints at periodic intervals to the policyholders.
- ✓ Provide the details of grievances at periodic intervals in such formats as may be prescribed by the Authority.
- ✓ Provide details of insurance ombudsmen to the policyholders





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- A break in policy occurs when the premium due on a given policy is not paid on or before the premium renewal date or within 30 days thereof.
- A policyholder should apply to such insurance company at least 45 days before the premium renewal date of his/her existing policy for porting his/her policy.
- The policyholder should fill in the Portability Form along with proposal form and submit the same to the insurance company.
- If the insurance company does not communicate its decision to the requesting policyholder within 15 days of providing all the details as required by the insurer, the insurance company shall not retain the right to reject such proposal.
- Portability is allowed to all individual health insurance policies issued by non-life insurance companies including family floater policies



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