



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


All Partners / Stake Holders of  
Governing Body of Insurance Council

**CONSOLIDATED ANNUAL REPORT FOR THE YEAR 2014-15**

We have the pleasure to present the Consolidated Annual Report and Audited Accounts of the Offices of the Insurance Ombudsmen and the Governing Body of Insurance Council for the year ended 31<sup>st</sup> March, 2015.

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.

  
(RAMMA BHASIN)  
SECRETARY GENERAL (GBIC)

29<sup>th</sup> Feb , 2016, Mumbai



# OFFICE OF THE GOVERNING BODY OF INSURANCE COUNCIL

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## 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 11<sup>th</sup> 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 Govt. 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 25<sup>th</sup> 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.

The Annual Reports for the financial year 2014-15 have been received from all Offices of the Insurance Ombudsman except the Office of Insurance Ombudsman, Noida and Patna, as these offices commenced operations after April 2015. 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 all Offices of the Insurance Ombudsman .
4. Offices of the Insurance Ombudsman 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. During the current year, the GBIC has introduced common mail Ids for Office of the GBIC and all the Offices of the Insurance Ombudsman with the domain 'gbic.co.in'. The mail Id is inscoun@gbic.co.in for GBIC and bimalokpal.(name of the Office) @gbic.co.in for Offices of the Insurance Ombudsman . An updated GBIC website has also been launched with effect from 11.11.2014.
7. Bimalokpal Day was celebrated with great enthusiasm on 11th November, 2014 at all the offices of the Insurance Ombudsman with an aim to create awareness among the policyholders about Insurance Ombudsman Scheme.

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## INSURANCE OMBUDSMAN AND THEIR TERRITORIAL JURISDICTION

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 July 2014.
2.	Bengaluru- August, 2014	State of Karnataka	Shri M.Parshad, Ex-CMD, Agriculture Co. Ltd. Took charge on 14.08.2014.
3.	Bhopal- April, 2000	States of Madhya Pradesh and Chattisgarh	Shri Raj Kumar Srivastava, Ex-District & Sessions Judge (Selection Grade) Took charge on 27.05.2013 .
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	Shri Manik Sonawane, IAS, Ex-Chief Secretary to Government, Haryana Demitted Office on 20.09.2015
6.	Chennai- August, 1999	State of Tamil Nadu and Union Territories- Pondicherry Town and Karaikal (which are part of Union Territory of Pondicherry).	Shri Virander Kumar, Ex-General Manager, The New India Assurance Co. Ltd. Took charge on 09.05.2013
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 July 2014.
9.	Hyderabad- August, 1999	State of Andhra Pradesh Telangana and Union Territory of Yanam and part of Union Territory of Pondicherry.	Shri G.Rajeswara Rao, Ex. Chief Commissioner of Income Tax. Took charge on 15.05.2013
10.	Jaipur- October, 2014	State of Rajasthan	Shri Ashok K.Jain, IRS Ex-Chief Commissioner of Income Tax, Bhopal Took charge on 10.10.2014
11.	Kochi- June, 2000	States of Kerala and Union Territory of (a) Lakshadweep (b) Mahe- a part of Union Territory of Pondicherry	Shri P.K.Vijayakumar, IRS Ex-Director General of Income Tax(Investigation), Kochi Took charge on 14.07.2014





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	<u>Districts of Uttar Pradesh</u> 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.	Shri A.K.Dasgupta, Ex-Managing Director, LIC of India. Took charge on 16.05.2013
15.	Noida	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



## B) ACCOUNTS

All the Offices of the Insurance Ombudsman have submitted their audited Trial Balances as at 31.03.2015. M/s G.M.Kapadia & 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 2014-15 have completed their Audit and signed the Accounts. We are pleased to inform that the Audit Report submitted by the Chartered Accountants is without any qualification.

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.

During the fiscal under review, expenses of the Ombudsman Centres and Office of GBIC have been met by LIC of India upfront. Subsequently these expenses have been distributed among all the GBIC Member Companies in proportion to the share of each company based on Gross Market Premium income and their respective share of expenses recovered and reimbursed to LIC of India.

However, as per the earlier decision of the Governing Body of Insurance Council, it has been decided that from fiscal 2015-16, the Member Companies' share of expenses would be taken in advance, based on the previous year's Market share. Such advance will be later adjusted as per actual share and accounted properly.

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 31.03.2015 is annexed as “Annexure A”.



**G. M. KAPADIA & CO.**  
(REGISTERED)

CHARTERED ACCOUNTANTS

1007, RAHEJA CHAMBERS, 213, NARIMAN POINT, MUMBAI 400 021, INDIA

PHONE : (91-22) 6611 6611 FAX : (91-22) 6611 6600

**INDEPENDENT AUDITORS' REPORT**

To,

The Secretary

Office of the Governing Body of Insurance Council and 16 Offices of Insurance Ombudsmen,

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

Santacruz (West),

Mumbai- 400 054

**Report on the Financial Statements**

1. We have audited the attached Balance Sheet of Office of the Governing Body of Insurance Council and 16 Offices of Insurance Ombudsman (GBIC and 16 Ombudsmen) as at March 31, 2015 and the Statement of Income and Expenditure for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements of 15 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 16 Ombudsmen Management is responsible for the preparation of these financial statements that give a true and fair view of the Balance sheet and Statement of Income and Expenditure of the GBIC and 16 Ombudsmen in accordance with the requirements of the Insurance Act, 1938 and Redressal of Public Grievances Rules, 1998. 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.

**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



MUMBAI NEW DELHI CHENNAI BENGALURU HYDERABAD JAIPUR





**G. M. KAPADIA & CO.**

ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend 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 16 Ombudsmen in 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 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

6. In our opinion and to the best of our information and according to the explanations given to us, 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, and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to the GBIC and 16 Ombudsmen:
  - (i) In case of Balance Sheet, give a true and fair view of the state of affairs of the GBIC and 16 Ombudsmen as at March 31, 2015;
  - (ii) In case of Statement of Income and Expenditure, of the surplus for the year ended on that date.

**Emphasis of Matter**

7. Without qualifying our opinion, we draw attention to :
  - a. Note 2 in Schedule B to the financial statements regarding Opening balances states that 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





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Accounts certified by the Auditor. Hence, the opening balances brought down on April 1, 2001 were unaudited figures.

- b. Note 3 in Schedule B to the financial statements regarding accounts of the 15 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 LIC towards its share of expenses is not a surplus, but an advance / reimbursement towards its share of contribution. Further the amount received towards Capital Expenditure is reflected as a liability for contribution for Fixed Assets.
- c. Note 5 in Schedule B to the financial statements regarding Balances of Sundry Creditors and Sundry Debtors which are subject to confirmations and reconciliations.
- d. Note 8 in Schedule B to the financial statements regarding non-filing of Returns of Income. In the opinion of the management, Income Tax Return for the assessment year 2015-16 and for the earlier years is not required to be filed, as GBIC is not doing any commercial activity. The management has sought a legal opinion on the matter and the opinion is awaited.

**Report on Other Legal and Regulatory Requirements**

- 8. As required by the Insurance Act, 1938 and Redressal of Public Grievances Rules, 1998, as amended, 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 Office of the Governing Body of Insurance Council and 16 Offices of Insurance Ombudsmen so far as appears from our examination of those books; and
  - c. The Balance Sheet and Statement of Income and Expenditure of the Office of the Governing Body of Insurance Council and 16 Offices of Insurance Ombudsmen refer to in this report is in agreement with the books of accounts and returns.





G. M. KAPADIA & CO.

- d. The accounting policies adopted by the Office of the Governing Body of Insurance Council and 16 Offices of Insurance Ombudsmen are appropriate and are in compliance with the applicable Accounting Standards issued by the Institute of Chartered accountants of India.

For G. M. Kapadia & Co.  
Chartered Accountants  
Firm Registration No. 104767W



*Atul Shah*

Atul Shah  
Partner

Membership No. 39569

Place: Mumbai  
Dated: June 8, 2015



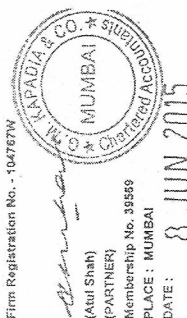


**GOVERNING BODY OF INSURANCE COUNCIL & 16 OMBUDSMAN OFFICES**  
**CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2015**

LIABILITIES	As at 31/03/2015	As at 31/03/2014	ASSETS	As at 31/03/2015	As at 31/03/2014
	(Amt. in Rs.)	(Amt. in Rs.)		(Amt. in Rs.)	(Amt. in Rs.)
Collection for Fixed Assets Upto Previous year For Current year	13,414,792.00 26,270,377.36		Fixed Assets (At Cost)		
			WDV (Opening)	8,024,559.89	
			Additions during the year	3,505,194.50	
			Less: Scrap value	35,916.50	
			Depreciation for the year	1,889,418.69	
			(As per Schedule 'A' attached herewith)		
Current Liabilities			Capital work in progress	9,804,419.20	8,024,559.89
Amount due to LIC of India	144,404,631.00				
Advance from Member Companies	44,541,210.00			8954115.00	
			Debtors (Unsecured and considered good)		
			Amount due from GBIC members	144,404,631.00	
			Housing Loan Subsidy recoverable(LIC)	668355.00	
			Other Miscellaneous Debt(PLI)	159,428.00	
			Amount due from OIO Mumbai	1318910.47	
Sundry Creditors	6,608,735.71			146,451,224.47	111,077,962.00
Outstanding Expenses	1,720.00		Advances to Staff	738,406.00	538,907.00
Income Tax other than salary	4,700.00		Prepaid Expenses	319,527.83	317,673.00
Unremitted Professional Tax	1,706.00		Deposits	1,884,381.65	1,241,019.00
Cheque cancelled A/c			Stamps on Hand	4,036.96	12,465.96
			Cash Balance	62,042.78	30,121.78
			Bank Balance	67,029,118.18	4,903,361.77
<b>Total</b>	<b>235,247,872.07</b>	<b>126,146,070.40</b>	<b>Total</b>	<b>235,247,872.07</b>	<b>126,146,070.40</b>

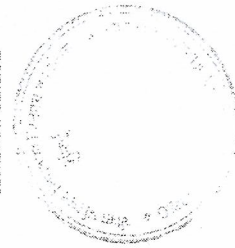
Notes to Accounts as per Schedule "B" annexed.

