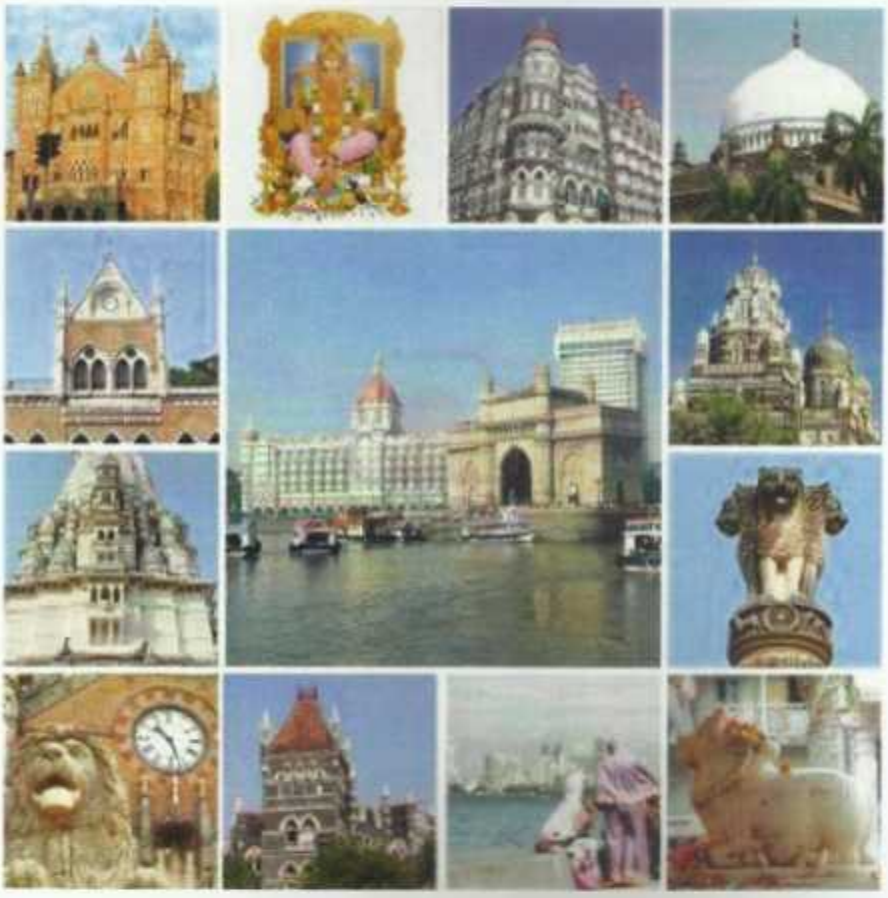
OFFICE OF THE
GOVERNING BODY OF INSURANCE COUNCIL



CONSOLIDATED ANNUAL REPORT OF THE OFFICE OF THE GBIC AND OFFICES OF THE INSURANCE OMBUDSMEN FOR THE YEAR ENDED 31.03.2017

4th September 2017

All Partners / Stake -holders of
Governing Body of Insurance Council

CONSOLIDATED ANNUAL REPORT FOR THE YEAR 2016-17

We have the pleasure to present the Consolidated Annual Report and Audited Accounts of the Office of the Governing Body of Insurance Council and the Offices of the Insurance Ombudsmen for the year ended 31st March, 2017.

Through this Annual Report, we have endeavored to draw attention of Members to areas which require improvement in servicing of policyholders and make functioning of the Institution of Insurance Ombudsmen more effective.

We welcome your valuable feedback to make the Annual Report more meaningful.

P N Gandhi

(Shri P.N.Gandhi)
SECRETARY GENERAL (GBIC)
Mumbai

OFFICE OF THE GOVERNING BODY OF INSURANCE COUNCIL

INDEX

(A)

INTRODUCTION

The Institution of Insurance Ombudsman was created by the Government of India under the Redressal of Public Grievances Rules- 1998, notified in Official Gazette, on 11th Nov. 1998. The Governing Body of Insurance Council (GBIC) consisting of one representative from each Insurance Company (both Life and General), appoints Insurance Ombudsman who are drawn from the Civil Services, Judiciary and Insurance Industry. This Institution was created to provide cost-effective, impartial, efficient and speedy resolution of grievances to aggrieved policyholders.

In terms of Rule 20 of RPG Rules, Insurance Ombudsmen are required to furnish a Report every year, to the Government of India, containing a review of quality of services rendered by Insurers and recommendations on improving these services; the activities of the Ombudsman Centre during the preceding financial year, and other information considered necessary. Arising out of this rule, the Government vide its letter Ref: F.No.11/02/2001-Vig (Ins.) dated 25th February 2002, directed the Governing Body of Insurance Council (GBIC) to consolidate the Annual Reports of all Insurance Ombudsmen and submit such consolidated Report to Govt. of India. Accordingly, Annual Reports from the year 2002-2003 are being consolidated every year at the Office of GBIC and forwarded to the Government of India.

It may be noted that Rule 18(2) of Insurance Ombudsman Rules, 2017 also specifies that Executive Council of Insurers will continue to furnish a report containing a general review of the activities of Insurance Ombudsman during the preceding financial year and such other information as it may consider necessary to the Central Government and IRDAI by 30.09.2017.

The Annual Reports for the financial year 2016-17 have been received from all Offices of the Insurance Ombudsman. A brief of the Reports, Office-wise, highlighting their observations and suggestions is also reproduced in subsequent pages.

In the financial year under reference:

1. All the Offices of Insurance Ombudsman have confirmed that the prescribed procedures as envisaged in RPG Rules 1998, in dealing with complaints have been followed.

2. Offices of the Insurance Ombudsman have conducted outstation hearings for the convenience of the complainants as envisaged in the Rules, wherever required.

3. Insurers' Meets were arranged by Offices of the Insurance Ombudsmen.

4. Offices of the Insurance Ombudsmen are regularly submitting their monthly returns in respect of Complaint Statistics, Trial Balance, Bank Reconciliation etc., in time.

5. As per the feedback received from all Offices of the Insurance Ombudsman, the Complaints Management System (CMS) module is working smoothly at all the Offices of Insurance Ombudsman.

6. Premises have been acquired on lease from LIC of India for relocating the Office of the Insurance Ombudsman, Ahmedabad. On completion of the requisite infrastructure work, the Office is set to operate from its new premises in the financial year 2017-18.

7. Bima Lokpal Day was celebrated with great enthusiasm on 11th November, 2016 at all the offices of the Insurance Ombudsman with an aim to create awareness among the policyholders about Insurance Ombudsman Scheme.

8. Retired Officials from Life Insurance Corporation of India were engaged as Professional Experts on contractual basis in the Offices of Insurance Ombudsmen after going through the selection process in the current fiscal.

TERRITORIAL JURISDICTION OF INSURANCE OMBUDSMEN			
Sr. No.	Name of the Office and Year of Inception	State-wise Area of Jurisdiction	Name of the Current Ombudsman
1.	Ahmedabad- July, 1999	State of Gujarat and Union Territories of Dadra and Nagar Haveli and Daman and Diu.	**Vacant since 20.07. 2014.**
2.	Bengaluru- August, 2014	State of Karnataka	**Vacant since 13.11.2016**
3.	Bhopal- April, 2000	States of Madhya Pradesh and Chhattisgarh	**Vacant since 26.5.2016.**
4.	Bhubaneswar- May, 2000	State of Orissa	Shri B.N.Mishra, Ex-District & Sessions Judge Took Charge on 22.07.2014
5.	Chandigarh- July, 1999	States of Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir and Union Territory of Chandigarh	**Vacant since 20.09.2015.**
6.	Chennai- August, 1999	State of Tamil Nadu and Union Territories- Pondicherry Town and Karaikal (part of Union Territory of Pondicherry now Puducherry).	**Vacant since 08.05.2016**
7.	Delhi- July, 1999	State of Delhi	Smt.Sandhya Baliga Indian Revenue Services (Customs & Central Excise) (Retd) Took charge on 15-07-2014
8.	Guwahati- September, 1999	States of Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura.	**Vacant since 17.07. 2014.**
9.	Hyderabad- August, 1999	State of Andhra Pradesh Telangana and Yanam (part of Union Territory of Pondicherry now puducherry).	**Vacant since 14.05.2016**
10.	Jaipur- October, 2014	State of Rajasthan	**Vacant since 23.12.2016**

11.	Kochi-June, 2000	States of Kerala and (a) Union territory of Lakshadweep (b) Mahe-(part of Union Territory of Pondicherry now Puducherry)	**Vacant since 13.9.2016.**
12.	Kolkata–March, 2000	States of West Bengal, Sikkim and Union Territories of Andaman & Nicobar Islands	Shri K.B.Saha, Ex-Executive Director, L.I.C. of India, Took charge on 30.07.2014
13.	Lucknow – October, 1999	**Districts of Uttar Pradesh** Lalitpur, Jhansi, Mahoba, Hamirpur, Banda, Chitrakoot, Allahabad, Mirzapur, Sonbhadra, Fatehpur, Pratapgarh, Jaunpur, Varanasi, Gazipur, Jalaun, Kanpur, Lucknow, Unnao, Sitapur, Lakhimpur, Bahraich, Barabanki, Raebareli, Sravasti, Gonda, Faizabad, Amethi, Kaushambi, Balrampur, Basti, Ambedkarnagar, Sultanpur, Maharajganj, Santkabirnagar, Azamgarh, Kushinagar, Gorakhpur, Deoria, Mau, Ghazipur, Chandauli, Ballia, Sidharthnagar.	Shri N.P.Bhagat, IRS Ex-Director General of Income Tax(Investigation), Patna, Took charge on 04.08.2014
14.	Mumbai-November, 2000	State of Goa and Mumbai Metropolitan Region excluding Areas of Navi Mumbai and Thane.	**Vacant since 15.05.2016**
15.	Noida September 2014.	State of Uttaranchal and the districts of Uttar Pradesh: Agra, Aligarh, Bagpat, Bareilly, Bijnor, Budaun, Bulandshehar, Etah, Kanooj, Mainpuri, Mathura, Meerut, Moradabad, Muzaffarnagar, Oraiyya, Pilibhit, Etawah, Farukkabad, Firozbad, Gautambodhanagar, Ghaziabad, Hardoi, Shahjahanpur, Hapur, Shamli, Rampur, Kashganj, Sambhal, Amroha, Hathras, Kanshiramnagar, Saharanpur.	Shri Ajesh Kumar Chief Commissioner of Customs, Central Excise & Service Tax (Retd.) Took charge on 5.1.2015.
16.	Patna-September, 2014	States of Bihar and Jharkhand	Shri Sadasiv Mishra, Ex-General Manager, The New India Ass. Co. Ltd. Took charge on 09.09.2014
17.	Pune-September, 2014	State of Maharashtra - Areas of Navi Mumbai and Thane but excluding Mumbai Metropolitan.	Shri A.K.Sahoo, Ex-Executive Director LIC of India Took charge on 10.09.2014

Temporary additional Charge to Vacant Ombudsman Centre

During the period Some Insurance Ombudsman were entrusted with the temporary additional charge of the vacant ombudsman centre vide circular Ref: GBIC/Cir no.240 dated 28.10.2016. This is to acknowledge the services of all the Insurance Ombudsman mentioned below:

Centre	Name of Insurance Ombudsman
Ahmedabad	Shri N.P.Bhagat,IO,Lucknow
Bengaluru	Shri Sadashiv Mishra,IO,Patna
Bhopal	Shri A.K.Jain,IO,Jaipur
Chandigarh	Shri Ajesh Kumar,IO,Noida
Chennai	Shri B.N.Mishra,IO,Bhubaneswar
Guwahati	Shri K.B.Saha,IO,Kolkatta
Hyderabad	Shri Sadashiv Mishra,IO,Patna
Kochi & Chandigarh	Ms. Sandhya Baliga,IO,Delhi
Mumbai	Shri A.K.Sahoo,IO,Pune

(B)

ACCOUNTS

All the Offices of the Insurance Ombudsman have submitted their audited Trial Balances as at 31.03.2017. M/s NBS & Co., Chartered Accountants, Mumbai who have been appointed as External Auditors for conducting the audit of consolidated accounts of the Governing Body of Insurance Council and all Offices of the Insurance Ombudsman for the financial year 2016-2017 have completed their Audit and signed the Accounts. The Auditors have given their observations which are briefed as under:

"Expenses of the Office of the Governing Body of Insurance Council and the Insurance Ombudsmen are shared by all the Member Companies at the end of the year which were transferred to the Account Head – "collection for Fixed Assets" - should have been determined by GBIC and its Offices and disclosed separately as liability and Member Insurance Company wise details must also have been maintained".

Necessary corrective action shall be taken to set right the observations of the Auditors.

Consolidation of Final Accounts at GBIC for all the Offices of the Insurance Ombudsman and Office of the GBIC was done in an automated manner, through "Tally-ERP 9" Package where consolidated statements of accounts were generated automatically without error.

As per the earlier decision of the Governing Body of Insurance Council, from fiscal 2016-2017, the funding of the expenses of GBIC and the Offices of Insurance Ombudsmen was changed and based on the previous year's Market share, the share of expenses was collected in advance from Member Companies. These advances were later adjusted as per actual share and thereafter properly accounted.

A copy of the consolidated Audit Report for the Governing Body of Insurance Council and the Offices of the Insurance Ombudsman along with the Income and Expenditure Account and Balance Sheet as at 31.03.2017 is placed below as Annexure.

NBS & CO.
Chartered Accountants
14/2, Western India House, Sir P. M. Road, Fort, Mumbai - 400 001.
Tel. : (91-22) 2287 0588 / 0939 / 4140, 2288 5229 • Fax : (91-22) 2288 4910
E-mail : admin@nbsandco.in • Web : www.nbsandco.in

INDEPENDENT AUDITOR'S REPORT

To,

The Secretary,

The Governing Body of Insurance Council & 17 Offices of Insurance Ombudsmen,

Jeevan Seva Annexe, 3rd Floor, S.V. Road,

Sanrtacruz (West),

Mumbai – 400054.

Report on the Financial Statements

1. We have audited the attached Balance Sheet of **Governing Body of Insurance Council & 17 Offices of Insurance Ombudsmen** (GBIC and its offices) as at 31st March, 2017 and the Statement of Income & Expenditure for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements of 16 Offices of Insurance Ombudsmen have been audited by Other Auditors and same has been relied upon by us.

Management's Responsibility for the Financial Statements

2. The GBIC and its Offices' Management are responsible for the preparation of these financial statements that give a true and fair view of the Balance Sheet and Statement of Income & Expenditure of the GBIC and its Offices in accordance with the requirements of the Insurance Act 1938 and Redressal of Public Grievances Rules, 1988. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

NBS & CO. MUMBAI FRN - 110100W CHARTERED ACCOUNTANTS

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedure selected depends on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the GBIC and its Offices preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualification

4. *Collection for Fixed Assets (Opening Balance) amounting to Rs. 3,62,80,472 includes replenishment received for acquisition of fixed assets from the Member Insurance Companies and excess of replenishment received from Member Insurance Companies over expenses incurred on their behalf. As stated in Redressal of Public Grievance Rules, 1998, insurance companies will incur expenses of Ombudsman and his staff in the proportion decided by the Office of GBIC. Accordingly, such excess of replenishment over share of expenses should have been determined by GBIC and its Offices and disclosed separately as liability and Member Insurance Company-wise details must also have been maintained.*

Qualified Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements have been prepared in accordance with the requirements of the Insurance Act, 1938 and Redressal of Public Grievances Rules, 1998 to the extent applicable and in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to the GBIC and its Offices.
   (i) In case of Balance Sheets give a true and fair view of the state of affairs of the GBIC and its Offices as at 31st March, 2017; and
   (ii) In case of Statement of Income & Expenditure, of the deficit of the year ended on that date.