AS PER OUR ANNEXED REPORT  
FOR G. M. KAPADIA & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 104767W



*Blankallax*  
Asst. SECRETARY

*Blankallax*  
SECRETARY GENERAL





GOVERNING BODY OF INSURANCE COUNCIL & 16 INSURANCE OMBUDSMAN OFFICES  
CONSOLIDATED STATEMENT OF INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH, 2015

Account Code	Expenses	Year ended 31/03/2015 (Amt. in Rs.)	Year ended 31/03/2014 (Amt. in Rs.)	Account Code	Income	Year ended 31/03/2015 (Amt. in Rs.)	Year ended 31/03/2014 (Amt. in Rs.)
401	Basic Salary to Ombudsman	4,582,948.12	4,613,136.95	112	Licence Fee deduction	0	5932.39
402	D.A. to Ombudsman	10,289,363.82	6,389,808.97	118	Cheque cancelled A/c	16542.00	0
403	HRA to Ombudsman	1,819,972.54	1,784,915.12	303	LIC Designated Office A/c	218,460,110.31	180,833,893.78
405	Conveyance to Ombudsman	1,964,134.18	1,497,228.06	501	Sundry Receipts	188,975.41	56,722.27
406	Basic Salary to Others	43,232,901.04	41,562,618.63		Liabilities W/back (Kolkata)	887	0
408	D.A. to Others	43,259,941.33	35,607,459.40		EXCESS OF EXPENDITURE OVER INCOME	0	2530851.24
409	HRA to Others	3,119,521.10	2,849,892.31				
410	CCA to Others	917,669.55	880,674.35				
411	FPA to Others	567,564.15	560,865.33				
412	Conveyance to Others	956,317.28	958,844.70				
413	Deputation Allowance to Others	8,415,236.44	4,071,473.42				
414	Functional Allowance to Others	4,500.00	4,990.00				
415	Washing Allowance to Others	1,800.00	1,800.00				
416	Qualify. Pay to Others	0.00	5,020.00				
417	Other allowance to Others	153,783.68	58,789.73				
419	PLU	67,807.00	59,891.01				
420	Employer's Contribution to Pension	2,877,333.26	2,940,247.13				
421	Employer's Contr. to PF	1,276,080.50	807,568.48				
422	Employer's Contribn to Gratuity	1,751,885.30	1,838,254.62				
423	Employer's Contribution to Mediclaim	540,335.41	447,457.69				
424	Employer's Contribution to GSLI	20,329.15	15,512.84				
425	Leave Encashment	2,089,569.28	1,846,356.55				
426	Travelling Expenses on Tour	4,701,848.00	2,938,389.48				
427	Transfer T E	961,811.79	428,138.00				
428	L T C Expenses	783,947.00	1,813,752.00				
429	Motor Car Expenses	719,927.50	878,395.00				
430	Auditors Fees	204,215.00	163,796.80				
431	Law Charges	211,709.00	51,813.00				
432	Printing & Stationery	1,700,755.95	1,333,798.25				
433	Postage, Revenue Stamps	1,355,255.72	1,043,529.00				
434	Bank Charges	20,039.25	17,619.80				
435	Telephone Charges	1,636,742.75	1,250,883.63				
436	Electricity Charges	3,067,850.00	3,084,982.00				
	Prior period- 41265						
	Current year- 3016365						
437	Carriage & Freight	197,380.00	116,455.00				
438	Repairs & Maintenance	593,212.81	447,008.50				
439	Staff Amenities	4,286,126.00	3,715,302.29				
440	Lumpsum Medical Benefit	983,826.00	974,687.00				
441	All Insurance Premiums	211,151.25	169,422.71				
442	Entertainment Expenses	785,855.85	815,962.50				
443	Contractual Payments Other Than AMC	6,330,011.32	6,459,491.00				
	Prior period - 57868.50						
	Current year - 6272122.82						
444	AMC Payments	966,852.72	591,139.34				
445	Office Upkeep	691,176.35	608,404.50				
446	Subscription to Newspaper	373,980.50	356,910.00				
447	Conference Expenses	1,514,548.00	251,229.00				
448	Training Fees	339,570.00	379,216.00				
449	Consultancy Fees	46,541.00	49,947.00				
450	Rent Rates & Taxes	25,479,467.25	23,906,497.12				
451	Depreciation	1,689,418.09	1,777,508.18				
452	PR and Publicity	1,203,641.00	349,074.00				
453	Other Misc. Expenses	397,302.48	418,993.87				
454	Shifting Expenses	15,513.00	0.00				
455	Exp. Of Remodeling of Rented premises	2,895,668.00	60,371.00				
457	Sundry Office Equipment-Rs.5000/-	96,763.00	47,594.00				
460	S R A/c	50.05	25.50				
461	Library Expenses	43,796.00	44,261.00				
	Loss on sale of Fixed assets(Kolkata)	6,351.00	0.00				
	EXCESS OF INCOME OVER EXPENDITURE	26,270,377.36	0.00				
	Total	218,684,514.72	163,427,399.87			218,684,514.72	163,427,399.87

Notes to Accounts as per Schedule "B" annexed.

AS PER OUR ANNEXED REPORT  
FOR G.M. KAPADIA & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No. - 104767W

(Atul Shah)  
(PARTNER)  
Membership No. 39569  
PLACE : MUMBAI  
DATE : 8 JUN 2015



*Abhinav Kataria*  
Asst. SECRETARY

*Atul Shah*  
SECRETARY GENERAL







**CONSOLIDATED ACCOUNTS OF THE  
GOVERNING BODY OF INSURANCE COUNCIL  
& 16 OMBUDSMAN OFFICES**

**SCHEDULE 'B'**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31-3-2015**

**I. 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. 5000/- 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
216	Office Equipments (A)	4%
216	Office Equipments (B)	10%
217	Computers	30%
218	Air Conditioners, Fridge etc.	10%
219	Electrical Fittings	5%
221	Fax, Phone, EPALIX etc.	10%
222	Xerox Machine	20%
223	Library Books	20%
224	Misc. Capital Equipments	10%

During the current Financial year 2014-15, GBIC received quotations from the LIC of India towards infrastructure development work to be carried out at 3 proposed Insurance Ombudsman Offices viz. Bengaluru, Jaipur and Pune situated in leased premises of the LIC itself. The said quotations and required budget were approved by the Council. Accordingly the work order placed for renovation work to be carried out at all three new Ombudsman Offices for setting up of the same. As the infrastructure work was incomplete as at 31.03.2015 and final bills were awaited from the LIC of India, hence during the FY 2014-15, the GBIC made provision of Rs. 89, 54,113/- towards Capital work in progress in the books of accounts.





CONSOLIDATED ACCOUNTS OF THE  
GOVERNING BODY OF INSURANCE COUNCIL  
& 16 OMBUDSMAN OFFICES

SCHEDULE 'B'

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31-3-2015

2. 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 Account certified by the Auditor. Hence, the opening balances brought down on 1<sup>st</sup> April, 2001 were unaudited figures.
3. The accounts of the 16 offices of GBIC have been audited by various auditors. The consolidation of the same is being done after considering the fact that the amount received from LIC towards its share of expenses is not a surplus, but an advance/ re-imbursement towards its share of contribution. Further the amount received towards Capital Expenditure is reflected as a liability for contribution for Fixed Assets.
4. Till the current financial year, GBIC and all Insurance Ombudsman Offices used to receive a lump sum amount from the LIC of India for the funding of their expenses. The GBIC then calculates the market share of each member; LIC, GIPSA Companies and other private Insurance companies. The amount, which has been received from LIC, 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 has been made in the books of accounts of the GBIC for amount received from the LIC in excess of its share which will be refunded to them during the next financial year. As per the provision, the amount due to LIC as on 31.03.2015 is ₹. 14,44,04,631/-  
  
From the financial year 2015-16, as approved in its Council meeting, Office of the GBIC had decided to discontinue the practice of receiving funds in advance only from the LIC and instead it has been decided to approach all member Insurance Companies including LIC for advance towards funding of their expenses. Accordingly, the GBIC had received fund of Rs. 4,45,41,210/- as at 31.3.2015 towards advance for FY 2015-16.
5. Balances of Sundry Creditors and Sundry Debtors are subject to confirmations and reconciliations.
6. In case of 5 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.

**CONSOLIDATED ACCOUNTS OF THE  
GOVERNING BODY OF INSURANCE COUNCIL  
& 16 OMBUDSMAN OFFICES**

**SCHEDULE 'B'**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31-3-2015**

7. 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.
8. In the opinion of the management, Income Tax Return for the assessment year 2015-16 and for the earlier years is not required to be filed, as GBIC is not doing any commercial activity. We have sought a legal opinion on the matter and the opinion is awaited.
9. During the year, status of complaints are as under (as compiled by the management) :

Particulars	Complaints O/s. as on 01.04.2014	Received during the year	Disposed during the year	Outstanding as on 31.03.2015
For Life Insurance	5724	14339	15666	4397
For General Insurance	3893	7145	8653	2385
Total	9617	21484	24319	6782

AS PER OUR REPORT OF EVEN DATE

For G.M. KAPADIA & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION No. 104767W

For GOVERNING BODY OF  
INSURANCE COUNCIL



(Atul Shah)  
PARTNER  
Membership No. 39569

SECRETARY

SECRETARY GENERAL

PLACE : MUMBAI  
DATE : 3 JUN 2015



### C) COMPLAINT STATISTICS

The Complaints Statistics have been generated through the CMS. The following consolidated statements as at 31.03.2015 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
11	Nature wise classification of complains received (Centre Wise- Life & General Insurance )	L7G7
12	Nature Wise Classification of complaints received (Summary-Life)	L8
13	Nature wise Classification of Complaints received (Company wise analysis – Life Insurance)	L9
14	Nature wise Classification of complaints received (Centre wise – General Insurance)	G8
15	Nature wise classification of complaints received (Company wise analysis – General Insurance)	G9



OFFICE OF THE GOVERNING BODY OF INSURANCE COUNCIL  
Complaints Received & Disposal statement as at 31st MARCH 2015

STATEMENT L1G1  
LIFE AND GENERAL INSURANCE

Name of Centre /On HOLD	Total No of Complaints			Number of complaints disposed off by way of					Durationwise disposal of Complaints				Durationwise Outstanding complaints			
	O/s at the Beginning of the Year	Received DURING APR TO MAR	Total	Recommendations/Awards	Withdrawal /Settlement	Dismissal	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 Outstanding
Ahmedabad	386	1513	1899	195	174	194	1115	1678	508	785	385	1678	154	67	0	221
Bhopal	651	874	1525	175	182	439	652	1448	175	624	649	1448	28	46	3	77
Bubaneswar	282	651	933	135	0	150	348	633	97	254	282	633	74	226	0	300
Chandigarh	1387	2968	4355	1456	10	636	1116	3218	334	1603	1281	3218	352	679	106	1137
Chennai	14	1513	1527	187	56	105	1179	1527	383	1130	14	1527	0	0	0	0
Delhi	1804	2101	3905	1336	492	8	1412	3248	218	1262	1768	3248	140	484	33	657
Jaipur 1	386	319	705	97	93	101	52	343	74	44	225	343	129	72	161	362
Guwahati	88	398	486	67	15	61	197	340	110	154	76	340	42	92	12	146
Hyderabad	179	1585	1764	271	71	138	1166	1646	340	1127	179	1646	87	31	0	118
Bengaluru	0	345	345	38	38	20	215	311	260	51	0	311	32	2	0	34
Kochi	998	998	1996	761	107	386	444	1698	143	580	975	1698	156	119	23	298
Kolkata	1695	2475	4170	401	493	185	1133	2212	252	1070	890	2212	330	823	805	1958
Lucknow	278	1118	1396	194	43	88	858	1183	76	895	212	1183	30	117	66	213
Noida	81	113	194	0	5	0	1	6	1	2	3	6	11	99	78	188
Mumbai	1301	4188	5489	714	319	555	3110	4698	1732	1725	1241	4698	274	445	72	791
Pune	87	325	412	62	4	56	8	130	16	73	41	130	138	106	38	282
Total 161	9617	21484	31101	6089	2102	3122	13006	24319	4719	11379	8221	24319	1977	3408	1397	6782

**OFFICE OF THE GOVERNING BODY OF INSURANCE COUNCIL**  
**Complaints Disposal statement as at 31.03.2015**

**STATEMENT L2**  
**LIFE INSURANCE**

Name of Centre	Total No of Complaints			Number of complaints disposed off by way of							Durationwise disposal of Complaints				Durationwise Outstanding complaints		
	O/s at the Beginning of the Year	Received During Apr to Mar	Total	Recommendations/Awards	Withdrawal /Settlement	Dismissal 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 Outstanding	
Ahmedabad	115	702	817	65	83	30	549	727	220	392	115	727	58	32	0	90	
Bhopal	479	685	1164	96	160	325	536	1117	129	512	476	1117	12	32	3	47	
Bubaneswar	173	501	674	74	0	101	260	435	84	178	173	435	63	176	0	239	
Chandigarh	1226	2156	3382	1133	6	528	654	2321	138	1061	1122	2321	283	674	104	1061	
Chennai	2	993	995	55	5	38	897	995	236	757	2	995	0	0	0	0	
Delhi	1103	1519	2622	770	345	8	1081	2204	176	955	1073	2204	84	307	27	418	
Jaipur	334	250	584	73	70	76	45	264	60	22	182	264	98	70	152	320	
Guwahati	60	341	401	46	13	42	175	276	90	137	49	276	32	82	11	125	
Hyderabad	80	1123	1203	137	29	71	880	1117	256	781	80	1117	65	21	0	86	
Bengaluru	0	192	192	30	18	15	110	173	150	23	0	173	19	0	0	19	
Kochi	596	612	1208	467	65	248	284	1064	87	385	592	1064	84	56	4	144	
Kolkata	1215	1875	3090	265	419	96	839	1619	181	807	631	1619	269	618	584	1471	
Lucknow	251	953	1204	158	42	75	762	1037	48	793	196	1037	12	100	55	167	
Noida	56	67	123	0	0	0	0		0	0	0		3	64	56	123	
Mumbai	34	2262	2296	22	74	45	2140	2281	1151	1084	46	2281	7	8	0	15	
Pune	0	108	108	11	0	20	5	36	3	33	0	36	65	7	0	72	
Total	5724	14339	20063	3402	1329	1718	9217	15666	3009	7920	4737	15666	1154	2247	996	4397	



**OFFICE OF THE GOVERNING BODY OF INSURANCE COUNCIL**  
Complaints Disposal statement as at 31st March 2015

**STATEMENT L3**  
**LIFE INSURANCE**

Name of Company	Total No of Complaints			Complaints disposed by way of								Durationwise disposal of Complaints				Durationwise Outstanding complaints			
	Ols at the Beginning of the YEAR	Received during apt to mar	Total	Recomen- dations	Awards	Withdrawal /Settlement	Non- accepta nce	Dismissal	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 Religare Life Ins.Co.Ltd.	221	433	654	23	170	30	0	59	205	487	68	230	189	487	51	83	33	167	
	193	277	470	18	116	22	0	70	170	396	55	179	162	396	21	22	31	74	
Bajaj-Allianz Life	250	699	949	18	129	62	0	111	416	736	126	396	214	736	62	115	36	213	
BHARTI AXA LIFE	150	428	578	19	99	30	0	51	223	422	90	192	140	422	66	80	10	156	
Birla-Sun Life	746	1044	1790	33	324	178	0	114	587	1236	175	502	559	1236	90	273	191	554	
Canara HSBC Oriental Bank Life	12	41	53	2	2	0	0	12	33	49	11	27	11	49	1	2	1	4	
DLF Pramerica Life Ins.Co.Ltd.	102	136	238	14	77	15	0	33	61	200	26	77	97	200	13	20	5	38	
Edelweiss Tokio LIC Co.	3	21	24	0	2	0	0	3	16	21	5	13	3	21	2	1	0	3	
Future Generali	54	273	327	3	44	10	0	11	161	229	55	134	40	229	25	59	14	98	
Hdfc-Standard Life	865	2012	2877	74	449	146	0	133	1325	2127	506	943	678	2127	167	395	188	750	
ICICI-Prudential	395	1022	1417	31	181	142	0	79	656	1089	182	577	330	1089	77	185	66	328	
IDBI Federal Life Ins.Co.Ltd.	46	100	146	1	19	24	0	11	58	113	21	53	39	113	10	16	7	33	
IndiaFirst insurance co.	10	61	71	0	7	4	0	11	42	64	23	31	10	64	3	4	0	7	
Exide Life Insurance Co.	80	310	390	2	58	13	0	23	191	287	65	162	60	287	27	56	20	103	
Kotak Mahindra-OM	287	464	751	37	181	44	0	107	275	644	78	288	278	644	55	42	10	107	
LIC of India	919	3396	4315	29	388	236	0	479	2497	3629	732	2156	741	3629	182	330	174	686	
Max Life Insurance	144	452	596	4	98	40	0	58	294	494	91	280	123	494	28	53	21	102	
PNB Met-Life	153	350	503	18	102	29	0	31	193	373	62	174	137	373	30	82	18	130	
RELIANCE LIFE	542	1563	2105	22	299	223	0	105	889	1538	341	751	446	1538	179	292	96	567	
SAHARA India Life	0	5	5	0	0	0	0	0	4	4	2	2	0	4	1	0	0	1	
SBI LIFE	304	791	1095	20	141	44	0	141	601	947	190	499	258	947	38	64	46	148	
SHRIRAM LIFE	37	117	154	3	28	7	0	9	75	122	33	56	33	122	10	18	4	32	
Star Union Dai-ichi Life Ins.Co.	8	50	58	1	4	6	0	2	37	50	5	37	8	50	3	5	0	8	
TATA AIA LIFE	203	294	497	15	97	24	0	65	208	409	67	161	181	409	13	50	25	88	
Total	5724	14339	#####	387	3015	1329	0	1718	9217	15666	3009	7920	4737	15666	1154	2247	996	4397	