Emphasis of Matter

6. Without qualifying our opinion, we draw attention to:
   a) Note 3 in Schedule B to the financial statements regarding Opening balances. The GBIC started its operations in 1998. Until 2000-2001, the Accounts were maintained by LIC. The GBIC started maintaining Accounts independently from the year 2001-2002. For the year 2001-2002, GBIC had only its Income & Expenditure Accounts certified by the Auditor. Hence, the opening balances brought down on 1st April, 2001 were unaudited figures.
   b) The financial statements regarding accounts of the 16 offices of Ombudsman offices have been audited by various auditors. The consolidation of the same is being done after considering the fact that the amount received from Member Insurance Companies towards their share of expenses is not a surplus, but an advance / reimbursement towards their share of contribution. Further the amount received towards Capital Expenditure is reflected as a liability for contribution for Fixed Assets.
   c) Note 6 in Schedule B to the financial statements regarding maintaining member wise breakup of the excess / short funds received from Member Insurance Companies during the financial year 2016-17. Such allocation of excess / deficit of funds is pending as the financial statements of some of the Member Insurance Companies for financial year 2016-17 are yet to be finalized.
   d) Note 7 in Schedule B to the financial statements regarding Balances of Sundry Creditors and Sundry Debtors which are subject to confirmations and reconciliations.

e) Note 12 in Schedule B to the financial statements regarding non-filing of Income Tax returns. The Management has obtained opinion on its obligation to file Income Tax Return. As per opinion obtained, GBIC is not required to file Income Tax Return, as it is not carrying on any commercial activity.

Report on Other Legal & Regulatory Requirements

7. As required by the Insurance Act, 1938 and Redressal of Public Grievances Rules, 1998, as amended, except to the extent stated hereinabove, we report that:
   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory.
   b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the GBIC and its Offices so far as appears from our examination of books.
   c) The Balance Sheet and Statement of Income & Expenditure of the GBIC and its Offices refer to in this report are in agreement with the books of accounts and returns.
   d) In our opinion, the Balance Sheet and Statement of Income & Expenditure comply with the applicable accounting standards.

For NBS & Co.

Chartered Accountants

NBS & CO. ★ MUMBAI FRN 110100W ★ CHARTERED ACCOUNTANTS

Devdas Bhat

Partner

Mem. No. 048094

Date : 14/07/2017

Place : Mumbai

Governing Body of Insurance Council & 17 Insurance Ombudsman Offices

Consolidated Balance Sheet as on 31st March, 2017

Liabilities	Year ended 31/03/2017		Year ended 31/03/2016	Assets	Year ended 31/03/2017		Year ended 31/03/2016
Collection for Fixed Assets				**Fixed Assets (at cost)**			
Opening Balance		**36,280,471.68**	36,280,471.68	Gross Block	46,201,320.48		46,201,320.48
				Add : Additions	3,962,985.67		
Receipts from Member Companies				Less : Transfers / Deletion	(1,622,269.20)		
Opening Balance	32,040,023.14			Less : Accumulated Depreciation	(23,696,993.14)		(20,435,469.26)
Add : Replenishment Received from 54 Member Cos	331,009,650.00			**(As per Schedule 'A' attached herewith)**		**24,645,043.81**	25,765,851.22
Less : Expenses during the year	(260,512,258.30)	**72,537,414.84**	32,040,023.14				
				Debtors (Unsecured & Considered Good)			
Sundry Creditors				Housing Loan Subsidy Recoverable (LIC)	456,025.97		336,642.00
Cheque Cancelled Account	5,622.00		5,622.00	Other Miscellaneous Debt (PLLI)	4,257.00	**460,282.97**	418,997.00
Income Tax other than Salary	3,706.00		17,727.00				
Outstanding Expenses	13,923,708.89	**13,933,036.89**	41,030,514.80	**Advance to Staff**		**1,121,507.00**	1,708,849.00
Current Liabilities				Deposits		1,287,654.00	1,856,984.05
Advance from Member Companies for FY 2016-17	20,000.00		70,111,359.00				
Advance Recovery from Ombudsman	-		73,048.00	**Prepaid Expenses**		**829,624.50**	454,541.82
Provision for Wage Arrears	7,744,773.00		-				
Unremitted Professional Tax	(400.00)	**7,764,373.00**	-	**Stamps on Hand**		**3,757.00**	3,565.00
Earnest Money received towards Security Deposit		-	50,400.00	**Cash & Bank Balances**			
				Cash in Hand			52,150.50
Inter-Office Balances		-	96,643.12	Bank Balance	102,167,427.13	**102,167,427.13**	149,108,228.15
Total (in Rs.)		130,515,296.41	179,705,908.74	Total (in Rs.)		130,515,296.41	179,705,908.74

***Notes to Accounts as per Schedule "B" Annexed.

As per our report of even date

For NBS & Co.
Chartered Accountants
Firm Registration No. 110100W

CA. Devdas V. Bhat
Partner
Membership No. 048094

Place : Mumbai
Date : 14 JUL 2017

Secretary

P N Gandhi
Secretary General

Governing Body of Insurance Council & 17 Insurance Ombudsman Offices

Consolidated Statement of Income & Expenditure A/c for the year ended 31st March, 2017

A/c Code	Expenses	Year ended 31/03/2017 (Amount in Rs.)	Year ended 31/03/2016 (Amount in Rs.)	A/c Code	Income	Year ended 31/03/2017 (Amount in Rs.)	Year ended 31/03/2016 (Amount in Rs.)
401	Basic Salary to Ombudsman	10,707,498.67	5,789,359.65	501	Sundry Receipts	105,972.66	209,658.58
402	DA to Ombudsman	7,322,951.33	12,122,849.60	599	Profit on Sale of Fixed Assets	131.00	-
403	HRA to Ombudsman	1,773,789.00	2,099,924.67		License Fee Deduction	-	3,237.00
405	Conveyance to Ombudsman	1,811,772.00	2,628,001.67				
406	Basic Salary to Others	83,894,854.14	113,662,559.57		Excess of Expenditure over Income		
407	Special Allowance to Others	-	17,510.00		Net Expenses for FY 2015-16 incurred on behalf of Members	290,512,254.72	322,231,287.85
408	DA to Others	24,669,025.19	32,928,194.29				
409	HRA to Others	5,633,349.78	9,351,451.40		Fixed Assets related non-cash expenses already collected in earlier years	-	3,404,697.68
410	CCA to Others	1,725,420.66	2,756,530.47				
411	FPA to Others	1,249,847.50	1,847,040.34				
412	Conveyance to Others	1,520,962.24	2,904,180.08				
413	Deputation Allowance to Others	19,469,644.60	25,174,604.31				
414	Functional Allowance to Others	4,177.00	10,787.50				
415	Washing Allowance to Others	1,492.00	6,195.00				
416	Qualification Pay to Others	462,393.00	3,170.00				
417	Other Allowance to Ombudsman	5,475.87	2,973,816.00				
419	PLLI	260,564.19	-				
420	Employer's Contribution to Pension	5,235,549.70	8,153,900.29				
421	Employer's Contribution to Provident Fund	3,311,369.76	5,270,946.00				
422	Employer's Contribution to Gratuity	3,472,666.88	4,974,149.86				
423	Employer's Contribution to Mediclaim	732,915.19	822,201.39				
424	Employer's Contribution to GSLI	39,398.83	38,532.79				
425	Leave Encashment	2,801,421.73	1,534,540.05				
426	Travelling Expenses on Tour	5,543,305.32	6,892,534.50				
427	Transfer TE	1,363,437.00	2,002,766.03				
428	LTC Expenses	1,560,226.00	1,522,925.60				
429	Motor Car Expenses	1,087,202.00	785,846.64				
430	Auditors' Fees	255,917.00	261,122.00				
431	Law Charges	100,440.00	108,085.00				
432	Printing & Stationary	1,702,798.95	1,860,348.57				
433	Postage & Revenue Stamps	1,832,389.30	1,818,903.56				
434	Bank Charges	25,635.59	31,895.25				
435	Telephone Charges	1,613,300.82	1,670,148.46				
436	Electricity Charges	4,228,671.00	3,870,013.32				
437	Carriage & Freight	268,507.00	267,944.08				
438	Repairs & Maintenance	1,577,561.59	632,233.20				
439	Staff Amenities	6,239,088.75	5,915,531.00				
440	Lumpsum Medical Benefit	1,837,125.66	2,369,868.77				
441	All Insurance Premiums	306,396.17	281,584.83				
442	Entertainment Expenses	825,910.00	1,050,262.03				
443	Contractual Payments other than AMC	26,991,991.11	11,823,601.02				
444	AMC Payments	1,333,525.32	1,099,637.44				
445	Office Upkeep	768,816.20	928,408.50				
446	Subscription to Newspaper	388,926.00	450,858.50				
447	Conference Expenses	1,413,753.50	2,449,365.00				
448	Training Fees	26,672.00	566,184.00				
449	Consultancy Fees	647,290.00	437,159.00				
450	Rent, Rates & Taxes	33,177,643.19	30,576,328.43				
451	Depreciation	4,915,758.98	3,404,697.68				
452	PR & Publicity	9,462,811.96	4,960,761.00				
453	Other Miscellaneous Expenses	648,083.17	1,459,488.18				
454	Shifting Expenses	-	17,106.00				
455	Infrastructure & Renovation Cost Hire	3,800,000.00	418,237.00				
456	Expenses on (External) Committees	178,287.00	512,402.08				
457	Sundry Office Equipment < Rs. 5,000/-	244,548.00	246,875.00				
460	SR A/c	8.54	3.52				
461	Library Expenses	23,379.00	61,310.00				
499	Loss on Sale of Fixed Assets	32,623.00	-				
	Total	290,618,358.38	325,848,881.12		Total	290,618,358.38	325,848,881.12

***Notes to Accounts as per Schedule "B" annexed.**

As per our report of even date

For NBS & Co.
Chartered Accountants
Firm Registration No. 110100W

CA. Devdas V. Bhat
Partner
Membership No. 048094

Place : Mumbai
Date : 14 JUL 2017

N B S & CO. ★ CHARTERED ACCOUNTANTS ★ MUMBAI FRN 110100W

Secretary

Secretary General

बीमा परिषद नियंत्रण निकाय कार्यालय
Office of the Governing Body of Insurance Council

बीमा परिषद् नियंत्रण निकाय कार्यालय
Office of the Governing Body of Insurance Council

OFFICE OF THE GOVERNING BODY OF INSURANCE COUNCIL & 17 OMBUDSMAN OFFICES

SCHEDULE FOR FIXED ASSETS AS ON 31.03.2017

Schedule 'A' : Fixed Assets

Code	Particulars	Rate	Gross Block				Depreciation				Net Block	
			As on 1/4/2016	Additions	Deletions	As on 31/3/2017	up to 31/3/2016	During the year	Deletions	up to 31/3/2017	As on 31/3/2017	As on 31/3/2016
216	Office Equipments	10%	13,926,826.08	1,300,614.00	223,853.00	15,003,587.08	5,369,157.15	1,360,374.90	98,819.00	6,630,713.05	8,372,874.03	8,557,668.93
217	Computers	30%	10,777,695.90	918,956.00	748,728.90	10,447,922.00	7,314,664.66	1,463,771.75	748,698.90	8,029,737.51	2,418,184.49	2,963,031.24
218	Air Conditioner, Fridge etc	13.91%	6,747,465.03	693,805.00	427,052.00	6,514,218.03	2,740,453.68	709,437.12	415,543.90	3,034,346.90	3,479,871.13	3,507,011.35
219	Electrical Fittings	5%	3,141,949.54	143,266.67	35,445.00	3,249,771.21	1,252,243.98	264,789.47	25,635.00	1,491,398.45	1,758,372.72	1,889,705.56
221	Fax, Phone, Epabx etc	10%	655,834.00	81,200.00	58,273.00	678,761.00	533,761.40	26,455.50	58,270.00	501,946.90	176,814.10	122,072.60
222	Xerox machine	20%	682,545.40	-	93,840.00	588,705.40	614,490.40	42,492.00	93,839.00	563,143.40	25,561.00	68,055.00
223	Library Books	20%	566,965.01	1,730.00	75,006.00	495,689.01	522,759.01	17,217.00	75,006.00	464,970.01	30,718.50	46,205.50
224	Misc. Capital Equip	10%	2,055,775.32	151,602.00	160,071.30	2,047,306.02	1,360,954.28	111,188.20	145,302.30	1,326,840.18	720,465.84	694,821.04
231	Lease Hold Improvements	10%	8,644,264.20	671,813.00		9,316,077.20	726,984.20	926,911.00		1,653,895.20	7,662,182.00	7,917,280.00
Total (in Rs.)			46,201,320.48	3,962,985.67	1,822,269.20	48,342,036.95	20,435,468.76	4,922,636.94	1,661,114.10	23,696,991.60	24,645,043.81	25,765,851.22

ASSITANT SECRETARY
GBIC, MUMBAI

SECRETARY
GBIC, MUMBAI

SECRETARY GENERAL
GBIC, MUMBAI

बीमाकर्ताओं की कार्यकारी परिषद कार्यालय
Office of The Executive Council of Insurers

CONSOLIDATED ACCOUNTS OF THE EXECUTIVE COUNCIL OF INSURERS (Formerly GBIC) & 17 OMBUDSMAN OFFICES

SCHEDULE 'B'

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31/03/2017

1. SIGNIFICANT ACCOUNTING POLICIES

A. SYSTEM OF ACCOUNTING

The GBIC has adopted the mercantile system of Accounting, except leave encashment which is accounted on Cash basis.

B. FIXED ASSETS

i. Fixed Assets are stated at cost less depreciation.

ii. Depreciation shall be provided at the rates prescribed as below and on the original cost of the assets on a Straight-Line Method as followed by the LIC of India. All assets costing upto Rs. 5,000/- each shall be charged to revenue (written off to account code 457 – Sundry Office Equipment < Rs. 5000) in the year of purchase.

Account Code	Asset	Rate of Depreciation (Old)	Rate of Depreciation (New)
216	Office Equipments	4%	10%
217	Computers	30%	30%
218	Air Conditioners, Fridge etc.	10%	13.91%
219	Electrical Fittings	5%	10%
221	Fax, Phone, EPABX etc.	10%	10%
222	Xerox Machine	20%	20%
223	Library Books	20%	20%
224	Misc. Capital Equipments	10%	10%
231	Lease-hold Improvements	10%	10%

2. During the current FY 2016-17, renovation work of two Ombudsman Centres viz., Kochi & Hyderabad and infrastructure work at Ahmedabad Centre were taken place after obtaining the necessary approvals from the GBIC Council, and accordingly cost of those works were accounted by the respective Ombudsman Centres.