**OFFICE OF THE GOVERNING BODY OF INSURANCE COUNCIL**  
**Complaints Disposal statement as at 31.03.2015**

**STATEMENT G2**  
**GENERAL INSURANCE**

Name of Centre	Total No of Complaints			Number of complaints disposed off by way of					Durationwise disposal of Complaints				Durationwise Outstanding complaints			
	O/s at the Beginning of the Year	Received during APR TO MAR	Total	Recommendations/Awards	Withdrawal /Settlement	Dismissal	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 Outstanding
Ahmedabad	271	811	1082	130	91	164	566	951	288	393	270	951	96	35	0	131
Bhopal	172	189	361	79	22	114	116	331	46	112	173	331	16	14	0	30
Bubaneswar	109	150	259	61	0	49	88	198	13	76	109	198	11	50	0	61
Chandigarh	161	812	973	323	4	108	462	897	196	542	159	897	69	5	2	76
Chennai	12	520	532	132	51	67	282	532	147	373	12	532	0	0	0	0
Delhi	701	582	1283	566	147	0	331	1044	42	307	695	1044	56	177	6	239
Jaipur	52	69	121	24	23	25	7	79	14	22	43	79	31	2	9	42
Guwahati	28	57	85	21	2	19	22	64	20	17	27	64	10	10	1	21
Hyderabad	99	462	561	134	42	67	286	529	84	346	99	529	22	10	0	32
Bengaluru	0	153	153	8	20	5	105	138	110	28	0	138	13	2	0	15
Kochi	402	386	788	294	42	138	160	634	56	195	383	634	72	63	19	154
Kolkata	480	600	1080	136	74	89	294	593	71	263	259	593	61	205	221	487
Lucknow	27	165	192	36	1	13	96	146	28	102	16	146	18	17	11	46
Noida	25	46	71	0	5	0	1	6	1	2	3	6	8	35	22	65
Mumbai	1267	1926	3193	692	245	510	970	2417	581	641	1195	2417	267	437	72	776
Pune	87	217	304	51	4	36	3	94	13	40	41	94	73	99	38	210
Total	3893	7145	11038	2687	773	1404	3789	8653	1710	3459	3484	8653	823	1161	401	2385



# Complaints Disposal statement as at 31.3.2015

## 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 APR TO MAR	Total	Recomen- dations	Awards	Withdrawal /Settlement	Non- accept- ance	Dismissal	NE	Total Disposed	Within 3 months		Above 1 Year		Total			
											months	to 1 year	months	to 1 Year				
Agriculture Ins. Co.	1	59	60	0	0	0	0	16	42	58	18	40	0	58	0	1	1	2
Apollo Munich Health	89	220	309	17	57	24	0	38	87	223	51	97	75	223	43	28	15	86
Bajaj-Allianz General	91	173	264	12	55	11	0	32	95	205	46	78	81	205	20	27	12	59
Bharati AXA Gen.Ins.	25	81	106	2	15	11	0	7	50	85	30	33	22	85	7	11	3	21
CHNHB Association	0	4	4	0	0	0	0	0	4	4	3	1	0	4	0	0	0	0
Cholamandalam MS	26	56	82	2	14	2	0	10	35	63	15	24	24	63	8	9	2	19
Cigna TTK Health Ins. Co.	0	2	2	0	0	0	0	0	1	1	1	0	0	1	1	0	0	1
ECGC	0	1	1	0	0	0	0	0	1	1	0	1	0	1	0	0	0	0
Future Generali Gen.	14	39	53	0	10	2	0	6	20	38	9	17	12	38	6	7	2	15
HDFC ERGO Gen.Ins.	52	131	183	7	29	14	0	23	79	152	39	65	48	152	10	17	4	31
ICICI-Lombard	139	381	520	22	69	57	0	58	239	445	112	213	120	445	23	37	15	75
IFFCO TOKIO	43	103	146	1	32	2	0	22	62	119	20	62	37	119	9	12	6	27
L & T General	4	21	25	0	4	2	0	1	13	20	6	12	2	20	2	1	2	5
LIBERTY VIDEOCON	0	13	13	0	1	2	0	0	7	10	7	3	0	10	3	0	0	3
MAGMA HDI Genl.	0	18	18	0	1	1	0	0	9	11	3	8	0	11	3	4	0	7
MAX BUPA Health	55	250	305	10	47	20	0	20	132	229	60	121	48	229	26	43	7	76
Raheja QBE Gen.Ins.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reliance General	140	174	314	7	94	26	0	28	102	257	44	84	129	257	19	27	11	57
Religare Health Ins.	4	54	58	1	5	2	0	5	22	35	13	18	4	35	10	13	0	23
Royal-Sundaram	56	99	155	4	29	4	0	29	51	117	21	54	42	117	10	16	12	38
SBI General	7	35	42	0	2	1	0	6	24	33	11	15	7	33	3	6	0	9
Shriram Gen.Ins.Co.Ltd.	32	35	67	5	23	5	0	5	21	59	8	22	29	59	3	2	3	8
Star Health & Allied Ins.	247	521	768	12	131	123	0	125	240	631	130	270	231	631	57	67	13	137
TATA-AIG General	52	171	223	8	28	11	0	33	105	185	39	100	46	185	15	17	6	38
The National	606	960	1566	68	284	99	0	196	531	1178	206	453	519	1178	125	175	88	388
The New India	846	1424	2270	38	490	143	0	326	761	1758	348	652	758	1758	157	268	87	512
The Oriental	610	937	1547	63	398	99	0	182	473	1215	226	434	555	1215	119	159	54	332
The United-India	735	1134	1869	48	527	109	0	229	556	1469	232	560	677	1469	140	203	57	400
Universal Sampo Gen.	19	49	68	4	11	3	0	7	27	52	12	22	18	52	4	11	1	16
Total	3893	7145	11038	331	2356	773	0	1404	###	8653	1710	3459	3484	8653	823	1161	401	2385

**Complaints Received & Disposal statement for the period 1.4.2014 to 31.3.2015**  
**RECOMMENDATIONS AND AWARDS FOR THE PERIOD FROM 01.04.2014 to 31.3.2015**  
**RS. IN THOUSANDS**  
**IN FAVOUR OF COMPLAINANTS**  
**L4G4**

Name of the Insurer	LIFE		GENERAL		TOTAL	
	RECOMMENDATION AND AWARDS		RECOMMENDATION AND AWARDS		RECOMMENDATION AND AWARDS	
	Number	Amount	Number	Amount	Number	Amount
AHMEDABAD	65	3859	130	4348	195	8207
BHOPAL	96	10836	79	2648	175	13484
BHUBANESHWAR	74	7	61	1	135	8
CHANDIGARH	1133	54991	323	67630	1456	122621
CHENNAI	55	12535	132	19321	187	31856
DELHI	770	12603	566	5251	1336	17854
JAIPUR	73	5964	24	1249	97	7213
GUWAHATI	46	69	21	3576	67	3645
HYDERABAD	137	42178	134	46089	271	88267
BENGALURU	30	3364	8	11	38	
KOCHI	467	10340	294	13181	761	23521
KOLKATA	265	36335	136	3812	401	40147
LUCKNOW	158	12566	36	5644	194	18210
NOIDA						
MUMBAI	22	6106	692	46513	714	52619
PUNE	11	150	51	4678	62	4828
Total	3402	211903	2687	223952	6089	435855



OFFICE OF THE GOVERNING BODY OF INSURANCE COUNCIL  
Complaints Disposal statement for the period 1.4.2014 upto 31.3.2015  
IN FAVOUR OF COMPLAINANTS

STATEMENT L 5  
LIFE INSURANCE  
(FIGURES IN '000)

Name of Insurer	RECOMMENDATIONS		AWARDS		RECOMMENDATIONS & AWARDS	
	Number	Amount	Number	Amount	Number	Amount
<b>Aegon Religare Life Ins.Co.Ltd.</b>	<b>23</b>	<b>823</b>	<b>170</b>	<b>24136</b>	<b>193</b>	<b>24959</b>
<b>Aviva Life</b>	<b>18</b>	<b>327</b>	<b>116</b>	<b>12147.00</b>	<b>134</b>	<b>12474.00</b>
<b>Bajaj-Allianz Life</b>	<b>18</b>	<b>386</b>	<b>129</b>	<b>10349.00</b>	<b>147</b>	<b>10735.00</b>
<b>BHARTI AXA Life</b>	<b>19</b>	<b>229</b>	<b>99</b>	<b>3940.00</b>	<b>118</b>	<b>4169.00</b>
<b>Birla-Sun Life</b>	<b>33</b>	<b>760</b>	<b>324</b>	<b>14906.00</b>	<b>357</b>	<b>15666.00</b>
<b>Canara HSBC Oriental Bank Life</b>	<b>2</b>		<b>2</b>	<b>700.00</b>	<b>4</b>	<b>700.00</b>
<b>DLF Pramerica Life Ins.Co.Ltd.</b>	<b>14</b>	<b>182</b>	<b>77</b>	<b>5119.00</b>	<b>91</b>	<b>5301.00</b>
<b>Edelweiss Tokio Life Ins.</b>	<b>0</b>		<b>2</b>		<b>2</b>	<b>0.00</b>
<b>Future Generali</b>	<b>3</b>		<b>44</b>	<b>2104.00</b>	<b>47</b>	<b>2104.00</b>
<b>HDFC Standard Life</b>	<b>74</b>	<b>264.00</b>	<b>449</b>	<b>21282.00</b>	<b>523</b>	<b>21546.00</b>
<b>ICICI-Prudential</b>	<b>31</b>	<b>391</b>	<b>181</b>	<b>14478.00</b>	<b>212</b>	<b>14869.00</b>
<b>IDBI Federal Life Ins.Co.Ltd.</b>	<b>1</b>		<b>19</b>	<b>1344.00</b>	<b>20</b>	<b>1344.00</b>
<b>IndiaFirst Life Insurance co.</b>	<b>0</b>		<b>7</b>	<b>2140.00</b>	<b>7</b>	<b>2140.00</b>
<b>Exide Life Insurance Company Ltd</b>	<b>2</b>		<b>58</b>	<b>2057.00</b>	<b>60</b>	<b>2057.00</b>
<b>Kotak Mahindra-OM</b>	<b>37</b>	<b>184</b>	<b>181</b>	<b>4809.00</b>	<b>218</b>	<b>4993.00</b>
<b>LIC of India</b>	<b>29</b>	<b>1454</b>	<b>388</b>	<b>30675.00</b>	<b>417</b>	<b>32129.00</b>
<b>Max-Newyork Life</b>	<b>4</b>		<b>98</b>	<b>3980.00</b>	<b>102</b>	<b>3980.00</b>
<b>PNB Metlife India Ins. Co. P.Ltd</b>	<b>18</b>	<b>140</b>	<b>102</b>	<b>12065.00</b>	<b>120</b>	<b>12205.00</b>
<b>RELIANCE LIFE</b>	<b>22</b>	<b>1910</b>	<b>299</b>	<b>22079.00</b>	<b>321</b>	<b>23989.00</b>
<b>SAHARA India Life</b>	<b>0</b>		<b>0</b>		<b>0</b>	<b>0.00</b>
<b>SBI LIFE</b>	<b>20</b>		<b>141</b>	<b>9027.00</b>	<b>161</b>	<b>9027.00</b>
<b>SHRIRAM LIFE</b>	<b>3</b>		<b>28</b>	<b>3175.00</b>	<b>31</b>	<b>3175.00</b>
<b>Star Union Dai-ichi Life Ins.Co.</b>	<b>1</b>		<b>4</b>	<b>460.00</b>	<b>5</b>	<b>460.00</b>
<b>TATA AIG LIFE</b>	<b>15</b>		<b>97</b>	<b>3881.00</b>	<b>112</b>	<b>3881.00</b>
<b>Total</b>	<b>387</b>	<b>7050.00</b>	<b>3015</b>	<b>204853.00</b>	<b>3402</b>	<b>211903.00</b>