P N Gandhi

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बीमाकर्ताओं की कार्यकारी परिषद कार्यालय
Office of The Executive Council of Insurers
बीमा परिषद नियंत्रण निकाय कार्यालय
Office of the Governing Body of Insurance Council

3. The GBIC started its operations in 1998. Until 2000-01, the Accounts were maintained by LIC. The GBIC started maintaining accounts independently from the year 2001-02. For the year 2001-02, GBIC had only its Income & Expenditure Account certified by the Auditor. Hence, the opening balances brought down on 1st April, 2001 were unaudited figures.

4. Upto the financial year 2014-15, GBIC and all Insurance Ombudsman Offices used to receive a lumpsum amount from the LIC of India for the funding of their expenses. The GBIC then calculates the market share of each member - LICI, GIPSA Companies and other private Insurance companies. The amount, which has been received from LICI, is apportioned as per their market share. During current FY 2014-15, Office of the GBIC carried out a provisional exercise for sharing of expenses based on the available market share data which pertains to previous FY i.e. 2013-14. Accordingly, provision was made in the books of accounts of the GBIC for amount received from the LIC in excess of its share which was refunded to them during the FY 2015-16. As per the provision, the amount due to be paid to the LIC as on 31/03/2015 for Rs. 14,44,04,631/- was paid.

5. We had called for the funds from the Member Insurance Companies for the FY 2015-16 based on the Companies' data (2013-14) available with us. After getting the requisite data i.e., Paid-up Capital and Gross Premium Income from the Member Insurance Companies for the FY 2015-16, we had completed the necessary exercise of arriving at the Share of Expenses of the Member Insurance Companies (Actual Share of Expenses of each and every Member Company) to identify status of each and every Member Insurance Company with regard to the excess or short remittance received from them from all the Member Insurance Companies for the FY 2015-16, and accordingly, a Schedule was prepared. Finally, we had taken the necessary action in respect of all the concerned Member Companies (Both refund action and arrangement of collection). The entire process was completed by 19/12/2016.

6. In a similar manner, we had called for the funds from the Member Insurance Companies for the FY 2016-17 based on the Companies' data (2014-15). Vide our letter Ref: GBIC/MICos.Data/2017-18 dated 06.04.2017, we had already initiated the process of collecting the requisite data of Member Companies for the FY 2016-17. Once the said data is received, we would be completing the necessary exercise for the FY 2016-17 also as explained in Item No. 5.

7. Balances of Sundry Creditors and Sundry Debtors are subject to confirmations and reconciliations.

8. In case of 3 Centers, the salary of officials on deputation from the LIC of India is paid directly by respective Ombudsman Centre, whereas normally the parent company (such as LIC, New India Assurance etc.,) pays the salary and the Ombudsman Centre reimburses it to them.

9. During the current FY 2014-15, Shri B.P Parija, Former Insurance Ombudsman, Bhubaneswar had filed Writ Petition No. 7698/2014 against GBIC before the Hon'ble High Court of Orissa at Cuttack. He had claimed further Earned Leave encashment of 15 days, amounting to Rs. 76,000/- approx., which is pending for decision before the High Court. Office of the GBIC has not made any provision towards this contingent liability in its books of accounts.

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10. Writ Petitions have been filed against the Office of the Governing Body of Insurance Council and the Union of India by Shri A.K. Dasgupta, Ex. Insurance Ombudsman, Mumbai, Shri G. Rajeshwara Rao, Ex. Insurance Ombudsman, Hyderabad, Shri A.K. Sahoo, Insurance Ombudsman, Pune, Shri Mateshwar Prasad, Ex. Insurance Ombudsman, Bangalore and Shri Kiriti Bhushan Saha, Insurance Ombudsman, Kolkata in the Hon'ble High Court of Bombay in April / June, 2016. The contention of the petitioners is that not Pre-Commuted Pension, but the Pension after Commutation should be recovered from the salary of the Insurance Ombudsmen.

11. During the year, status of complaints is as under (as compiled by the management):

Particulars	Complaints O/s. as on 01/04/2016	Received during the year	Disposed during the year	Outstanding as on 31/03/2017
For Life Insurance	2,009	16,744	17,377	1,376
For General Insurance	684	10,883	10,613	954
Total	**2,693**	**27,627**	**27,990**	**2,330**

12. The Management has obtained opinion on its obligation to file Income Tax Return. As per opinion obtained, GBIC is not required to file Income Tax Return, as it is not carrying on any commercial activity.

AS PER OUR REPORT OF EVEN DATE

For NBS & Co.,
Chartered Accountants
Firm Registration No. 110100W

CA. Devdas V. Bhat
Partner
Mem. No. 048094

Place : Mumbai
Date : 14 JUL 2017

For Executive Council of Insurers
(Formerly known as GBIC)

Secretary

Secretary General

(B) COMPLAINT STATISTICS

The Complaints Statistics have been generated through the CMS. The following consolidated statements as at 31.03.2017 are attached herewith:

No	Description	Statement
1	Complaints Disposal (Summary – Life & General Insurance)	L1G1
2	Complaints Disposal Centre Wise Life Insurance)	L2
3	Complaints Disposal (Company Wise Analysis- Life Insurance	L3
4	Complaints Disposal (Centre Wise General Insurance)	G2
5	Complaints Disposal (Company Wise General Insurance)	G3
6	Details of Awards & Recommendations – Amount Wise (Centre Wise- Life & General Insurance)	L4G4
7	Details of Awards & Recommendations – Amount Wise (Company Wise Analysis – Life Insurance)	L5
8	Details of Awards & Recommendations – Amount Wise (Company Wise Analysis – General Insurance)	G5
9	Nature wise classification of complains received (Centre Wise- Life & General Insurance)	L7G7
10	Nature Wise Classification of complaints received (Summary-Life)	L8
11	Nature wise Classification of Complaints received (Company wise analysis – Life Insurance)	L9
12	Nature wise Classification of complaints received (Centre wise – General Insurance)	G8
13	Nature wise classification of complaints received (Company wise analysis – General Insurance)	G9

OFFICE OF THE GOVERNING BODY OF INSURANCE COUNCIL

Complaints Received & Disposal statement for the period from 01.04.2016 to 31.03.2017

STATEMENT L1G1

LIFE AND GENERAL INSURANCE

Name of	Total No of Complaints			Number of complaints dispoesd off by way of					Durationwise disposal of Complaints				Durationwise Outstanding complaints			
Centre	O/s at the	Received	Total	Recomen-	Withdrawal	Dissmissal	Non-	Total	Within 3	3 months	Above	Total	Within 3	3 months	Above	Total
	Beginning of	upto		dations/	/Settlement	AWARDS	acceptance/	Disposed	months	to 1 year	1 Year	Disposed	months	to 1 Year	1 Year	Oustanding
	the Year	March		Awards		FVG.INS. CO	NE									
Ahmedabad	61	2692	2753	503	595	178	1419	2695	2196	499	0	2695	58	0	0	58
Bengaluru	0	1857	1857	215	108	138	1309	1770	1719	51	0	1770	87	0	0	87
Bhopal	18	839	857	170	31	109	498	808	732	76	0	808	46	3	0	49
Bubaneshwar	64	749	813	123	0	87	603	813	742	71	0	813	0	0	0	0
Chandigarh	739	2831	3570	964	10	288	1140	2402	1304	887	211	2402	353	815	0	1168
Chennai	0	1539	1539	145	67	106	1179	1497	1444	53	0	1497	42	0	0	42
Delhi	43	1774	1817	843	80	5	889	1817	1793	24	0	1817	0	0	0	0
Guwahati	27	366	393	122	18	67	180	387	365	22	0	387	6	0	0	6
Hyderabad	99	1066	1165	289	55	157	664	1165	885	280	0	1165	0	0	0	0
Jaipur	0	1067	1067	264	50	122	592	1028	1010	18	0	1028	39	0	0	39
Kochi	0	1355	1355	437	41	177	700	1355	1303	52	0	1355	0	0	0	0
Kolkata	1115	2873	3988	1345	465	583	1300	3693	1459	2094	140	3693	295	0	0	295
Lucknow	140	1338	1478	489	13	101	794	1397	939	434	24	1397	57	24	0	81
Mumbai	185	3928	4113	583	172	151	2722	3628	2997	629	2	3628	280	205	0	485
Noida	181	1113	1294	500	138	0	656	1294	866	425	3	1294	0	0	0	0
Patna	2	830	832	132	76	87	537	832	709	123	0	832	0	0	0	0
Pune	19	1410	1429	396	44	162	807	1409	1390	19	0	1409	20	0	0	20
Total	**2693**	**27627**	**30320**	**7520**	**1963**	**2518**	**15989**	**27990**	**21853**	**5757**	**380**	**27990**	**1283**	**1047**	**0**	**2330**

OFFICE OF THE GOVERNING BODY OF INSURANCE COUNCIL

Complaints Disposal statement for the period from 01.04.2016 to 31.03.2017

STATEMENT L2

LIFE INSURANCE

Name of	Total No of Complaints			Number of complaints dispoesd off by way of					Durationwise disposal of Complaints				Durationwise Outstanding complaints			
Centre	O/s at the Beginning of the Year	Received upto March	Total	Recomen-dations/ Awards	Withdrawal /Settlement	Dissmissal awards fvg Ins.co	Non-acceptance/ NE	Total Disposed	Within 3 months	3 months to 1 year	Above 1 Year	Total Disposed	Within 3 months	3 months to 1 Year	Above 1 Year	Total Oustanding
Ahmedabad	22	1083	1105	144	394	58	496	1092	859	233	0	1092	13	0	0	13
Bengaluru	0	985	985	123	57	70	688	938	905	33	0	938	47	0	0	47
Bhopal	9	609	618	124	23	57	390	594	548	46	0	594	22	2	0	24
Bubaneshwar	45	550	595	82	0	64	449	595	543	52	0	595	0	0	0	0
Chandigarh	610	1866	2476	707	9	190	596	1502	683	608	211	1502	279	695	0	974
Chennai	0	819	819	42	22	23	719	806	804	2	0	806	13	0	0	13
Delhi	24	966	990	460	35	5	490	990	985	5	0	990	0	0	0	0
Guwahati	17	287	304	81	12	58	151	302	293	9	0	302	2	0	0	2
Hyderabad	75	750	825	191	38	103	493	825	619	206	0	825	0	0	0	0
Jaipur	0	754	754	202	28	66	435	731	717	14	0	731	23	0	0	23
Kochi	0	654	654	159	11	69	415	654	635	19	0	654	0	0	0	0
Kolkata	923	2020	2943	1097	383	383	889	2752	998	1615	139	2752	191	0	0	191
Lucknow	128	1080	1208	407	8	71	645	1131	696	411	24	1131	53	24	0	77
Mumbai	21	2181	2202	158	62	23	1955	2198	2117	81	0	2198	1	3	0	4
Noida	121	743	864	312	85	0	467	864	603	258	3	864	0	0	0	0
Patna	1	629	630	80	64	87	399	630	521	109	0	630	0	0	0	0
Pune	13	768	781	230	20	85	438	773	758	15	0	773	8	0	0	8
Total	**2009**	**16744**	**18753**	**4599**	**1251**	**1412**	**10115**	**17377**	**13284**	**3716**	**377**	**17377**	**652**	**724**	**0**	**1376**

OFFICE OF THE GOVERNING BODY OF INSURANCE COUNCIL

Complaints Disposal statement for the period from 01.04.2016 to 31.03.2017

STATEMENT L3

LIFE INSURANCE

Name of Company	Total No of Complaints			Complaints disposed by way of							Durationwise disposal of Complaints				Durationwise Outstanding complaints			
	O/s at the Beginning of the YEAR	Received upto March	Total	Recomen-dations	Awards	Withdrawal /Settlement	Non-accept ance	Dissmissal awards fvg ins.co	NE	Total Disposed	Within 3 months	3 months to 1 year	Above 1 Year	Total	Within 3 months	3 months to 1 Year	Above 1 year	TOTAL OUTSTANDING
Aegon Life Ins.Co.Ltd.	159	657	816	24	328	46	0	49	275	722	456	245	21	722	46	48	0	94
Aviva Life	55	182	237	4	49	9	0	26	108	196	133	31	32	196	14	27	0	41
Bajaj-Allianz Life	75	621	696	16	128	29	0	64	416	653	499	141	13	653	17	26	0	43
BHARTI AXA LIFE	81	1044	1125	61	354	67	0	63	480	1025	794	221	10	1025	47	53	0	100
Birla-Sun Life	167	756	923	17	244	109	0	79	402	851	569	259	23	851	28	44	0	72
Canara HSBC Oriental Bank Life	2	33	35	3	3	1	0	2	26	35	30	4	1	35	0	0	0	0
DHFL Pramerica Life Ins.Co.Ltd.	11	213	224	8	65	9	0	20	87	189	124	62	3	189	14	21	0	35
Edelweiss Tokio LIC Co.	2	77	79	9	14	4	0	5	32	64	56	8	0	64	5	10	0	15
Exide Life Insurance Co.	134	956	1090	35	353	103	0	76	439	1006	631	361	14	1006	55	29	0	84
Future Generali	123	664	787	20	270	58	0	69	290	707	459	233	15	707	39	41	0	80
Hdfc-Standard Life	309	2420	2729	70	560	288	0	155	1433	2506	1919	509	78	2506	107	116	0	223
ICICI-Prudential	104	811	915	12	204	78	0	48	521	863	665	168	30	863	18	34	0	52
IDBI Federal Life Ins.Co.Ltd.	30	169	199	1	60	18	0	11	87	177	116	52	9	177	4	18	0	22
IndiaFirst insurance co.	1	76	77	0	4	3	0	12	56	75	70	5	0	75	2	0	0	2
Kotak Mahindra-OM	66	336	402	6	100	17	0	40	196	359	240	116	3	359	11	32	0	43
LIC of India	221	3853	4074	65	434	155	0	429	2898	3981	3445	496	40	3981	53	40	0	93
Max Life Insurance	34	487	521	19	68	23	0	27	356	493	421	65	7	493	13	15	0	28
PNB Met-Life	58	487	545	8	137	15	0	34	271	465	379	80	6	465	44	36	0	80
RELIANCE NIPPON LIFE	305	1702	2007	66	634	160	0	89	862	1811	1246	511	54	1811	103	93	0	196
SAHARA India Life	0	5	5	0	0	0	0	1	4	5	4	1	0	5	0	0	0	0
SBI LIFE	33	756	789	19	56	26	0	73	574	748	669	78	1	748	18	23	0	41
SHRIRAM LIFE	18	161	179	5	32	17	0	14	90	158	117	31	10	158	7	14	0	21
Star Union Dai-ichi Life Ins.Co.	2	79	81	0	4	6	0	5	64	79	72	7	0	79	2	0	0	2
TATA AIA LIFE	19	199	218	3	27	10	0	21	148	209	170	32	7	209	5	4	0	9
Total	**2009**	**16744**	**18753**	**471**	**4128**	**1251**	**0**	**1412**	**10115**	**17377**	**13284**	**3716**	**377**	**17377**	**652**	**724**	**0**	**1376**