**Complaints Disposal statement as at 31.3. 2015**

**STATEMENT G 5  
GENERAL INSURANCE**

Name of the Insurer	RECOMMENDATIONS		AWARDS		RECOMMENDATION & AWARDS	
	Number	Amount	Number	Amount	Number	Amount
Agriculture Ins. Co.	0	0.00	0	0.00	0	0.00
Apollo Munich	17	56.00	57	3185.00	74	3241.00
Bajaj-Allianz General	12	1030.00	55	5587.00	67	6617.00
BharatiAXA Gen.Ins.	2	0.00	15	3014.00	17	3014.00
CHNHB Association	0	0.00	0	0.00		0.00
Cholamandalam	2	0.00	14	3566.00	16	3566.00
Cigna TTK Health Ins. Co	0	0.00	0	0.00	0	0.00
ECGC	0	0.00	0	0.00	0	0.00
Future Generali Gen.	0	0.00	10	1970.00	10	1970.00
HDFC ERGO Gen.Ins.	7	16.00	29	4185.00	36	4201.00
ICICI-Lombard	22	0.00	69	10042.00	91	10042.00
IFFCO TOKIO	1	37.00	32	2089.00	33	2126.00
L & T Gnel. Ins. Co.	0	0.00	4	2083.00	4	2083.00
Liberty Videocon Gen.Ins.	0	0.00	1	25.00	1	25.00
Magma HDI Gen. Ins.Co.	0	0.00	1	233.00	1	233.00
MAX BUPA	10	0.00	47	3057.00	57	3057.00
Raheja QBE Gen.Ins.	0	0.00	0	0.00	0	0.00
Reliance General	7	506.00	94	19796.00	101	20302.00
Religare Health Ins.	1	0.00	5	736.00	6	736.00
Royal-Sundaram	4	6.00	29	4707.00	33	4713.00
SBI Genl. Ins. Co.	0	0.00	2	867.00	2	867.00
Shriram Gen.Ins.Co.Ltd.	5	0.00	23	4299.00	28	4299.00
Star Health & Allied Ins.	12	154.00	131	10058.00	143	10212.00
TATA-AIG General	8	0.00	28	5793.00	36	5793.00
National Ins.	68	500.00	284	24342.00	352	24842.00
The New India	38	199.00	490	35721.00	528	35920.00
The Oriental	63	161.00	398	27138.00	461	27299.00
United-India	48	1025.00	527	46093.00	575	47118.00
Universal Sompo Gen.	4	0.00	11	1676.00	15	1676.00
<b>Total</b>	<b>331</b>	<b>3690.00</b>	<b>2356</b>	<b>220262.00</b>	<b>2687</b>	<b>223952.00</b>



**Complaints Received and Disposal statement for the period 1.4.2014 to 31.3.2015**  
NATURE WISE CLASSIFICATION OF COMPLAINTS RECEIVED AS AT 31.3.2015

**STATEMENT L 7G7  
LIFE INSURANCE & 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 dispute relates to claim	Delay in settlement of claims.	Non-issue of insurance document to customer after receipt of premium.	TOTAL B
<b>AHMEDABAD</b>	1027	25	37	0	26	1115	341	55	1	1	0	398
<b>BHOPAL</b>	331	12	302	2	5	652	98	104	3	10	7	222
<b>BUBANESWAR</b>	20	2	257	63	6	348	213	5	1	82	2	303
<b>CHANDIGARH</b>	76	32	992	2	14	1116	348	1463	5	33	3	1852
<b>CHENNAI</b>	691	40	413	1	34	1179	323	2	2	4	3	334
<b>DELHI</b>	389	356	617	5	45	1412	330	286	47	14	12	689
<b>JAIPUR</b>	4	1	35	6	6	52	182	61	18	2	4	267
<b>GUWAHATI</b>	14	2	135	0	46	197	93	64	4	36	4	201
<b>HYDERABAD</b>	525	166	428	3	44	1166	357	4	51	3	4	419
<b>BENGALURU</b>	64	7	139	2	3	215	83	29	6	10	2	130
<b>KOCHI</b>	60	16	363	0	5	444	391	106	47	7	3	554
<b>KOLKATA</b>	644	33	434	3	19	1133	412	813	6	95	16	1342
<b>LUCKNOW</b>	374	32	381	4	67	858	142	104	0	10	4	260
<b>NOIDA</b>	1	0	0	0	0	1	63	38	0	7	4	112
<b>MUMBAI</b>	1099	630	1344	3	34	3110	1013	56	0	5	4	1078
<b>PUNE</b>	2	0	6	0	0	8	260	46	2	9	0	317
<b>Total</b>	<b>5321</b>	<b>1354</b>	<b>5883</b>	<b>94</b>	<b>354</b>	<b>13006</b>	<b>4649</b>	<b>3236</b>	<b>193</b>	<b>328</b>	<b>72</b>	<b>8478</b>
												<b>21484</b>



Complaints Received & Disposed statement as at 31.3.2015  
NATURE WISE CLASSIFICATION OF COMPLAINTS RECEIVED AS AT 31.3.2015

STATEMENT L 8  
LIFE 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	500	18	16	0	15	549	98	54	0	1	0	153	702
BHOPAL	274	12	247	1	2	536	37	102	2	1	7	149	685
BUBANESWAR	18	2	194	44	2	260	163	5	1	70	2	241	501
CHANDIGARH	37	22	582	0	13	654	28	1453	2	17	2	1502	2156
CHENNAI	609	26	247	0	15	897	90	0	2	3	1	96	993
DELHI	294	315	441	4	27	1081	89	282	47	8	12	438	1519
JAIPUR	3	1	29	6	6	45	121	61	18	1	4	205	250
GUWAHATI	10	2	120	0	43	175	77	57	4	24	4	166	341
HYDERABAD	428	118	303	1	30	880	183	4	51	2	3	243	1123
BENGALURU	48	2	55	2	3	110	35	29	6	10	2	82	192
KOCHI	38	12	231	0	3	284	174	100	47	5	2	328	612
KOLKATA	524	25	282	1	7	839	134	805	5	78	14	1036	1875
LUCKNOW	341	25	332	1	63	762	82	102	0	4	3	191	953
NODA	0	0	0	0	0	0	24	38	0	1	4	67	67
MUMBAI	921	415	789	3	12	2140	64	51	0	4	3	122	2262
PUNE	1	0	4	0	0	5	52	45	1	5	0	103	108
Total	4046	995	3872	63	241	9217	1451	3188	186	234	63	5122	14339

**Complaints Received & Disposal statement for the period 1.4.2014 to 31.3.2015**  
NATURE WISE CLASSIFICATION OF COMPLAINTS RECEIVED AS AT 31.3.2015