OFFICE OF THE GOVERNING BODY OF INSURANCE COUNCIL

Complaints Disposal statement for the period from 01.04.2016 to 31.03.2017

STATEMENT G2
GENERAL INSURANCE

Name of	Total No of Complaints			Number of complaints dispoesd off by way of					Durationwise disposal of Complaints				Durationwise Outstanding complaints			
Centre	O/s at the Beginning of the Year	Received upto March	Total	Recomen-dations/ Awards	Withdrawal /Settlement	Dissmissal awards fvg.ins.co	Non-acceptance/ NE	Total Disposed	Within 3 months	3 months to 1 year	Above 1 Year	Total Disposed	Within 3 months	3 months to 1 Year	Above 1 Year	Total Oustanding
Ahmedabad	39	1609	1648	359	201	120	923	1603	1337	266	0	1603	45	0	0	45
Bengaluru	0	872	872	92	51	68	621	832	814	18	0	832	40	0	0	40
Bhopal	9	230	239	46	8	52	108	214	184	30	0	214	24	1	0	25
Bubaneshwar	19	199	218	41	0	23	154	218	199	19	0	218	0	0	0	0
Chandigarh	129	965	1094	257	1	98	544	900	621	279	0	900	74	120	0	194
Chennai	0	720	720	103	45	83	460	691	640	51	0	691	29	0	0	29
Delhi	19	808	827	383	45	0	399	827	808	19	0	827	0	0	0	0
Guwahati	10	79	89	41	6	9	29	85	72	13	0	85	4	0	0	4
Hyderabad	24	316	340	98	17	54	171	340	266	74	0	340	0	0	0	0
jaipur	0	313	313	62	22	56	157	297	293	4	0	297	16	0	0	16
Kochi	0	701	701	278	30	108	285	701	668	33	0	701	0	0	0	0
Kolkata	192	853	1045	248	82	200	411	941	461	479	1	941	104	0	0	104
Lucknow	12	258	270	82	5	30	149	266	243	23	0	266	4	0	0	4
Mumbai	164	1747	1911	425	110	128	767	1430	880	548	2	1430	279	202	0	481
Noida	60	370	430	188	53	0	189	430	263	167	0	430	0	0	0	0
Patna	1	201	202	52	12	0	138	202	188	14	0	202	0	0	0	0
Pune	6	642	648	166	24	77	369	636	632	4	0	636	12	0	0	12
Total	**684**	**10883**	**11567**	**2921**	**712**	**1106**	**5874**	**10613**	**8569**	**2041**	**3**	**10613**	**631**	**323**	**0**	**954**

Complaints Disposal statement for the period from 01.04.2016 to 31.03.2017

STATEMENT G 3
GENERAL INSURANCE.

Name of Company	Total No of Complaints			Complaints disposed by way of							Durationwise disposal of Complaints				Durationwise Outstanding complaints			
	O/s at the Beginning of the YEAR	Received during March	Total	Recomen-dations	Awards	Withdrawal /Settlement	Non-acceptance	Dissmissal awards fvg ins.co	NE	Total Disposed	Within 3 months	3 months to 1 year	Above 1 Year	Total	Within 3 months	3 months to 1 Year	Above 1 year	TOTAL OUTSTANDING
Aditya Birla Health Ins. Co. Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Agriculture Ins. Co.	0	9	9	0	0	0	0	0	9	9	9	0	0	9	0	0	0	0
Apollo Munich Health	45	376	421	29	102	21	0	40	188	380	293	87	0	380	30	11	0	41
Bajaj-Allianz General	23	292	315	5	53	15	0	41	184	298	240	58	0	298	8	9	0	17
Bharati AXA Gen.Ins.	4	161	165	9	38	12	0	11	85	155	127	28	0	155	6	4	0	10
CHNHB Association	1	4	5	0	1	0	0	0	4	5	4	1	0	5	0	0	0	0
Cholamandalam MS	10	83	93	7	20	3	0	10	50	90	72	18	0	90	2	1	0	3
Cigna TTK Health Ins. Co.	1	106	107	8	27	6	0	9	46	96	83	13	0	96	8	3	0	11
ECGC	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Future Generali Gen.	2	73	75	3	10	12	0	5	36	66	51	15	0	66	7	2	0	9
HDFC ERGO Gen.Ins.	7	310	317	16	36	15	0	29	191	287	250	36	1	287	11	19	0	30
ICICI-Lombard	35	500	535	25	83	51	0	42	287	488	421	67	0	488	32	15	0	47
IFFCO TOKIO	9	281	290	10	56	10	0	17	162	255	218	37	0	255	18	17	0	35
Kotak Mahindra Gen. Ins. Co. Ltd.	0	3	3	0	0	0	0	0	3	3	3	0	0	3	0	0	0	0
L & T General	2	55	57	1	4	6	0	7	34	52	46	6	0	52	3	2	0	5
LIBERTY VIDEOCON	1	42	43	3	9	3	0	5	22	42	39	3	0	42	1	0	0	1
MAGMA HDI Genl.	1	17	18	0	4	2	0	3	7	16	12	4	0	16	1	1	0	2
MAX BUPA Health	23	364	387	25	95	30	0	39	161	350	274	76	0	350	21	16	0	37
Raheja QBE Gen.Ins.	0	18	18	0	0	0	0	0	18	18	18	0	0	18	0	0	0	0
Reliance General	17	305	322	12	67	22	0	15	185	301	248	53	0	301	15	6	0	21
Religare Health Ins.	14	236	250	9	50	16	0	20	133	228	189	39	0	228	16	6	0	22
Royal-Sundaram	5	155	160	5	32	11	0	26	75	149	119	29	1	149	7	4	0	11
SBI General	6	210	216	3	30	7	0	16	150	206	188	18	0	206	5	5	0	10
Shriram Gen.Ins.Co.Ltd.	2	38	40	1	10	4	0	2	22	39	28	11	0	39	0	1	0	1
Star Health & Allied Ins.	40	826	866	23	153	84	0	116	432	808	704	104	0	808	42	16	0	58
TATA-AIG General	11	125	136	5	18	5	0	12	87	127	111	16	0	127	5	4	0	9
The National	107	1479	1586	43	377	95	0	157	808	1480	1163	317	0	1480	73	33	0	106
The New India	135	1662	1797	23	466	96	0	183	851	1619	1230	388	1	1619	117	61	0	178
The Oriental	81	1415	1496	25	383	87	0	128	744	1367	1095	272	0	1367	90	39	0	129
The United-India	94	1653	1747	33	450	94	0	165	847	1589	1263	326	0	1589	112	46	0	158
Universal Sompo Gen.	8	85	93	4	20	5	0	8	53	90	71	19	0	90	1	2	0	3
Total	**684**	**10883**	**11567**	**327**	**2594**	**712**	**0**	**1106**	**5874**	**10613**	**8569**	**2041**	**3**	**10613**	**631**	**323**	**0**	**954**

OFFICE OF GOVERNING BODY OF INSURANCE COUNCIL

Complaints Received & Disposal statement for the period from 01.04.2016 to 31.03.2017

RECOMMENDATIONS AND AWARDS FOR THE PERIOD FROM 01.04.2016 TO 31.03.2017

RS. in Lacs

L4G4

	LIFE		GENERAL		TOTAL	
	RECOMMENDATION AND AWARDS		RECOMMENDATION AND AWARDS		RECOMMENDATION AND AWARDS	
Name of the Insurer						
	Number	*Amount*	*Number*	*Amount*	*Number*	*Amount*
AHMEDABAD	202	141.16	479	168.86	681	310.02
BENGALURU	193	78.67	160	63.60	353	142.27
BHOPAL	181	148.36	98	20.25	279	168.61
BHUBANESHWAR	146	87.43	64	45.01	210	132.44
CHANDIGARH	897	789.09	355	252.62	1252	1041.71
CHENNAI	65	72.98	186	159.03	251	232.00
DELHI	465	205.97	383	81.43	848	287.40
GUWAHATI	139	142.31	50	63.18	189	205.48
HYDERABAD	294	172.78	152	174.97	446	347.74
JAIPUR	268	321.81	118	82.66	386	404.47
KOCHI	228	98.76	386	58.42	614	157.18
KOLKATA	1480	1018.32	448	82.90	1928	1101.22
LUCKNOW	478	199.46	112	73.18	590	272.65
MUMBAI	181	203.72	553	262.27	734	465.99
NOIDA	312	114.03	188	59.59	500	173.62
PATNA	167	37.75	52	38.70	219	76.45
PUNE	315	250.68	243	165.76	558	416.45
Total	**6011**	**4083.27**	**4027**	**1852.42**	**10038**	**5935.69**

OFFICE OF THE GOVERNING BODY OF INSURANCE COUNCIL

Complaints Disposal statement for the period from 01.04.2016 to 31.03.2017

STATEMENT L 5
LIFE INSURANCE
(FIGURES IN LACS)

Name of Insurer	RECOMMENDATIONS upto March 2017		AWARDS upto March 2017		RECOMMENDATIONS & AWARDS upto March 2017	
	Number	Amount	Number	Amount	Number	Amount
Aegon Life Ins.Co.Ltd.	24	15.61	328	332.90	352	348.51
Aviva Life	4	0.00	49	34.76	53	34.76
Bajaj-Allianz Life	16	3.27	128	93.17	144	96.44
BHARTI AXA Life	61	73.15	354	357.61	415	430.76
Birla-Sun Life	17	3.57	244	280.20	261	283.77
Canara HSBC Oriental Bank Life	3	0.00	3	9.26	6	9.26
DHFL Pramerica Life Ins.Co.Ltd.	8	1.43	65	54.37	73	55.81
Edelweiss Tokio Life Ins.	9	28.39	14	44.00	23	72.39
Exide Life Insurance Company Ltd	35	45.49	353	321.13	388	366.62
Future Generali	20	16.69	270	236.99	290	253.68
HDFC Standard Life	70	46.76	560	440.64	630	487.40
ICICI-Prudential	12	4.32	204	331.52	216	335.84
IDBI Federal Life Ins.Co.Ltd.	1	0.00	60	27.86	61	27.86
IndiaFirst Life Insurance co.	0	0.00	4	8.75	4	8.75
Kotak Mahindra-OM	6	0.00	100	121.97	106	121.97
LIC of India	65	0.00	434	371.33	499	371.33
Max-Newyork Life	19	3.30	68	62.90	87	66.20
PNB Metlife India Ins. Co. P.Ltd	8	0.00	137	118.02	145	118.02
RELIANCE NIPPON LIFE	66	44.85	634	439.96	700	484.81
SAHARA India Life	0	0.00	0	0.00	0	0.00
SBI LIFE	19	1.99	56	40.11	75	42.11
SHRIRAM LIFE	5	0.12	32	25.40	37	25.52
Star Union Dai-ichi Life Ins.Co.	0	0.00	4	31.19	4	31.19
TATA AIA LIFE	3	0.00	27	10.28	30	10.28
Total	**471**	**288.94**	**4128**	**3794.33**	**4599**	**4083.27**

OFFICE OF THE GOVERNING BODY OF INSURANCE COUNCIL

Complaints Disposal statement for the period from 01.04.2016 to 31.03.2017

STATEMENT-II A

GENERAL INSURANCE

Amount in Lacs

	RECOMMENDATIONS		AWARDS		RECOMMENDATION & AWARDS	
Name of the Insurer	upto March 2017		upto March 2017		upto March 2017	
	Number	Amount	Number	Amount	Number	Amount
Aditya Birla Health Ins. Co. Ltd.	0	0	0	0.00	0	0.00
Agriculture Ins. Co.	0	0.00	0	0.00	0	0.00
Apollo Munich	29	1.62	102	91.36	131	92.98
Bajaj-Allianz General	5	0.00	53	56.77	58	56.77
BharatiAXA Gen.Ins.	9	0.42	38	59.70	47	60.12
CHNHB Association	0	0.00	1	0.00	0	0.00
Cholamandalam	7	3.39	20	27.72	27	31.11
Cigna TTK Health Ins. Co	8	0.00	27	8.92	35	8.92
ECGC	0	0.00	0	0.00	0	0.00
Future Generali Gen.	3	0.00	10	6.28	13	6.28
HDFC ERGO Gen.Ins.	16	0.81	36	53.10	52	53.91
ICICI-Lombard	25	5.60	83	111.44	108	117.04
IFFCO TOKIO	10	1.50	56	59.94	66	61.44
Kotak Mahindra Gen. Ins. Co. Ltd.	0	0.00	0	0.00	0	0.00
L & T Gnel. Ins. Co.	1	0.00	4	2.11	5	2.11
Liberty Videocon Gen.Ins.	3	0.00	9	4.56	12	4.56
Magma HDI Gen. Ins.Co.	0	0.00	4	2.53	4	2.53
MAX BUPA	25	0.33	95	101.04	120	101.37
Raheja QBE Gen.Ins.	0	0.00	0	0.00	0	0.00
Reliance General	12	6.00	67	69.10	79	75.10
Religare Health Ins.	9	0.00	50	47.64	59	47.64
Royal-Sundaram	5	0.00	32	39.27	37	39.27
SBI Genl. Ins. Co.	3	0.00	30	67.02	33	67.02
Shriram Gen.Ins.Co.Ltd.	1	0.00	10	36.59	11	36.59
Star Health & Allied Ins.	23	0.05	153	84.30	176	84.35
TATA-AIG General	5	0.00	18	4.48	23	4.48
The National Ins.	43	0.00	377	175.45	420	175.45
The New India	23	2.15	466	236.39	489	238.54
The Oriental	25	1.00	383	197.12	408	198.12
United-India	33	0.00	450	274.07	483	274.07
Universal Sompo Gen.	4	0.00	20	12.67	24	12.67
Total	**327**	**22.87**	**2594**	**1829.65**	**2921**	**1852.42**

Complaints Received and Disposal statement for the period from 01.04.2016 to 31.03.2017

NATURE WISE CLASSIFICATION OF COMPLAINTS RECEIVED FOR THE PERIOD FROM 01.04.2016 TO 31.03.2017

STATEMENT L 7G7
LIFE INSURANCE & GENERAL INSURANCE

NAME OF THE INSURER	NON ENTERTAINABLE						ENTERTAINABLE						TOTAL
	Beyond Scope of Rule (12 b to f)	Not within Jurisdiction 13(1)	Not availed of Insurance Co. Grievance Redressal Mechanism 13 (a)	Sub-judice in courts/ forums 13 (c)	Time barred 13(b)	TOTAL A	*Partial or total repudiation of claim.*	*Dispute in regards to premiums paid or payable in terms of policy.*	*Dispute on the legal construction of the policies in so far as such dispute relates to claim*	*Delay in settlement of claims.*	*Non-issue of insurance document to customer after receipt of premium.*	*TOTAL B*	
AHMEDABAD	1200	16	183	2	18	1419	1027	241	1	2	2	1273	2692
BENGALURU	574	47	683	1	4	1309	350	186	0	7	5	548	1857
BHOPAL	197	4	283	0	14	498	171	152	1	12	5	341	839
BUBANESWAR	32	13	193	362	3	603	98	0	0	48	0	146	749
CHANDIGARH	216	42	844	5	33	1140	466	1191	6	21	7	1691	2831
CHENNAI	604	49	523	1	2	1179	348	4	2	5	1	360	1539
DELHI	226	359	293	1	10	889	584	290	0	7	4	885	1774
GUWAHATI	25	0	146	1	8	180	111	43	2	26	4	186	366
HYDERABAD	200	131	312	3	18	664	269	43	70	12	8	402	1066
JAIPUR	238	18	330	1	5	592	431	31	4	8	1	475	1067
KOCHI	289	7	400	0	4	700	590	11	43	9	2	655	1355
KOLKATA	366	192	573	1	168	1300	429	1067	6	56	15	1573	2873
LUCKNOW	127	236	411	1	19	794	159	317	3	60	5	544	1338
MUMBAI	674	733	1280	4	31	2722	991	201	5	4	5	1206	3928
NOIDA	125	38	463	9	21	656	176	233	3	44	1	457	1113
PATNA	128	14	374	2	19	537	143	93	15	40	2	293	830
PUNE	149	18	602	4	34	807	249	351	0	1	2	603	1410
Total	**5370**	**1917**	**7893**	**398**	**411**	**15989**	**6592**	**4454**	**161**	**362**	**69**	**11638**	**27627**

Complaints Received & Disposed statement for the period from 01.04.2016 to 31.03.2017

NATURE WISE CLASSIFICATION OF COMPLAINTS RECEIVED FOR THE PERIOD FROM 01.04.2016 TO 31.03.2017

STATEMENT L 8
LIFE INSURANCE

NAME OF THE INSURER	NON ENTERTAINABLE						ENTERTAINABLE						
	Beyond Scope of Rule (12 b to f)	Not within Jurisdiction 13(1)	Not availed of Insurance Co. Grievance Redressal Mechanism 13 (a)	Sub-judice in courts/ forums 13 (c)	Time barred 13(b)	TOTAL A	Partial or total repudiation of claim.	Dispute in regards to premiums paid or payable in terms of policy.	Dispute on the legal construction of the policies in so far as such dispute relates to claim	Delay in settlement of claims.	Non-issue of insurance document to customer after receipt of premium.	TOTAL B	TOTAL A+B
Ahmedabad	386	6	87	0	17	496	348	235	1	1	2	587	1083
Bangalore	341	25	318	1	3	688	111	179	0	6	1	297	985
Bhopal	166	4	206	0	14	390	55	150	1	9	4	219	609
Bhubaneswar	16	10	126	295	2	449	60	0	0	41	0	101	550
CHANDIGARH	167	17	387	0	25	596	64	1184	2	16	4	1270	1866
Chennai	442	22	255	0	0	719	91	4	2	2	1	100	819
Delhi	121	223	137	1	8	490	200	267	0	5	4	476	966
Guwahati	23	0	119	1	8	151	70	43	2	17	4	136	287
Hyderabad	144	102	240	3	4	493	125	43	70	11	8	257	750
Jaipur	189	8	234	0	4	435	282	31	4	1	1	319	754
Kochi	216	3	196	0	0	415	187	8	39	5	0	239	654
Kolkata	287	157	357	0	88	889	53	1008	6	52	12	1131	2020
Lucknow	95	192	342	0	16	645	80	315	0	36	4	435	1080
Mumbai	517	498	917	0	23	1955	33	187	3	2	1	226	2181
Noida	75	15	355	6	16	467	57	209	3	7	0	276	743
Patna	92	5	283	0	19	399	108	90	10	20	2	230	629
Pune	95	6	312	3	22	438	23	307	0	0	0	330	768
Total	**3372**	**1293**	**4871**	**310**	**269**	**10115**	**1947**	**4260**	**143**	**231**	**48**	**6629**	**16744**

Complaints Received & Disposal statement for the period from 01.04.2016 to 31.03.2017

NATURE WISE CLASSIFICATION OF COMPLAINTS RECEIVED FOR THE PERIOD FROM 01.04.2016 TO 31.03.2017

STATEMENT L 9
LIFE INSURANCE

NAME OF THE INSURER	NON ENTERTAINABLE						ENTERTAINABLE						
	Beyond Scope of Rule (12 b to f)	Not within Jurisdiction 13(1)	Not availed of Insurance Co. Grievance Redressal Mechanism 13 (a)	Sub-judice in courts/ forums 13 (c)	Time barred 13(b)	TOTAL A	Partial or total repudiation of claim.	Dispute in regards to premiums paid or payable in terms of policy.	Dispute on the legal construction of the policies in so far as such dispute relates to claim	Delay in settlement of claims.	Non-issue of insurance document to customer after receipt of premium.	TOTAL B	TOTAL A+B
Aegon Life Ins.Co.Ltd.	64	21	161	11	18	275	63	309	4	4	2	382	657
Aviva Life	45	8	46	6	3	108	13	54	5	2	0	74	182
Bajaj-Allianz Life	148	43	197	14	14	416	78	118	5	3	1	205	621
BHARTI AXA LIFE	98	71	289	13	9	480	135	419	4	3	3	564	1044
Birla-Sun Life	101	40	152	6	23	402	67	271	4	8	4	354	756
Canara HSBC Oriental Bank Life	10	3	12	1	0	26	3	4	0	0	0	7	33
DHFL Pramerica Life Ins.Co.Ltd.	26	8	42	5	6	87	24	98	2	2	0	126	213
Edelweiss Tokio LIC Co.	4	0	27	1	0	32	5	39	0	0	1	45	77
Exide Life Insurance	111	47	260	17	4	439	79	421	7	8	2	517	956
Future Generali	72	47	159	8	4	290	79	284	6	4	1	374	664
HDFC-Standard Life	458	170	739	22	44	1433	253	691	24	15	4	987	2420
ICICI-Prudential	208	39	248	16	10	521	62	214	4	7	3	290	811
IDBI Federal Life Ins.Co.Ltd.	26	10	46	1	4	87	19	54	8	0	1	82	169
IndiaFirst Life Insurance Co.Ltd.,	20	12	22	2	0	56	11	6	0	3	0	20	76
Kotak Mahindra-OM	93	12	79	2	10	196	16	120	0	3	1	140	336
LIC of India	1015	451	1261	122	49	2898	656	107	39	139	14	955	3853
Max-Newyork Life	130	58	151	10	7	356	36	91	2	1	1	131	487
Met-Life	91	35	140	3	2	271	57	150	4	4	1	216	487
RELIANCE NIPPON LIFE	227	103	466	17	49	862	158	642	16	18	6	840	1702
SAHARA India Life	1	0	3	0	0	4	0	1	0	0	0	1	5
SBI LIFE	233	73	244	18	6	574	82	90	6	4	0	182	756
SHRIRAM LIFE	27	17	40	4	2	90	28	40	2	0	1	71	161
Star Union Dai-ichi Life Ins.Co.	23	8	26	5	2	64	5	9	0	1	0	15	79
TATA AIA LIFE	61	17	61	6	3	148	18	28	1	2	2	51	199
Total	**3372**	**1293**	**4871**	**310**	**269**	**10115**	**1947**	**4260**	**143**	**231**	**48**	**8629**	**16744**

Complaints Received and Disposed statement for the period from 01.04.2016 to 31.03.2017

NATURE WISE CLASSIFICATION OF COMPLAINTS RECEIVED FOR THE PERIOD FROM 01.04.2016 TO 31.03.2017

STATEMENT G 8
GENERAL INSURANCE

NAME OF THE CENTRE	NON ENTERTAINABLE						ENTERTAINABLE						TOTAL
	Beyond Scope of Rule (12 b to f)	Not within Jurisdiction 13(1)	Not availed of Insurance Co. Grievance Redressal Mechanism 13 (a)	Sub-judice in courts/ forums 13 (c)	Time barred 13(b)	TOTAL A	Partial or total repudiation of claim.	Dispute in regards to premiums paid or payable in terms of policy.	Dispute on the legal construction of the policies in so far as such dispute relates to claim	Delay in settlement of claims.	Non-issue of insurance document to customer after receipt of premium.	TOTAL B	A+B
AHMEDABAD	814	10	96	2	1	923	679	6	0	1	0	686	1609
BENGALURU	233	22	365	0	1	621	239	7	0	1	4	251	872
BHOPAL	31	0	77	0	0	108	116	2	0	3	1	122	230
BUBANESWAR	16	3	67	67	1	154	38	0	0	7	0	45	199
CHANDIGARH	49	25	457	5	8	544	402	7	4	5	3	421	965
CHENNAI	162	27	268	1	2	460	257	0	0	3	0	260	720
DELHI	105	136	156	0	2	399	384	23	0	2	0	409	808
GUWAHATI	2	0	27	0	0	29	41	0	0	9	0	50	79
HYDERABAD	56	29	72	0	14	171	144	0	0	1	0	145	316
JAIPUR	49	10	96	1	1	157	149	0	0	7	0	156	313
KOCHI	73	4	204	0	4	285	403	3	4	4	2	416	701
KOLKATA	79	35	216	1	80	411	376	59	0	4	3	442	853
LUCKNOW	32	44	69	1	3	149	79	2	3	24	1	109	258
MUMBAI	157	235	363	4	8	767	958	14	2	2	4	980	1747
NOIDA	50	23	108	3	5	189	119	24	0	37	1	181	370
PATNA	36	9	91	2	0	138	35	3	5	20	0	63	201
PUNE	54	12	290	1	12	369	226	44	0	1	2	273	642
Total	1998	624	3022	88	142	5874	4645	194	18	131	21	5009	10883

Complaints Received & Disposal statement for the period from 01.04.2016 to 31.03.2017

NATURE WISE CLASSIFICATION OF COMPLAINTS RECEIVED FOR THE PERIOD FROM 01.04.2016 TO 31.03.2017

STATEMENT G 9

GENERAL INSURANCE

NAME OF THE INSURER	NON ENTERTAINABLE						ENTERTAINABLE						
	Beyond Scope of Rule (12 b to f)	Not within Jurisdiction 13(1)	Not availed of Insurance Co. Grievance Redressal Mechanism 13 (a)	Sub-judice in courts/ forums 13 (c)	Time barred 13(b)	TOTAL A	Partial or total repudiation of claim.	Dispute in regards to premiums paid or payable in terms of policy.	Dispute on the legal construction of the policies in so far as such disputes relates to claim	Delay in settlement of claims.	Non-issue of insurance document to customer after receipt of premium.	TOTAL B	TOTAL A+B
Aditya Birla Health Ins. Co. Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0
Agriculture Ins. Co.	2	1	1	1	4	9	0	0	0	0	0	0	9
Apollo Munich	46	14	121	4	3	188	174	10	1	2	1	188	376
Bajaj-Allianz General	61	15	100	5	3	184	99	1	3	1	4	108	292
BharatiAXA Gen.Ins.	21	11	48	3	2	85	70	4	0	1	1	76	161
CHINHB Associates	2	1	1	0	0	4	0	0	0	0	0	0	4
Cholamandalam	13	5	30	1	1	50	31	0	1	1	0	33	83
Cigna TTk health Ins.	15	3	28	0	0	46	30	28	0	0	2	60	106
ECGC	0	0	0	0	0	0	0	0	0	0	0	0	0
Future Generali Gen.	12	3	20	1	0	36	16	20	0	1	0	37	73
HDFC ERGO Gen.Ins.	54	33	102	1	1	191	109	6	0	4	0	119	310
ICICI-Lombard	90	34	156	3	4	287	187	9	0	15	2	213	500
IFFCO TOKIO	43	25	87	4	3	162	110	2	1	6	0	119	281
Kotak Mahindra Gen. Ins. Co. Ltd.	1	1	1	0	0	3	0	0	0	0	0	0	3
L & T General	19	2	12	0	1	34	21	0	0	0	0	21	55
LIBFETY VIDEOCON	8	2	11	1	0	22	19	1	0	0	0	20	42
MAGMA HDI	3	0	3	1	0	7	8	0	0	2	0	10	17
MAX BUPA	51	18	87	2	3	161	194	5	0	3	1	203	364
Raheja QBE Gen.Ins.	16	0	2	0	0	18	0	0	0	0	0	0	18
Reliance General	42	32	101	4	6	185	113	5	1	1	0	120	305
Religare Health Ins.	33	14	84	2	0	133	96	5	1	1	3	103	236
Royal-Sundaram	31	11	30	0	3	75	78	1	1	0	0	80	155
SBI General	67	15	62	4	2	150	54	1	1	3	1	60	210
Shriram Gen.Ins.Co.Ltd.	9	3	9	0	1	22	10	0	0	6	0	16	38
Star Health & Allied Ins.	110	52	257	7	6	432	369	21	1	3	0	394	826
TATA-AIG General	32	10	41	1	3	87	35	1	0	2	0	38	125
The National	304	81	366	17	40	808	632	17	1	20	1	671	1479
The New India	328	60	421	7	15	851	777	16	1	15	2	811	1662
The Oriental	280	63	368	12	21	744	620	24	1	22	4	671	1415
The United-India	280	91	449	7	20	847	762	16	4	22	2	806	1653
Universal Sompo Gen.	25	4	24	0	0	53	31	1	0	0	0	32	85
Total	1998	624	3022	88	142	5874	4645	194	18	131	21	5009	10883

D) COMMON OBSERVATIONS/SUGGESTIONS/RECOMMENDATIONS OF OMBUDSMEN REGARDING QUALITY OF SERVICES RENDERED BY INSURER & CAUSES OF GRIEVANCES.

LIFE

1. A number of life cases connected with mis-selling are generally based on fraud and forgery of signatures of the policy holder/ life assured on proposal forms and benefit/ sales illustration and it is almost impossible to establish mis-selling. Mis-selling can be reduced by making consumers aware of Insurance especially in rural areas. The companies, IRDA and Offices of Insurance Ombudsman should hold meetings involving Panchayats, local administrations & NGOs to spread awareness about Insurance. Agents should be trained to avoid mis-selling.

2. In most cases of mis-selling the financial underwriting rules have been disregarded by the underwriter. So mis-selling which could have been arrested at the underwriting stage instead gets an impetus when the underwriter clears long premium paying term plans even though the proposer does not have the paying capacity to maintain the policy beyond the initial first payment.

3. Insurance Companies are denying complaints of mis-selling simply because a satisfactory Pre-login verification call had been made, even though experience over last few years has shown that the brokers/agents have been tutoring the customers to accept all terms when verification calls are received. It is indeed a catch 22 situation where unscrupulous agents/brokers are continuing to derive undue benefit out of the greed of customers. However, Insurance companies, Regulator, Redressal Officers, as stake holders of the industry should be able to devise controls to prevent this unchecked mis-selling and mis-guiding of customers

4. Solicitation of business and issuance of premium receipts by unlicensed entities.

5. The share of complaints for a company as a ratio to the total complaints received by the centre is an indicator of the effectiveness of the grievance redressal machinery of the companies. As an example, the customer base of LIC is the highest but their complaint share is much lower in comparison to the market share.