**STATEMENT L 9  
LIFE INSURANCE**

NAME OF THE INSURER	NON ENTERTAINABLE					ENTERTAINABLE						TOTAL A+B
	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 reputation 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.	
<b>Aegon Religare Life Ins.Co.Ltd.</b>	101	24	71	1	8	205	27	189	9	2	1	228
<b>Aviva Life</b>	84	27	48	0	11	170	17	81	6	2	1	107
<b>Bajaj-Allianz Life</b>	206	41	149	5	15	416	105	149	12	10	7	283
<b>BHARTI AXA LIFE</b>	103	30	83	1	6	223	34	152	8	10	1	205
<b>Birla-Sun Life</b>	244	70	250	4	19	587	66	348	30	7	6	457
<b>Canara HSBC Oriental Bank Life</b>	15	8	9	0	1	33	2	5	0	0	1	8
<b>DLF Pramerica Life Ins.Co.Ltd.</b>	21	7	31	1	1	61	8	67	0	0	0	75
<b>Edelweiss Tokio LIC Co.</b>	4	1	10	0	1	16	2	3	0	0	0	5
<b>Future Generali</b>	66	20	65	3	7	161	31	78	3	0	0	112
<b>HDFC-Standard Life</b>	634	155	500	4	32	1325	78	567	20	12	10	687
<b>ICICI-Prudential</b>	293	69	277	1	16	656	91	247	12	6	10	366
<b>IDBI Federal Life Ins.Co.Ltd.</b>	32	5	21	0	0	58	7	33	2	0	0	42
<b>IndiaFirst Life Insurance Co.Ltd.,</b>	19	7	16	0	0	42	16	3	0	0	0	19
<b>ING-Vysya</b>	75	16	94	2	4	191	24	88	2	4	1	119
<b>Kotak Mahindra-OM</b>	111	24	128	2	10	275	34	142	8	2	3	189
<b>LIC of India</b>	1032	229	1144	25	67	2497	598	114	28	145	14	899
<b>Max-Newyork Life</b>	142	22	121	1	8	294	33	119	2	3	1	158
<b>Met-Life</b>	85	22	84	1	1	193	27	117	7	4	2	157
<b>RELIANCE LIFE</b>	393	121	357	7	11	889	117	535	9	13	0	674
<b>SAHARA India Life</b>	3	1	0	0	0	4	1	0	0	0	0	1
<b>SBI LIFE</b>	229	72	283	4	13	601	98	67	16	7	2	190
<b>SHRIRAM LIFE</b>	32	8	35	0	0	75	9	30	2	1	0	42
<b>Star Union Dai-ichi Life Ins.Co.</b>	19	2	15	0	1	37	6	6	0	1	0	13
<b>TATA AIG LIFE</b>	103	14	81	1	9	208	20	48	10	5	3	86
<b>Total</b>	4046	995	3872	63	241	9217	1451	3188	186	234	63	5122

Total column of A, B and A+B are FORMULA DRIVEN



**Complaints Received and Disposed statement as at 31.3.2015**  
**NATURE WISE CLASSIFICATION OF COMPLAINTS RECEIVED AS AT 31.3.2015**

**STATEMENT G 8**  
**GENERAL INSURANCE**

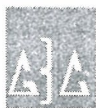
NAME OF THE CENTRE	NON ENTERTAINABLE					ENTERTAINABLE							TOTAL
	Beyond Scope of Rule (12 b to f)	Not within Jurisdiction 13(1)	Not availed of Insurance Co. Grievance Redressal Mechanism 13 ( a )	Sub-judice in courts/ forums 13 ( c )	Time barred 13(b)	TOTAL A	Partial or total repudiation of claim.	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	
AHMEDABAD	527	7	21	0	11	566	243	1	1	0	0	245	811
BHOPAL	57	0	55	1	3	116	61	2	1	9	0	73	189
BUBANESWAR	2	0	63	19	4	88	50	0	0	12	0	62	150
CHANDIGARH	39	10	410	2	1	462	320	10	3	16	1	350	812
CHENNAI	82	14	166	1	19	282	233	2	0	1	2	238	520
DELHI	95	41	176	1	18	331	241	4	0	6	0	251	582
JAIPUR	1	0	6	0	0	7	61	0	0	1	0	62	69
GUWAHATI	4	0	15	0	3	22	16	7	0	12	0	35	57
HYDERABAD	97	48	125	2	14	286	174	0	0	1	1	176	462
BENGALURU	16	5	84	0	0	105	48	0	0	0	0	48	153
KOCHI	22	4	132	0	2	160	217	6	0	2	1	226	386
KOLKATA	120	8	152	2	12	294	278	8	1	17	2	306	600
LUCKNOW	33	7	49	3	4	96	60	2	0	6	1	69	165
NOIDA	1	0	0	0	0	1	39	0	0	6	0	45	46
MUMBAI	178	215	555	0	22	970	949	5	0	1	1	956	1926
PUNE	1	0	2	0	0	3	208	1	1	4	0	214	217
Total	1275	359	2011	31	113	3789	3198	48	7	94	9	3356	7145



Complaints Received & Disposal statement for the period 1.4.2014 to 31.3.2015  
NATURE WISE CLASSIFICATION OF COMPLAINTS RECEIVED FOR THE PERIOD 1.4.2014 TO 31.3.2015

STATEMENT G 9  
GENERAL INSURANCE

NAME OF THE INSURER	NON ENTERTAINABLE						ENTERTAINABLE						TOTAL A+B
	Beyond Scope of Rule (12 b to f)	Not within Jurisdiction 13(f)	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	
Agriculture Ins. Co.	3	0	39	0	0	42	17	0	0	0	0	17	59
Apollo Munich	18	11	57	0	1	87	130	2	0	1	0	133	220
Bajaj-Allianz General	41	6	45	1	2	95	74	2	1	1	0	78	173
BharatiAXA Gen.Ins.	16	5	29	0	0	50	30	1	0	0	0	31	81
CHNHB Associates	1	0	3	0	0	4	0	0	0	0	0	0	4
Cholamandalam	9	6	17	0	3	35	17	0	0	4	0	21	58
Cigna TTK health Ins..	0	0	1	0	0	1	1	0	0	0	0	1	2
ECGC	1	0	0	0	0	1	0	0	0	0	0	0	1
Future Generali Gen.	6	4	9	0	1	20	15	1	1	2	0	19	39
HDFC ERGO Gen.Ins.	32	7	36	3	1	79	48	2	0	2	0	52	131
ICICI-Lombard	85	32	116	1	5	239	135	4	0	3	0	142	381
IFFCO TOKIO	22	6	31	0	3	62	39	0	0	2	0	41	103
L & T General	5	5	3	0	0	13	8	0	0	0	0	8	21
LIBFETY VIDEOCON	2	3	1	1	0	7	6	0	0	0	0	6	13
MAGMA HID	2	1	6	0	0	9	5	1	0	3	0	9	18
MAX BUPA	44	11	75	0	2	132	113	3	0	1	1	118	250
Rahja QBE Gen.Ins.	0	0	0	0	0	0	0	0	0	0	0	0	0
Reliance General	30	13	55	3	1	102	67	1	0	4	0	72	174
Religare Health Ins.	2	4	15	1	0	22	30	1	1	0	0	32	54
Royal-Sundaram	16	8	25	1	1	51	46	0	0	1	1	48	99
SBI General	12	4	8	0	0	24	11	0	0	0	0	11	35
Shriram Gen.Ins.Co.Ltd.	12	3	3	1	2	21	11	1	0	2	0	14	38
Star Health & Allied Ins.	55	32	149	1	3	240	275	1	0	3	2	281	521
TATA-AIG General	36	10	54	0	5	105	62	1	1	1	1	66	171
The National	184	45	283	7	12	531	400	9	0	20	0	429	960
The New India	308	57	374	2	20	761	641	6	0	14	2	863	1424
The Oriental	165	40	246	5	17	473	440	5	3	16	0	464	937
The United-India	161	44	313	4	34	556	557	7	0	12	2	578	1134
Universal Sampo Gen.	7	2	18	0	0	27	20	0	0	2	0	22	49
Total	1275	359	2011	31	113	3789	3198	48	7	94	9	3356	7145



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

- **In- House Grievance Redressal Mechanism of Insurer**

- In-house Grievance Redressal Mechanism of Insurers should be strengthened. The Insurer should provide the name and address of Grievance Redressal Office in the policy bond so that the Insured can easily approach the GRO to make complaint and get immediate solution.
- A complaint should be acknowledged, assessed and assigned properly.
- In case investigation is required, the same should be carried out without delay to resolve factual issues to dispose off the complaint.
- The Insurers' response to the complainant should be clear and informative-“ Speaking Letter”. If the complainant is not
- If the complainant is not satisfied with the response, internal review of the decision should be offered and information about external review should be provided.
- Any systemic issues that arise as a result of the complaint should be considered and acted on
- Insurer should set both qualitative and quantitative measures for assessing their complaint handling. There should be regular reporting to the Management on number of complaints received and resolved, especially systemic issues.

It was observed that in spite of grievance redressal mechanism being in place in Insurance Companies as per the requirements of Protection of Policyholders Interest Regulation, Insurers, instead of resolving customer's grievances at their end direct them to the Insurance Ombudsman thus defeating the very purpose of the internal grievance redressal machinery.

- **Maintaining Fraud Data Base at IRDA Level**

IRDA may start maintaining Fraud Data Base and ask Insurance Companies to include names of agents indulging in Mis-selling. Where cases of Mis-selling are found, the Ombudsman should ask Insurance companies to include name of agent in Fraud Data Base at the time of passing the Award/Order. The policyholders should be asked to submit the details of fraudulent agents “online” which can be published after verification. Criminal action should be taken against agents identified for mis-selling

**Non- furnishing of terms and conditions of the policy**

It is necessary for Insurance Companies to be transparent at the time of issuance of the policy. Policyholder should be informed and supplied with all terms and conditions of the policy including benefits and exclusions, especially by non- life companies. Many complaints arise only because of the lack of awareness of the proper terms and conditions of the policy.





Insurers should inform the Office of the Insurance Ombudsman about changes in the terms and conditions of their products to keep the Centers abreast of Amendments in policies. Technical circulars issued by Insurance Companies should also be furnished to the Offices of the Insurance Ombudsman. All Insurers are requested to kindly furnish circulars to the Offices of Insurance Ombudsman.

- **Nomination of Nodal officers**

Nodal officers should be nominated to present the Insurance Companies defence before the Ombudsman.. Usually junior officials are deputed who are unable to put up a proper defence or take a final stand. This, at times, results in delay in settlement of cases. Insurance Companies must pay attention to ensure that the self-contained note along with the relevant claim related documents are submitted in time. Sometimes the policy issued / claim is settled at the Central/Corporate office while officials at local / branch level attending the hearing are not aware of that decision.