NON-LIFE

1. TPAs decision on settlement of claims should not be final and the matter should be reviewed by the insurer to arrive at a judicious decision. Most general insurers do not have any established system for review of the claims rejected by their TPAs. Even when the complainant approaches the Grievance Cell, after repudiation of the claim by the TPA, the insurer seldom examines the claim dispassionately. In some cases, the insurer depends on the TPA to present cases before the Ombudsman.

2. Assessment of surveyors on the quantum of loss in motor claims is not in tune with the desired repairs and reasons for not allowing the estimated items are not explained.

3. There has to be a mechanism to ensure that Provider Net Work Hospitals do not charge more than agreed rates and proper treatment is administered.

4. Lack of clarity in some of the clauses and conditions in the policy, Mediclaim in particular. A few clauses like proportionate clause require a relook, in the interest of policyholders. Similarly "enhancement of sum insured clause', "active line of treatment" and "Reasonable and Customary Charges" require proper interpretation. Inadmissibility of cost of Multi Focal Lens in case of cataract treatment should be clearly spelt out in the Policy terms, if the same is excluded.

5. In Mediclaim policies the pre-existing diseases should be specified on the schedule of the policy so that the Insured is aware of the exclusion given in the terms and conditions of the policy.

6. In General Insurance, Mediclaim and Motor Accident/Theft Claims need to be managed with a lot more sensitivity and care. The TPA's and Surveyors add significantly to the woes of hapless customers The Surveyors and TPA's need to be nudged on to the right path. Possibly, the Claim Investigation Agencies also should be brought under a licensing process. Where self-regulation is given a go by, a stronger regulation remains the only alternative.

7. In many complaints, Hospital Expenses have been repudiated by Insurance Companies due to LAMA (Left Against Medical Advice) and

decision upheld by the Ombudsman. However, in the recent Punjab & Haryana High Court ruling has laid down that a terminally ill person who decides to stop treatment against medical advice and dies cannot be denied insurance claims. The reasoning which the High Court has cited is that a patients desire not to be treated is an issue of patient autonomy and embracing dignity in death

8. It is observed that many companies, instead of guiding their customers to approach their in-house grievance machinery, are directing them to Ombudsman, thus short circuiting the whole system and intentionally reducing its effectiveness in a planned manner. When questioned on the issue, representatives from the companies have related this to their corporate decision.

GENERAL SUGGESTIONS

1. A provision should be made under RPG Rules, 1998 for execution of an Award and any penal action in case of default of the compliance of the Award by the Insurer.
2. There should be provision for filling of Curative Petition in case of rectifying the Legal/Factual defect after passing of an Award/Order which is apparent on the face of record.
3. Investigator should take care to collect supporting documentary evidence to substantiate findings noted in the report in all investigations.
4. Insurance companies should educate the insuring public and Agents about the importance of exact disclosure of material facts at the time of filling up the proposal form and also at the time of revival of lapsed policy.
5. Local offices of the Insurers should help grieving policy holders in reporting the loss through their helpline as most of the policyholders are not conversant with the system.
6. Technical circulars issued by insurance companies should be furnished to the offices of the insurance ombudsman.
7. Wide publicity on lacunae on mis-selling through print and electronic media may be made for increasing awareness amongst the general public.
8. The craze for new business, communication gap between the insurer and the insured, casual approach in filling up proposal forms, nondisclosure of terms and conditions of policy and the indifferent approach in settlement of

claims being the genesis of most complaints, the Insurer should take necessary steps to plug these loopholes.

9. A Large number of complaints are received against rejection of claims where insurance was ported to some other company when it was for long time with the ceding company. Once a policy is ported it should be with all the benefits it is already enjoying and should not be with curtailment of benefits.
10. While renewal of policy, substantive changes in the Terms & Conditions of the Policy should be highlighted in the renewal notices and also on the first page of the policy schedule.
11. IRDA guidelines that the claim should not be repudiated merely on the grounds of delay should be followed strictly. Clear guidelines must be issued in this regard and it should be enforced.
12. Some companies are delaying the implementation of award. The IRDA had come out with a circular in November 2015 stating in unequivocal terms the time limits to be adhered to by the Insurance companies in honoring of the awards. However, there are instances where this is totally ignored on the pretext that the Insurer is preferring an appeal or contemplating filling a Writ Petition in the High court.
13. Integrated Grievance Management System, an automated complaint tracking system developed by IRDA is an important tool in the hands of the regulator as it provides an effective means of grievance handling which as universally recognized, is of paramount importance in further development of the insurance industry.
14. It is observed that the Grievance Redressal Mechanism of the Insurers has become prototype (with the same stereo typed letters sent from all the escalation levels) without properly addressing the grievances raised by their customers/ complainants. The Insurers are becoming more cautious about their business ranking in the Market and least bothered about the ranking in number of Complaints registered against them.
15. Information is knowledge and knowledge is power. So it is suggested that insurers can pool all the information of mutual interest relating to issuance of policies settlement of claim and status of health etc. together which can be utilised by them for issuance of policy and settlement of claims etc.

16. It is a matter of concern that insurance fraud is not defined under the Indian Insurance Act. Creation of a Portal to build & share Insurance Fraud related data base may be started.

17. Awareness among the public about internal grievance redressal machinery and also high level claims review committee is lacking, which also requires publicity and specific mention in policy documents. Appropriate procedural changes are needed by the insurers so that rejected/ repudiated complaints are automatically escalated to the review committees of the insurers. In most of the complaints, the complainants did not approach the Grievance Redressal Mechanism of the insurer but approach the office of the ombudsman directly. Hence, corresponding address of the respective insurer must be mentioned in the policy document prominently for further queries of insured.

18. It is matter of concern that, now days the Industry is frequently coming out with new insurance product and with that are introducing new and different terms and conditions which public at large are unable to easily comprehend. Especially due to poor or no understanding of English language. The insurance intermediaries exploit this situation and indulge in all kind of malpractices. The insurers thus have to step in to secure the trust of the insured rather than shift the responsibility to these intermediaries because this also affects their reputation and image.

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E) BRIEF REPORTS OF THE

OFFICES OF THE INSURANCE OMBUDSMAN

An edited version citing important issues dealt at various Offices of the Insurance Ombudsmen is briefed hereunder:

From the desk of the Insurance Ombudsman-AHMEDABAD

There was no regular Ombudsman for this centre during this year. This post is lying vacant since 28 July 2014. Mr N.P.Bhagat, Insurance Ombudsman, was given additional charge of this centre vide GBIC's order dated 17.05.2016. Shri Prasad Insurance Ombudsman Bengaluru, Mrs. Sandhya Baliga Insurance Ombudsman Delhi & Shri. A.K.Sahoo Insurance Ombudsman Pune has also given their valuable contribution to reduce the pendency of this centre.

People of Gujarat are very insurance conscious and they file complaint for even a small amount, if they think that it has been deducted wrongly. Hence the number of complaints of this centre is very high. The people of Gujarat have expressed their confidence in this system of grievance redressal. All the complaints registered upto 28.02.2017 have been disposed by the end of March 2017. In absence of regular Ombudsman, this performance is really commendable. Only 58 cases registered in the month of March 2017, remained outstanding as on 31.03.2017.

OBSERVATIONS & SUGGESTIONS:

1. All mis-selling cases pertain to Private Insurers. Main reason of mis-selling is lack of awareness of the Customer and they fall prey to the fake promises made by the agent or brokers acting on behalf of insurance companies.
2. The canvassing of the policies had been with false or exaggerated promises like interest free loan equivalent to 10 times the premium, separate Medi-claim policies along with life insurance policies at the cost of life insurance policies, high returns with bonus, installation of mobile towers, bank ATM at residence and rent on it etc. Most of the mis-sold policy complainants were gullible, naïve and fell prey to greed and allurement of short and quick money.
3. There had been instances where the Complainants had approached the Forum with bogus death claims arising out of the policies issued by the Private Insurers.

AUDIT AND ACCOUNTS:

R.S.Patel & Co., Chartered Accountants, Ahmedabad, had been appointed as Auditors for the year 2016-17. The Audited Accounts for the year ended 31st March, 2017 along with Schedules duly signed by the Auditors and Auditors' Report, were submitted to the GBIC. There were no adverse comments in the Auditors'' Report.

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From the desk of the Insurance Ombudsman-BENGALURU

The Bengaluru Centre has completed two years of its operation so far. With the setting-up of the Bengaluru Centre, the level of public awareness about the existence of and the services being rendered by the institution of Insurance Ombudsman has increased manifold, resulting in more number of grievances being received by the Ombudsman Centre at Bengaluru. During 2016-17, the total number of complaints received by the Bengaluru Centre was 1857, out of which 92 complaints were outstanding as on 31.03.2017.

Bima Lokpal Day was celebrated on 10.11.2016 which was attended to by the representatives of the Insurance Companies, Consumer Groups and the media.

Observation & suggestions:

1. Efficient and Customer-friendly handling of complaints; besides adhering to the general principles of insurance on the one hand and the basic principle of natural justice and reasonableness on the other.
2. Impartial Disposal of Grievances in a fair and equitable manner, &
3. Cost Effective Operation.
4. Centre is facing cases related to porting of the Health Insurance policies from one Insurer to the other like the non-disclosure of PED at the time of porting.
5. Centre is fixing the date of hearing based on Ann.VI-A, received from the complainants as centre is not receiving the SCN on time. Many Insurers do not submit Ann. VII-a before hearing.
6. Proper persons are not deputed for Hearings (esp. in PSUs Scale I & II). Officials deputed are less experienced & not aware of the RPG Rules 1998/Protection of Policy Holders Interest Regulations 2002 or the fact of the case or new to department and not able to put forth their arguments.
7. Policy terms & conditions are not attached with SCN or not brought during hearings esp. in Mediclaim cases. Only schedule is provided. Many a times, the conditions quoted while repudiating are incorrect.

AUDIT & ACCOUNTS:

The independent Audit Report was certified by **M/s. Ramraj and Co., Chartered Accountants, Bengaluru** as in Format SA 700 and Schedule "B". There were no adverse comments in the Auditors' Report.

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From the desk of the Insurance Ombudsman-BHOPAL

The office of the Insurance Ombudsman, Bhopal was in a position to resolve complaints within a time frame and during the financial year 2016-17, the centre has disposed of 808 cases as against the receipt of 839 complaints and 49 complaints were outstanding as on 31.03.2017.

It is unfortunate to note that the maximum complaints registered in the forum against Life Insurance companies are pertaining to MIS-SALE (about 68%). Mis sale in life insurance sector is becoming omnipresent and the intermediaries are alluring the innocent and gullible customers. This problem of mis selling can only be eradicated by the combined efforts of Insurers, Regulators, Intermediaries and Customers as well.

A tele-talk was arranged by Bhopal Doordarshan. The seminar for Insurance Companies (combined both Life & Non-life) was held on 18.11.2016.On the eve of World Consumer Protection day Stall of Bhopal Ombudsman is also placed in Bhopal I Haat which was organized by the office of Controller of Measurement(Legal Metrology Dept).

OBSERVATION & SUGGESTIONS: Areas of Concern:

1. Printing of policy document is not legible, important clauses are not highlighted in policy document. Further it is not brief and concise.

2. Appeal for review by complainant is not attended properly. It is not considered and examined by the appropriate authority and not attended within stipulated time.

3. Nominated officials are not conversant with facts of the case as well as do not have knowledge of policy terms & condition. Further it is also notable that the nominated officers have no powers to sign for compromise resolution of the complaint.

4. There is considerable delay in reporting the claim, the reason for delay is not evaluated and also not supported with cogent evidence.

5. It is observed that Insurance companies are not studying the award seriously and the same types of complaints are occurring frequently.

6. Awards are not implemented within stipulated time. IRDA should issue specific guidelines in respect of non compliance of award or delay in compliance.

7. PPN hospital rates for different kind of diseases should be informed to policy holders. TPA/Insurer should ensure that PPN hospitals should not charge beyond package rates.

8. Need for specific guidelines from GBIC/IRDA, if insurer doesn't attend the hearing or In case of Non compliance of award.

9. Non submission of SCN.

10. Non-furnishing of Policy terms & conditions in respect of Medi-claim policy to the policyholders.

11. Terms and conditions of portability are not explained at the time of portability of Mediclaim policy.

Audit & Accounts:

The audit for the Annual accounts for the financial year was done by M/s S.L.Chhajed & Co., Chartered Accountants and accounts were finalized without any adverse comments from the Auditors.

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From the Office of the Insurance Ombudsman-BHUBANESWAR

The office of the Insurance Ombudsman, Bhubaneswar has a territorial jurisdiction over all Insurance Companies in the State of Odisha and deals with all complaints that are lodged relating to policies issued by the member Insurance companies in the state of Odisha.

To bring further awareness of the people of the state on the functioning of the office & the benefits available there from to the insurance customers, Press Conference was held on 11.11.2016 in the office on the eve of Bimalokpal Day which is attended by most of the leading dailies and widely covered in the media.

OBSERVATIONS & SUGGESTIONS

1. Submission of Self Contained Note is not within stipulated time. In many SCNs relevant information relating to the complaint is missing, as a result timely decision is not possible.
2. Delay in settlement of claim is one major cause of grievance of the complainants and necessary steps may be taken to reduce such delay.
3. In life insurance cases major portion of the complaints relate to the repudiation of death claims. The claims are repudiated without assigning any reason or the reason is not properly explained. The repudiation letters are not sent to the insured.
4. Polices are issued without furnishing terms & conditions thereof and such conditions are cited at the time of hearing.
5. Officers who are well acquainted with the complaint and conversant with relevant file should attend the hearing.
6. Each Insurer has to print the address of the servicing office with telephone number for customer service in the policy bond prominently.
7. The agents of Private Insurance Companies must be trained and educated to avoid mis-selling in order to survive in long term business.
8. The investigator has to take care to collect the supporting documentary evidence to substantiate the finding noted in the report in all investigations.
9. Returns of fund value - Some Companies are violating their own clause of fore closure in case of ULIP Policies.

10. The insurance companies should educate the insuring public and also the Agents about the importance of exact disclosure of the material facts at the time of filling up the proposal form and also at the time of revival of the lapsed policy. This will help in increasing the customers' trust in the insurer as well as building a better customer-insurer relationship.
11. Health Insurance Proposals must mention the names of diseases of common suffering so that the insured can tick the disease suffered by him. This would avoid misrepresentation of fact, as mostly proposal forms are filled in by agents, who are unaware of proposer's disease.
12. TPAs' decision on settlement of claim should not be final and the matter should be reviewed by the insurer to arrive at a judicious decision A committee consisting of medical practitioners, law officer and one of senior officers should be formed who should review the repudiation effected by TPA and intimate the decision to the insured.
13. Local offices of the Insurers should help grieving policy holders in reporting the loss through their helpline as most of the policyholders are not conversant with the system.
14. The insured's consent by way of signature on the proposal must be taken in r/o Bank assurance scheme where the insurer gets the proposals and premium directly from the bank, without involving the insured.

Audit & Accounts:

The audit for the Annual Accounts for the financial year was conducted by **M/s Patnaik & Co**, Chartered Accountant. The accounts were finalized without adverse comments from the Auditors.

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From the Desk of the Insurance Ombudsman-CHANDIGARH

This centre was without permanent Ombudsman for over a year. 1168 complaints remained outstanding at the end of the year. The main reason is huge inflow of complaints from all the four states under the jurisdiction viz. Punjab, Haryana, Himachal Pradesh and Jammu and Kashmir and one Union Territory of Chandigarh. The Ombudsman from Bangalore, Chennai, Delhi and Noida has helped a great deal in disposal of the pending cases. Most of the complaints under Life segment were relating to mis-selling of the policies and under General Insurance, most of the complaints pertain to Motor Insurance or Health Insurance. Likewise previous year this year also, another noticeable feature is that most of the cases of mis-sale are through Bank-assurance i.e. where customer maintains an account in a Bank which also sells Life Insurance. In such cases, the customer unknowingly signs the proposal form for insurance believing it to be a fixed deposit or any other scheme of the bank.

OBSERVATIONS & SUGGESTIONS:

1. **Self Contained Note:** The Insurance Companies should send Self Contained Note (SCN) in time so as to have complete overview of the stand of the Insurance Company. It has been observed that on certain occasions when the Complainant argues his case at the time of hearing, the Insurance Companies accept the argument and enter into a compromise settlement. The insured also feels that if he had not approached the Ombudsman, his claim would not have been paid. There is a need for strong internal Grievance Redressal Mechanism at the level of the insurer. Specific guidelines from GBIC/ IRDA should be given in this context.

2. **Repudiation on Weak Grounds:** The claims on account of theft of vehicles are denied on the ground that the FIR was lodged late. No attention is paid to the fact that the Insured had intimated the Police immediately but it was the Police who recorded FIR late for the reasons best known to them. It should be ensured that claims are not summarily repudiated and IRDA guidelines are followed which state that whenever there is a delay in reporting the claim the reasons for delay should be sought and evaluated.

3. **Portability Issue:** Once a policy is ported it should be with all the benefits, which the policy holder was already enjoying. Healthy concept of portability has to be adhered to.

4. **Sun-set Clause for no-claim policies:** 'Sun set' premium clauses for existing policy holders of claim-free continuous insurance will redress genuine grievance of very large number of customers and help the industry grow.

5. **Arbitrary rates by hospitals:** There has to be a mechanism to ensure that PPN (Preferred Provider Net-work) Hospitals do not charge more than agreed rates and proper treatment is administered.

6. **Need for corrective action, based on awards of Insurance Ombudsman:** The awards are not seriously examined by the insurers at the macro level to bring about the required improvements in their system. Thus complaints of similar nature are registered against the same insurer. The orders passed by the Ombudsman need to be examined and discussed at appropriate levels and bring about suitable changes in the operational levels for future. This will help in reduction of grievances and consequent litigation.

7. **Conciliation done in letter and spirit:** As per rules, possibility of conciliation between complainant and the insurer has to be explored and if conciliation is not forthcoming, an award is passed.

8. **Insurers own grievance redressal mechanism:** Awareness among the public about internal grievance redressal machinery and also high level claims review committee is lacking, which also requires publicity and specific mention in policy documents. Appropriate procedural changes are needed by the insurers so that rejected/ repudiated complaints are automatically escalated to the review committees of the insurers. In most of the complaints, the complainants did not approach the Grievance Redressal Mechanism of the insurer but approach the office of the ombudsman directly.

Audit & Accounts

The Accounts of the Office of the Insurance Ombudsman were audited by Datta Singala & Co, C.A., and Chandigarh who were appointed as Auditors for the financial year 2016-17. The accounts were duly certified by the auditors without any adverse remarks.

From the desk of the Insurance Ombudsman-CHENNAI

In order to provide justice to customers at doorstep, Chennai Centre has been conducting outstation hearings. During the year 2016-17, outstation hearings were conducted at Coimbatore.

Bimalokpal day was celebrated on 17.11.2016 to create awareness among the insuring public about grievance redressal by insurers and Insurance Ombudsman. Senior Officials from both Private and Public sector insurance companies, members of the Consumer Association of India, complainants and insuring public participated in this program.

OBSERVATIONS & SUGGESTIONS:

General Insurance

a) Delay in settlement of Chennai flood claims-particularly motor claims.
b) Undue delay in claim repudiation particularly motor theft claims.
c) Violation of IRDA guidelines w.r.t. portability of medical insurance.
d) Hospitals charging over and above the PPN agreed rate.
e) Violation of IRDAI guidelines on Grievance redressal and protection of Policyholders Interests Regulation

Life Insurance:

a) Rampant mis-selling by intermediaries
b) Solicitation of business though unlicensed entities.
c) Undue delay in settlement of death claims.
d) Proposal forms are mostly filled by agents/intermediaries.

AUDIT & ACCOUNTS

During this financial year, all the major expenses were will within the budgeted limits and the expenditure under many heads was kept at the bare minimum. The audit was conducted by Auditors M/s Manohar Chowdhry & Associates, Chennai, who were appointed as the auditors during the year. The accounts for the financial year 2016-17 were finalized without any adverse comments from the Auditors.

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From the Desk of the Insurance Ombudsman-Delhi

The office of Delhi Ombudsman was awarded the ISO 9001:2015 certification by Standardisation, Testing and Quality Certification (STQC, established under Ministry of Electronics and Information Technology) for Quality Management Standard (QMS) on 24.03.2017 making it the first centre in India ISO certified in the presence of Secretary general, GBIC as Chief Guest and officials from STQC and the representatives of the Insurance Companies at India International Centre, Delhi.

Delhi Centre had zero pendency of complaints on 31.03.2017. Out of 1817 complaints disposed during the year, a total of 1793 i.e. 98.67 % complaints were disposed within the time frame of 90 days as required under the RPG rules 1998.Delhi Ombudsman is also given additional charge of Chandigarh and Kochi centres and has also conducted hearings at Jaipur and Bhopal offices.

While preparing the cause lists, priority was accorded to senior citizens/ ailing persons or persons with disabilities for expeditious redressal. As regards the nature of complaints, mis-selling by agents / brokers is the largest cause of complaints in respect of private life insurers whereas mostly service related issues are the cause of complaints in PSU i.e. LIC. In General Insurance, the largest cause of complaints is repudiation of claims.

"Bima Lokpal Divas" was observed by the Delhi Ombudsman Office on 19.11.2016

Observations and Suggestions:

1. In public sector submission of self contained note (SCN) is not as per procedure. The SCN is a summary of the case, supplemented with the relevant documents. Furnishing only the reasons for rejection of cases without any justification leads to the litigation. More often than not, even the grounds of repudiation are not consistent with the terms and conditions of the policy.
2. In respect of repudiation of death claim or mis-selling of policies even though the insurer was able to establish suppression of material facts, a question that is to be addressed is, to what extent the life assured are responsible for non disclosure of material facts or mis-selling of the policy by the intermediaries.

3. While renewing the policy, the substantive changes in the terms and conditions of the policy are not brought to the notice of the Insured. It is, therefore, suggested that any change in the terms and conditions which has a direct bearing on the claim settlement should be highlighted in the renewal notices and also on the first page of the policy schedule.

4. Policy bond needs to be brief and concise, and important clauses need to be highlighted on the first page of the policy itself. Further, Policy bond printing should be legible.

Audit & Accounts:

Annual accounts of 2016-17 for this office were audited by ASA & Associates LLP., New Delhi. The accounts for the financial year 2016-17 were finalized without any adverse comments from the Auditors.

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From the Desk of the Insurance Ombudsman-GUWAHATI

The Office of the Insurance Ombudsman, Guwahati has been vacant since 18th July, 2014. To attend to grievances of complainants in Guwahati, Shri K.B.Shah, Insurance Ombudsman, Kolkata has assumed additional Charge of the office of Insurance Ombudsman, Guwahati and has done commendably well in disposing off the complaints with a closing balance of only 6 at the end of year. Despite the limited availability of Ombudsman, the Unit has shown not only excellent performance in disposal of Complaints, it has also held awareness camps in Itanagar, Tejpur, Imphal and Shillong. Introduction of engaging Professional Experts is prudent, cost effective and more productive. This centre is trying to popularize the existence of this Forum through media and holding meetings.

OBSERVATION AND SUGGESTIONS:

1. Unlike last year, still Insurers are not serious in sending self contained note and written statement within the stipulated time. The SCN is either not submitted or is received late from Insurer. Timely submission of SCN supported by sustainable documents will help the Insurance Ombudsman to pass an order without any loss of time.

2. The representatives of the insurance companies do not come prepared for the hearing and also are little casual in their attitude.

3. The implementation of awards has shown substantial improvement as insurers have also started taking this part very seriously.

4. In Medi-claim cases, the mandatory 24 hours hospitalization and exclusion clauses were used to deny even legitimate claims. In many cases of general insurance complaints the policy holders are not aware about the terms and conditions of the policy and they came to know about the policy conditions only when insurance company repudiates their claim.

5. In Medi-claim cases, moreover repudiation is done without reference to insurer with whom the complainant has the contract. The insurer does not take the responsibility for action of the TPA.

6. Complaints pertaining to life segment arise mainly due to delay and non-settlement of claim.

Audit & Accounts:

Annual accounts of 2016-17 for this office were audited by B.L. Purohit,C.A. The accounts for the financial year 2016-17 were finalized without any adverse comments from the Auditors.

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From the Desk of the Insurance Ombudsman-HYDERABAD

This centre headed by three Insurance Ombudsmen during the year under review. Only one outstation hearing was held at Vijayawada during May 2016 for the convenience of complainants. Though the Insurance Ombudsmen were also holding charge of other centres, apart from Hyderabad, the pendency of the grievances/complaints was NIL as on 31.03.2017. During the year the entire office premises was renovated with the help of LIC Engineering Dept.

OBSERVATIONS & SUGGESTIONS

LIFE SEGMENT:

1. In Life segment it is found that the insurers are resorting to mis-selling in many cases. The care should be taken by the insurer at the underwriting stage itself to ensure verification of genuineness of documents and declarations by the life assured in Proposal form.
2. . It is observed that the insurers are relying on auto foreclosure clause in ULIP Policies without following the due procedure as laid down in the policy condition.

GENERAL (NON-LIFE) SEGMENT:

- In General segment the terms and conditions were not properly explained to the proposers at the time of insurance.
- The applicability of the pre-existing disease clause in Overseas Travel Insurance Policies is vague and causing varied interpretations.
- The Pre-existing disease clause is still resulting in many complaints especially during porting of the health policies from one insurer to the other insurer.
- Bariatric surgery for cosmetic purpose may be excluded and surgery undertaken for prolongation of life may be allowed by providing absolute clarity in the policy wordings.

AUDIT & ACCOUNTS:

The audit was conducted by Auditors Anjaneyulu & Co., Chartered Accountants, Hyderabad, who were appointed as the auditors during the year. The accounts for the financial year 2016-17 were finalized without any adverse comments from the Auditors.

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From the Desk of the Insurance Ombudsman-JAIPUR

Due to the rigorous efforts of Jaipur centre only 39 complaints were outstanding at the end of year 2016-17. This centre conducted one camp at Jodhpur in the month of December 2016 for expeditious disposal of complaints. The Centre observed Bimalokpal Divas on the 11th day of November 2016 with gusto. The representatives of different insurance companies and some general public attended the function. Local dailies gave wide coverage of this function for public awareness.

Observation & Suggestions:

01. SCN not been submitted timely and relevant information relating to the complaint is missing, whereas it should reach well in time before hearing.
02. In General Insurance cases, claim repudiation is done without assigning any valid reasons which causes confusion to the complainant as well as the person dealing the same.
03. The option of free look period cancellation should not be misused by the insurance companies.
04. As per RPG rules, the insurer should comply with the awards within 30 days. Time limit for compliance of award should be strictly followed; inordinate delay by the insurer in satisfying the award must be viewed seriously. Penalty provisions (interest at bank rate) may be incorporated.
05. Sometimes claims are being settled at central or some other corporate offices and the person attending the hearing is not at all aware of the matter relating to the complaint. It is suggested that the person deputed for hearing by the company should come with full preparation.

Audit & Accounts:

The Audit was conducted by M/s Kalani & Co., Chartered Accountants, who were appointed as Auditors. There were no adverse comments from the Auditors on preparation and finalization of the Accounts for the financial year 2016-17.

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From the Office of the Insurance Ombudsman-KOCHI

The territorial jurisdiction of the Of the Office of the Insurance Ombudsman, Kochi, extends to the entire State of Kerala besides the Mahe & Lakshadweep. During the year a Conference of all the Insurers was conducted in Kochi as on 6th September, 2016.

OBSERVATIONS & SUGGESTIONS:

1. Various Innovative Insurance products are offered with different terms and conditions by the Insurance Company; General Public not understanding fully the implications of all the clauses contained in the Insurance Policy contract has increased the number of grievances.

2. Increased inflow of complaints is an indicator that there is growing awareness amongst the public about the functioning of the forum of Insurance Ombudsman.

3. There is also a warning signal that Insurance Companies should take pragmatic steps to improve their customer service.

Audit & Accounts:

The audit was conducted by M/s Babu A. Kallivayalil & Co., Chartered Accountants, Ernakulum. Kochi office is the first office in the country to submit audited accounts for the year ending 31st March, 2017. The Audited Accounts along with Schedules were submitted to the GBIC on 10t April, 2017. There were no adverse comments in the Auditor's Report and all expenses under the various heads are within the approved budget.

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From the desk of the Insurance Ombudsman-KOLKATA

The Kolkata Centre had received 2873 complaints during the year and 1115 complaints were outstanding as on 01.04.2016 out of which 3693 complaints were disposed off and only 295 complaints remained outstanding as on 31.03.2017 with not a single complaint pending for more than three months. It is heartening to mention that all the complaints were disposed off within the stipulated period of three months. Outstation hearings were held at Port Blair, Siliguri, & Durgapur and Awareness Camps were also arranged at Gangtok,Jalpaiguri, Siliguri & Port Blair for the convenience of complainants.

OBSERVATIONS & SUGGESTIONS:

1. Rackets of crooked advisers are out there to take full advantage of the greed, ignorance and emotional vulnerability of the average Indian investors by way of half-truth, camouflaged deceit, mis-selling, mis-interpretation of facts etc. Indian insurance sector is not free from these heinous offences of mis-selling and deceit.
2. Large number of complaints is regularly originating in relation to the issue of Medi-claim in case of Health Insurance at the time of portability. While porting a health insurance policy it is necessary that the entire benefits accrued under the existing policy would be transferred in the new policy. Similarly, the new insurer should get the opportunity to know the health condition, past medical history along with any existing disease of the insured before underwriting acceptance. The portability form to be submitted before 45 days of expiring of the existing policy to allow sufficient time to the new insurer to consider the case & accept the insurance.
3. There should be IRDAI designated test centers to conduct uniform tests on certain parameters for collecting health status and other medical information for all prospective portability customers.
4. In case of higher sum insured opted there can be certain additional test and based upon those tests premium to be charged.

AUDIT & ACCOUNTS:

The Audit was conducted by M/s V Singhi & Associates, Chartered Accountants, who were appointed as Auditors. There were no adverse comments from the Auditors on preparation and finalization of the Accounts for the financial year 2016-17.