- **Name , Address and Telephone Number of the Servicing Branch**

Some Insurers print address and telephone number of their Customer Care Centre(small font) and Insurance Ombudsman Centers(big font). However, address and telephone numbers of policy issuing office / servicing office is not given on the policy document. Many private sector insurers mention only name and address of the Registered and Corporate office in their policy document. Consequently the policyholder faces problems like payment of renewal premium etc. and often comes/telephones Office of Insurance Ombudsman whose address is invariably given in the policy document.

- **Award , Recommendation not complied with by Insurer**

Sometimes Insurance Companies do not satisfy the Award giving reasons that they are proposing to file an Appeal against the Ombudsman's Order. Even in cases where the Companies file Writ Petitions in the High Court, they are bound to satisfy the award unless a Stay is granted by the High Court. But in actual practice, Companies are delaying giving effect to the Order till the outcome of the Writ Petition is known. The Insurance companies are well aware of the fact that the Insurance Ombudsman's order is binding on them and there is no provision for filing Appeal as per RPG Rules 1998.

- The orders passed by Ombudsman should be implemented by Insurance Companies and the cases be brought to the notice of all officials of the company so that similar cases can be decided upon accordingly.



- **Pool of Standardised Information should be maintained**

Insurers can pool all the information of mutual interest relating to issuance of policies and settlement of claim. For this purpose, standardisation of information would be required. Some common identifier i.e. Aadhar, PAN, mobile number can be used to find out the information relating to a particular insured/ proposer. This can be made part of “Digital India” program of the GOI. This information bank would help Insurance Companies in refusing bad risks (frauds).

- **Mis-selling (Life)**

The major area of concern for complaints in respect of Life Insurance policies relate to mis-selling of policies. Private Insurers, are especially requested to take suitable measures in this respect. Causes of mis-selling are:

- Cheating and misrepresentation by the Intermediaries- fraud, forgery, obtaining signatures on the blank proposal forms and distortion in personal history in proposal forms.
- False promise of loan, pension, free gifts like gold coins, free health insurance, bonus payment.
- Issuing policy in the name nominee instead of proposer after obtaining signature on blank forms, PAN card.
- Selling long term policies 20-25 years term to senior citizens.

The cases of mis-selling may be reduced by making consumers aware of policy terms, conditions, coverage and premium especially in the rural, semi-rural areas and senior citizens.

- **Non- Receipt of Policy document – Denial Free Look Option ( Life)**

The Free look period should be 45 days as it may reduce the chances of fraud where the policy documents are deliberately despatched late to customers or agents collect the policy documents on behalf of the client. The complainant usually approaches the company after the mandatory Free Look period is over. It may be because the policy bond is either not sent by the company or sent at a wrong address. In most of the cases, Insurance Companies fail to provide satisfactory proof of delivery of the policy documents to the Insured on the argument that matter is old and the proof has not been preserved. Under these circumstances, determination of the free look cancellation period becomes difficult. The Insurance Companies should obtain a proper acknowledgement of receipt of original / duplicate policy bonds from the insured or his authorized representative so that such complaint may be resolved amicably.

- **Settlement of ULIP Policy (Life )**

In ULIP policies, when claim is repudiated on grounds of non-declaration of the material fact, even the fund value is not paid. In ULIP policies the investment risk in the chosen investment portfolio is borne by the Insured. Suppression of material facts can operate only with relation to





life risk, which is covered by the Insurer. In respect of that portion of premium which is invested in the capital market where the investment risk is fully borne by the Insured, it cannot be enforced. The risk of investment is that of the investor, hence insurer cannot hold on to this fund. Hence Life Insurance Companies should revisit the provisions of repudiating claim under ULIP policy.

- **Repudiation of death claim ( Life )**

In some cases it was observed that pre-proposal medical examination was done by Insurer's Doctor and the latter certified the good health of the proposer after which the policy was issued. Subsequently, it turned out that life assured was suffering from DM/HTN etc. and the claim was denied due to suppression of material facts. Whether or not the claim is admissible, is a matter to be decided by the Insurance Company itself. Doctors are not the best interpreters of insurance contracts. Further repudiation letters need to be drafted appropriately to make the complainant aware of the reasons for repudiation of death claim.

In some cases death claims have been repudiated on the grounds that the nominee had no insurable interest in the contract. The matter of insurable interest could have been examined at an earlier stage.

- **Financial Underwriting Rules not followed (Life)**

It has been observed that policies involving huge annual premium have been issued to retired persons by same office of one Insurance Company. On scrutiny it is found that the Insured does not have the capacity to pay the premium in the second year. Clearly financial underwriting rules have not been followed by the Insurance Company.

- **Review of Claim, rejected by TPAs, by Insurer ( Gen )**

Repudiation of claims is done without reference to the Insurer with whom the complainant has the contract. During the course of the hearing, Company officials who represent the case on behalf of Company argue that TPA has rejected the claim and not the Company. It is often seen that the repudiation letters are being sent by TPAs, without adequately explaining the reason for total or partial repudiation of the Mediclaim. As per Health Regulation issued by IRDA, Insurance Company must review the decisions taken by the TPA. TPA's decision on settlement of claim is not final and the matter should be reviewed by the Insurer and repudiation letter are sent by them explaining the reasons for total or partial repudiation.

Further, whenever, the complainant makes a review application against repudiation, the representation has to be examined and replied to by an official other than the one repudiated the claim.



- **Settlement of Medi-Claim by TPA / Insurer (Gen)**

In Mediclaim, the basis of settlement of claim is not explained by the TPA/Insurer. The money is directly transferred to the A/c of the Insured without details. Many a times, the TPA/Insurer states the claim is not payable as there is no “Active line of Treatment.” The Companies need to define the active line of treatment. Otherwise the medical dictionary defines Active line of treatment as – Treatment directed immediately to the cure of the disease or injury. Therapeutic substance or course intended to ameliorate the basic problem as opposed to supportive or palliative treatment

- **Appropriate suggestions not given in case of Portability of Medi-claim Policy (Gen)**

At the time of change of Mediclaim policy from one Insurer to another, the Insurer/Intermediary is required to explain portability which does not happen, consequently resulting in disputes. As per Regulation 3(3) of the Protection of Policyholders Interest Regulations 2002, it is stated that “where the prospect depends upon the advice of the Insurer or his agent or an insurance intermediary such a person must advise the prospect dispassionately.” This needs to be followed in letter and spirit by the Insurance Company and intermediaries- agents/brokers/TPAs.

- **Survey in the absence of Insured (Gen )**

In motor claims, the survey is conducted in the absence of either the Insured or his representative and the estimate approved by the surveyor becomes a cause for complaint. There should be proper coordination between the Insurer, surveyor, vehicle owner and service centre. A copy of survey report should be made available to the Insured, as provided for in IRDA Regulations, explaining the assessed amount in detail. This will minimize the controversies between the parties.

- **Doctor's / Surgeon's fee Bill not included in claim amount ( Gen)**

Some Insurers are disallowing doctor's /surgeon's fee if raised separately and not included in the hospitalization bill. It is felt that hospitalization is an event and expenses if incurred during the period of hospitalization should be treated as part of hospitalization bill and should be allowed. Moreover, there is a general tendency on the part of the treating doctor/surgeon to hire O.T. of a hospital or nursing home. In such case, the doctor raises and the hospital raises separate bills. All Doctor, Surgeon and Hospital Bill connected to single hospitalization event should be regarded as expenses of hospitalization for the purpose of calculation of claim amount payable to the insured.





- **Information about PPN Hospitals , their charges not mentioned in Policy (Gen)**

The Insurance Companies have authorized some hospitals as PPN Hospitals which have fixed charges for some diseases. But this is not informed to the Policy holders nor are these charges mentioned in the policy conditions. When the policy holders are going for a planned treatment under intimation to the Insurer and/or TPA, they are not advised to use the services of PPN hospitals and their applicable rates. It is also a fact that these PPN hospitals are not always charging the pre-decided rates and in many cases, an undertaking is taken from the patient admitted that charges if any in excess of approved rates, will be borne by the Insured. In this way, these PPN Hospitals are charging higher amount than prescribed by the Insurers. The onus on ensuring that hospitals charge nothing beyond package rates lies on the Companies and TPAs who are parties to the contract. The Insured must not be penalized in any way.

- **Repudiation of claim relating to Macular Degeneration of the eye (Gen)**

With the introduction of specific exclusions of ARMD, such complaints have been reduced. This costly treatment does not require hospitalization due to advancement in technology. The Insurance Companies should have a system to regularly review technological advancements in the field of medicine and take a stand on admissibility of claims.



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## **BRIEF REPORTS OF THE** **OFFICES OF THE INSURANCE OMBUDSMEN**

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**

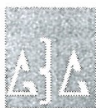
Pending appointment of Insurance Ombudsman at Ahmedabad, Dr. Virendar Kumar, Insurance Ombudsman, Chennai, Shri A K Sahoo, Insurance Ombudsman, Pune and Shri Sadashiv Mishra, Insurance Ombudsman, Patna carried out monthly hearings in the Office of the Insurance Ombudsman, Ahmedabad at varied periods. The Insuring public at Gujarat felt happy as complaints started getting redressed and they were able to get relief. During this period, a lecture on RPG Rules was delivered to the BMs/DMs of Oriental Insurance Company wherein the other Regional In-charges of United India, National Insurance and New India Assurance also had participated. Through this session many doubts of the Insurers were clarified.

The Centre celebrated Bima Lokpal Day with policy holders, Officials of the Insurance Companies & the Print Media. Interaction sessions with the Insurance Companies were also held so that the Companies could understand the grievances of their policy holders & curtail the number of complaints. The Centre was successful in arriving at settlements on around 113 complaints under life cases & 127 complaints under non-life cases without hearing; the complaints were closed as 'complaints withdrawn'.