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From the Desk of the Insurance Ombudsman-LUCKNOW

Keeping interest of policy holders as prime objective, the Govt. of India has made the Insurance Ombudsman Rules, 2017 more transparent than RPG Rules 1998. The awards of Insurance Ombudsman have been made binding on the insurers. This will prevent the insurers from further litigations against the award pronounced by the Ombudsman. These steps taken by the Govt. of India are worth appreciating.

Out of the total complaints 81 complaints remained outstanding as on 31.03.2017. These complaints were related to mis-selling, unjustified repudiation of claims (Partial/Total) and also delay in settlement of claims. In case of Life Business, the said tendency of mis-selling was more in Private Life Insurance Companies in comparison to established companies. Similarly in general insurance business, it was noticed that maximum complaints registered against Private General Insurance Companies mainly related to misrepresentation/ non disclosure of material facts.

OBSERVATIONS & SUGGESSIONS:

Life business:

Mis-selling is the most common in Distance marketing and also more prevalent in case of Private life insurance companies. IRDAI should ensure strict compliance of its circular No. IRDA/ADMN/GDL/MISC/059/04/2011 Dated 05/04/2011 issued on Distance Marketing. The proposal should be linked with Aadhaar Number. This will help to know the total No. of policies taken by the Assured and also to ascertain the premium paying capacity of Assured. The commission should be recovered from the broker along with interest and penalty should be levied by IRDAI.

There have been cases of repudiation of death claims on the basis of internal guidelines issued by the insurer which is contrary to the instruction / guidelines issued by the IRDA regarding applicability of amended section 45 of the Insurance Act 1938 w.e.f.26.12.2014. Such internal instruction needs to be reviewed by the Life insurer.

Non-Life Business:

The complaints were mainly related to partial or total repudiation of claim and also delay in settlement of claims. The delay in settlement of claim was more prevalent in public sector insurer.

Maximum health claims are repudiated and policies are cancelled taking shelter of declaration in proposal related to misrepresentation / non disclosure of material facts. Pre-existing disease clause in health policies should be amended accordingly.

After quantification of claims on the basis of papers submitted by the Insured, claims should be repudiated / closed as per terms and conditions of the policy issued. Without quantification of assessed loss, no claim should be repudiated.

Audit & Accounts:

The Audit & the Annual Accounts for the financial year was conducted by M/S S.N.Kapur & Associates, Chartered Accountants, Lucknow without any adverse comments.

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From the Desk of the Insurance Ombudsman-MUMBAI

The mission statement of the Office of the Insurance ombudsman, Mumbai reflects their intention of providing equitable solutions to the Complainants to the best of understanding and within least possible time. The data submitted in the report are in accordance with the provisions of Rule 20 of the RPG Rules 1998.

Consequent upon opening of Pune Ombudsman Centre, Mumbai centre is attending to the cases pertaining to Mumbai (City and Suburbs) and Goa only. The closing balance of complaints at the end of the period and carried forward to 2017-18 was 484 (480 (GI) + 4(LI)). The RPG Rules stipulates that all complaints are to be resolved within a time frame of 90 days and the centre have achieved this benchmark. During the last three years the centres have tried to initiate a few customers' friendly initiatives to improve the speed and quality of disposal and the efforts have paid dividends.

Growing awareness and rising consumer activism in the Indian market and creation of various consumer redressal mechanisms and steps initiated by the regulator have made it obligatory for the companies to address the issue of customer sensitivity seriously. The share of complaints for a company as a ratio to the total complaints received by the centre is an indicator of the effectiveness of the grievance redressal machinery of the companies. As an example, the customer base of LIC is the highest but their complaint share is much lower in comparison to the market share.

We would like to place on record the path breaking initiatives taken by some Private Sector companies of arranging interactions and brain storming sessions with their Executives and the outcome of such initiatives had been immensely positive. However these initiatives are only from the companies selling Life products.

During the year IRDA as well as the Companies have taken many initiatives which also resulted in improvement in the decisions taken by the companies.

OBSERVATIONS:

Life Business:

1. In spite of having an integrated grievance redressal mechanism in place, many a times the grievances are not attended within stipulated time and

manner and often closed arbitrarily without referring back to the customers. The forum has observed that in a number of cases the Insurance Companies do not send repudiation letters to the customers at all. The rejection letter from the TPAs is the only correspondence sent to the policyholder. Even after references have been made to the Grievance Officer; the Companies did not bother to re-examine the cases and treated the complaints as closed. As a result the effectiveness of the system is seriously compromised and status of the complaints is not correctly reflected in the IRDA's records. It has also been observed that many companies instead of guiding their customers to approach in-house grievance machinery are directing them to Ombudsman, thus short circuiting the whole system and intentionally reducing its effectiveness in a planned manner.

2. Sales through alternate channels of the banks and brokers as they make false promises of exorbitant returns, loans with zero percent interest, foreign trips, hiding information about the charges and canvassing single premium but issuing long term policies. The companies have accepted proposals where renewal premiums are much higher than the income of the proposer and concept of KYC and proper financial underwriting were given a go by. The policies are even issued without a specified premium paying or maturity period. They have even informed Forum that these policies are issued after approval from regulator.

3. Policy bond printing is not legible. The fonts used in the policy bond are too small to be deciphered even by the Company representatives. The point to be noted here is whether designing/approval and/or marketing of such products are appropriate? We have come across cases where policy bonds have been fraudulently altered to suit the needs of the Company.

4. In case of Home Loan Policies, Banks/housing finance companies have been selling policies packaged with home loans. No detailed proposal forms are called for and only minimal information about the policy is shared. Mortgage Redemption Policies under Single Premium mode were sold and the premium is deducted from the loan amount.

5. There is substantial delay in despatching of policy bond. Wherever there is delay in issue of policy bonds or there is no response from the companies, the policy holders are often at dilemma and quite often the

companies have used it to deny free-look benefits. Moreover the Companies do not keep any evidence of delivery/receipt of the policy and as a result they are also in difficulty at some point of time. The process can be streamlined to minimise such incidences.

Gen. Insurance Business:

1. The policy documents contain various terms for which proper interpretations are not made available through the policy document and as a result when the claim arises the companies interpret these gray areas to their advantage. It is necessary that policy document be made unambiguous and transparent. The terms and conditions attached to policy document do not bear Policy Number/Date, leading to several complaints. The company is also unable to categorically prove that the conditions were indeed attached to the policy at the time of issue. The Companies must ensure that the conditions attached to the Policy are affixed with a rubber stamp with the Policy Number and Date duly signed to avoid any ambiguity. The concept of attaching policy conditions separately is dispensed with forthwith in favour of a policy bond where conditions will be a part of the policy document.

2. The surveyors are authorized by the regulator and they have to conform to certain standards. Joint survey reports may be made mandatory to allow the policy holders to reflect their points of view. The companies to take decisions on the basis of joint survey only. Time has come to critically examine the effectiveness of the present system and take remedial measures.

3. Almost 90% of our General Insurance complaints are Mediclaim cases. Claims are often denied using reasonability clause and the Customers are not informed why a particular expense is unreasonable. We feel that this clause is to be used judiciously and in a highly restricted manner.

4. Many insurance companies have authorized some hospitals as PPN hospitals. In case of emergency, there may not be any scope of going to PPN hospitals at all. The policy documents do not specify the rates that will be applicable in case of taking treatment from other places and often the PPN hospitals do not honor their pre-decided rates with the companies. It is necessary that the customer should be given clear information about the eligibility whenever need arises. It may be made

mandatory to specify maximum eligibility for a particular treatment clearly mentioned in the table of benefits accompanying the policy.

5. The centre is receiving a lot of complaints relating to Cataract treatment because even within the PSU companies. Again there is no mention about the type of lens to be used in the policy document but while settling many companies refuse to pay the cost of multifocal lens citing internal circulars. We feel that policy conditions should clearly mention the eligibility restrictions, if any and internal circulars cannot be cited as a basis of denying a policyholder's legitimate right as it is not part of the contract. It definitely calls for some uniformity in the benefit pattern and the policy conditions with regulatory approval.

6. The policy conditions in health insurance need to be regularly updated because with the advancement in technology many surgical procedures have undergone a sea change. Quite a few surgeries do no longer require 24 hours confinement because of use of very high and sophisticated equipments. If the policyholder is to be denied certain things, the exclusions and entitlement should be very clearly specified in the policy document and it needs to be updated from time to time.

Suggestions:

Only 9.13% of the total complaints are coming from customers of LIC and the Companies with insignificant policy share and small Premium income are contributing more than 90% share of the total complaints received at this centre. Since the expenses of Ombudsman Centres are shared in proportion to the premium income of the companies, LIC is made to pay for the delinquencies of others. Appropriate system would be the cost being borne by the companies in proportion to their number of complaints. If adopted, this will go a long way in improving the system.

AUDIT & ACCOUNTS:

The Audit was conducted by M/s NBS & CO., Chartered Accountants, Mumbai who were appointed as Auditors. There were no adverse comments from the Auditors on preparation and finalization of the Accounts for the financial year 2016-17.

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From the Desk of the Insurance Ombudsman-NOIDA

This is the second annual report of Insurance Ombudsman centre, Noida for the financial year 2016-17, in compliance to Rule 20 of RPG Rules 1998 in order to highlight the activities of the new centre during the year as well as services rendered by the Insurance Companies and their approach towards the insured. The Noida centre was carved out from Lucknow centre with the territorial jurisdiction of entire state of Uttarakhand and 32 districts of western U.P. and notified on 03.12.2014.

A seminar was organized on the eve of Bima Lokpal Day on 11th November 2016. Areas requiring improvements such as underwriting of risk, issuance of policy terms and conditions to policy holders, claim servicing, role of TPA in health claim processing etc. were extensively discussed in this seminar.

During the year 2016-17 a total number of 1114 complaints were received and 180 complaints were carried forward from the previous year, off all 1294 complaints were disposed of by 31.03.2017. This is the second year of centre and the centre has achieved Zero Pendency. 67% of the complaints were disposed off within 90 days as prescribed in the RPG Rules.

Observations:

The major issues involved in complaints are mis-selling, concealment of material facts, non-disclosure of earlier policies and free look period etc. which also happens to be the most common ground of repudiation in the life sector. In the case of non-life it is partial or total repudiation of claims especially in health and motor sector.

Most of the Insurance Companies have continued to submit their SCN either at the last moment or during the hearing which prevents a holistic understanding of entire facts before the personal hearing.

Under the new rules, where the award is in favour of the complainant the amount of compensation is required to be specified. The provision is not practical and is bound to delay the issuance of award because at the stage of adjudication both in the case of life and , it is very difficult to quantify the amount as in Mediclaim only TPA can decide what is payable and not payable based on bills and records. Similar would be a situation in motor claim, fire and burglary claims etc. Similarly in the life cases, deduction of charges such as administrative charges, risk cover charges, mortality charges etc. cannot be decided during personal hearings. It needs to be worked out by the insurer after the award as is presently being done.

Mis-representation of policy terms and condition "at any time" in the policy document or policy contract is a very open ended term and fraught with risk of mis-use.

Under the new rule the Ombudsman has been empowered to condone delay in filing of complaint subject to calling for objections of the insurer against the proposed condonation and thereafter record the reason for condonation.

Policy servicing related grievances against insurers and their agents and intermediaries is again a very vast field and may prove of no consequence in absence of administrative and regulatory authority with the Ombudsman.

Suggestion:

The complainant can always approach the Ombudsman if not satisfied with the quantum determined by the insurer especially in the cases where it deviates from the principle settled and decided by the Ombudsman. There are instances where the complainant is not complying with the requirement which again prevents the insurer from arriving at the amount of compensation.

The proposal is not only likely to delay the processing of the complaint but would also provide a new field of conflict between the office of the insurer and Ombudsman. The Ombudsman anyway has to record the reasons for condonation, which has to be reasoned hence it may be superfluous and unnecessary to seek objection of the insurer.

Audit & Accounts:

The Audit was conducted by M/s ASA & Associates, Chartered Accountants, who were appointed as Auditors. There were no adverse comments from the Auditors on preparation and finalization of the Accounts for the financial year 2016-17.

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From the Desk of the Insurance Ombudsman-PATNA

The centre continues to render its service to the insuring public of the two states of Bihar and Jharkhand. This is the 2nd year; the centre has no complaints pending at the close of the financial year.

The zero outstanding of complaints at the close of the financial year, despite an increase in the number of complaints, is but a testimony to co-operation and also the result of constant follow up by our officials. Everyone have to always work harder to continue to achieve the changing benchmark of excellence.

Audit & Accounts:

The Audit was conducted by M/S L.K. Kejriwal & co., Chartered Accountants, who were appointed as Auditors. There were no adverse comments from the Auditors on preparation and finalization of the Accounts for the financial year 2016-17.

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From the Desk of the Insurance Ombudsman-PUNE

This is the third annual report of "Office of the Insurance Ombudsman, Pune" for the financial year 2016-17 as per Rule 20 of the Redressal of Public Grievances (RPG) Rules, 1998.

The territorial jurisdiction of this office covers the entire state of Maharashtra except Mumbai Metro.

The Fiscal is started with a pendency of 19 complaints of the previous year. 1410 complaints were added to the outstanding complaints during the financial year 2016-17 which made the total complaints disposed off to be 1429. The meticulous efforts of Pune Centre resulted into resolution of 1409 complaints and only 20 complaints are outstanding by the end of the FY 16-17.

This centre conducted several out station hearings at Thane, Kharghar, Nashik and Nagpur, to provide justice to the Complainants at their doorsteps.

Growing awareness and rising consumer activism in the current scenario and the various steps initiated by the Regulator have made it mandatory for the Insurers to address the customer's grievance seriously.

OBSERVATIONS & SUGGESTIONS:

1. The root cause of grievance in motor insurance is Lack of standards, professionalism, knowledge, skill and expertise in assessment of loss by the surveyors. Joint survey report is to be made mandatory as a remedial measure.

2. The policy conditions in health insurance need to be regularly updated because of the advancement in technology. Many surgical procedures have undergone remarkable developments. Quite a few surgeries do no longer require 24 hours hospitalisation with the usage of highly sophisticated medical equipment / pain management. The interpretation of various clauses has to be in tune with the overall objective of providing the hassle free service in Health Insurance.

3. A major portion of the complaints relate to Mediclaim and Health Insurance business, where either the claim is not settled or partially settled. For Life Insurers, mis-sale was forming the part of the major chunk of complaints.

Recommendations:

1. The Free look period for cancellation of the policy by the Insured may be extended up to 30 days in all cases. This provision of Free look period may be printed in bold letters on the first page of the policy document and the current practice of placing this in a very small font be dispensed with.

2. Font size / contents of the proposal form should be legible and questions relating to the Insured's health should be designed properly so that there should not be any ambiguity in understanding or in interpreting.

3. The Insurers should inform the Ombudsman Centres about any changes in the terms and conditions of their products to keep the centres abreast of changing rules and products.

AUDIT & ACCOUNTS:

M/S A R Sulakhe & Co. C.A., Pune was appointed as Auditor for the financial year 2015-16. The Audited accounts for the year 2016-17 along with all schedules, explanatory notes and the Auditors Report have been submitted to the GBIC. There is no adverse comment in the Auditors Report.

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