### **AUDIT AND ACCOUNTS**

M/s Manubhai & Shah, Chartered Accountants, Ahmedabad, had been appointed as Auditors for the year 2014-15. The Audited Accounts for the year ended 31<sup>st</sup> March, 2015, along with Schedules duly signed by the Auditors and the Auditors' Report, were submitted to the GBIC. There were no adverse comments in the Auditors' Report.





### **From the desk of the Insurance Ombudsman - BENGALURU**

The grievances pertaining to Karnataka earlier attended by Insurance Ombudsman, Hyderabad, is now being attended by Insurance Ombudsman, Bengaluru with the setting-up of the Office at Bengaluru, to cater to the State of Karnataka.

Bima Lokpal Day was organized on 11.11.2014 and attended by representatives of Insurance Companies, Complainants, General Public and Press Representatives. A presentation on working of institution of Insurance Ombudsman was made, Representatives of the Insurance Company were given an opportunity for feedback / suggestions and claimants for sharing their experiences.

Presentation was made before under graduate and post graduate law students from JSS Law College, Mysore, explaining the origin of institution of Insurance Ombudsman in India, the provisions of the RPG Rules and rational thereof, with an objective of creating awareness.. A guest lecture was delivered to the students of National Law School of India University, Bengaluru.

In the last year, five out-station hearings have been held because of which local offices of Insurance companies are more responsive to requirements and understand the significance of the resolution of grievances through the Office of the Insurance Ombudsman.

### **OBSERVATIONS & SUGGESTIONS**

- Wider publicity of the scheme in print media . More offices required to reach to the customers.
- For speedy disposal and effective hearing, copy of claim documents filed by the complainant along with the complaint can be provided. The insurer in such case can send a comprehensive response/appropriate written version.
- Sending the hearing letter directly to the servicing / handling office than sending to Head office.
- Online hearing may be a way forward to make it easy for participants to attend
- More interaction with the industry ; both Life and Non-Life , on periodic basis
- Strengthening the in-house grievance redressal mechanism of insurers

### **AUDIT & ACCOUNTS**

Initially the expenses of the office were reimbursed by GBIC. The accounts are maintained in TALLY software, activated from 03.12.2014. All relevant entries were passed for finalization of accounts as on 31.03.2015 and the Accounts were closed for the Financial Year 2014-15, duly audited by M/s. Badari, Madhusudhan & Srinivasan, Chartered Accountants.

The independent Audit Report is a satisfactory report except for the Notes / Remarks for pending capitalization in full for all the assets available and the consequent depreciation which was due to the on-going process of modernization of the premises and collection of bills from contractor.



### **From the desk of the Insurance Ombudsman - BHOPAL**

The Office of the Insurance Ombudsman, Bhopal gave priority to complaints of senior citizens and those from terminally ill persons. In the year 2014-15 Bhopal Centre shall be in a position to resolve complaints within a time frame of 90 days as required under the RPG Rules, 1998. In the last year, seven outstation hearings were held.

Bima Lokpal Day was celebrated on 11/11/2014 with active involvement of all staff members. The invitees included Chairperson of Mahila Chetana Manch, Managing Director- Apex Bank, Officials from the Life and Non Life Insurance Companies and media personnel. All participants were of the view that more publicity is required to create awareness among the general public regarding the Institution of Insurance Ombudsman.

A Seminar for Life and Non Life Insurers was held on 14/11/2014 where the Divisional Manager, Western Central Railways, Bhopal Division was the Guest of Honor. He declared that the Bima Lokpal hoardings detailing the procedure for filing complaints shall be displayed at railway stations at Bhopal & Habibganj.

Bhopal Doordarshan arranged a tele-talk with the public on insurance complaints and it was well received by the public at large and was broadcasted twice during the year from Bhopal Radio Station for creating awareness among the public.

We were invited for a Seminar & Exhibition organized by the Commissioner, Food, Civil supplies and Consumer Protection, Madhya Pradesh on the occasion of World Consumer day on 15/03/2015. The general public evinced a lot of interest about this institution and raised a number of queries.

### **OBSERVATIONS & SUGGESTIONS**

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.
2. 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.





3. There should be provision for filing of Curative Petition in case of rectifying the Legal/Factual defect after passing of an Award/Order which are apparent on the face of record.
4. There should be provision to strike off the defence taken during hearing in case of non-filing of SCN/reply before date of hearing and there should be a specific provision for granting leave to file SCN at belated stage/date of hearing on payment of cost by the Insurer to the complainant.

#### **Audit and Accounts**

The audit for the Annual Accounts for the financial year was conducted by M/s R.Shan & Co., Chartered Accountants. The accounts were finalized without any adverse comments from the Auditors.



### **From the desk of the Insurance Ombudsman BHUBANESWAR**

The dispute resolving machinery provided to this forum is nothing but a gift of the RPG Rules, 1998. The main object is to resolve complaints relating to settlement of claim on the part of insurance companies in a cost effective, efficient and impartial manner. The Office of the Insurance Ombudsman, Bhubaneswar has a territorial jurisdiction over all the insurance offices in the State of Odisha.

Bima Lokpal day was observed on 11/11/2014. Local representatives of Insurance Companies and some selected elites actively participated in a Seminar organized on the day.

### **OBSERVATIONS & SUGGESTIONS**

1. Delay in settlement of claims must be probed.
2. Claims are repudiated without assigning reasons
3. Agents should be trained to avoid mis-selling.
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. 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.
6. 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 .
7. Technical circulars issued by insurance companies should be furnished to the offices of the insurance ombudsman.
8. The craze for new business, communication gap between the insurer and the insured, casual approach in filing 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. The awards of the Ombudsman must be implemented in true letter and spirit within the stipulated time limit. Intimation should also be sent to the Office of the Insurance Ombudsman through mail or hard copy.

### **Audit and Accounts:**

The audit for the Annual Accounts for the financial year was conducted by M/s CK Prusty & Associates, Chartered Accountants. The accounts were finalized without any adverse comments from the Auditors.





### **From the desk of the Insurance Ombudsman - CHANDIGARH**

The Office of the Insurance Ombudsman, Chandigarh interacted with insurers and the insured which gave an insight into their views, attitudes and perspectives. It was observed that public is quite ignorant with the basics of insurance. On the other hand, the representatives of the Insurance Companies do not take sufficient pains to convey the nuances of insurance and related products to their prospective clients which often leads to a misconception and improper communication leading to enhancement of grievances.

Bima Lokpal Day was celebrated on 11<sup>th</sup> November 2014 and the Day was utilized in interacting with Insurance Companies who willingly came forward and settled 104 complaints of their own on a single day.

Keeping in view pecuniary competence of National Level Commission / State Level Commission, the Insurance Ombudsman should be entrusted with pecuniary powers at least upto 50 lakhs instead of 20 lakhs, since their jurisdiction is either one state or more than one state.

### **OBSERVATIONS & SUGGESTIONS**

1. Insurers should appoint Nodal officers to liaise and deal in the cases with punctuality and attendance during hearings.
2. Presentations of Insurers do not have a thorough comprehensive, meticulous and professional approach and they do not cover the core issues raised by the Complainant.
3. There should be some penal provisions to provide adequate and exemplary deterrence so that the office of the Insurance Ombudsman is not taken for granted by these recalcitrant insurers.

### **Audit & Accounts**

The Accounts of the Office of the Insurance Ombudsman were audited by M/s S Tandon & Associates, Chartered Accountants who were appointed as Auditors for the financial year 2014-15. The Accounts were duly certified by the Auditors without any adverse remarks on 23.04.2015.



### **From the desk of the Insurance Ombudsman - CHENNAI**

It is a proud privilege to report that there is “Zero” pendency in Chennai Centre as on 31.3.2015. The entire team of Chennai centre deserves appreciation for this achievement. During the year 2014-15, outstation hearings were held at Coimbatore and Salem.

On 16<sup>th</sup> Oct, 2014, a full day interaction was organized at Hotel Express in Chennai for both Life and General Insurers to discuss common problems faced and ways to improve the same. Our office believes that inspite of “Zero Pendency” there is always scope for improvement.”

Some of the activities held by the Centre during the fiscal were as follows:

- Lectures on the RPG Rules and Role of Ombudsman were delivered to participants of Regional Training Centres, Oriental Insurance Co Ltd Chennai, Branch/Divisional/ Regional Managers of United India Insurance Co Ltd. and Members of the Triplicate chapter of Humor Club of India .
- Officers of Claims deptt., LIC of India, Southern Zone were apprised of the observations of the Ombudsman Office which require their attention.

### **Observations & Suggestions :**

#### **General Insurance**

- In Mediclaim, the basis of settlement of claim is not explained by the TPA/Insurer. The money is directly transferred to the A/c of the Insured without details.
- Sudden increase in Mediclaim premium or withdrawal of plans are not informed to the insured and he/she is not advised as per the IRDA regulations. Hence dispute arises.
- The basis of reasonable and necessary expenses is not explained. Deductions are made arbitrarily and without intimation.
- Many a times, the TPA/Insurer states the claim is not payable as there is no “Active line of Treatment.” The companies need to define the active line of treatment. Otherwise medical dictionary defines Active line of treatment as – “Treatment directed immediately to the cure of the disease or injury. Therapeutic substance or course intended to ameliorate the basic problem as opposed to supportive or palliative treatment.”
- At the time of change of Mediclaim policy from one insurer to another, the Insurer/Intermediary is required to explain portability. But this is not happening resulting in disputes. As per Regulation 3(3) of the Protection of Policyholders Interest Regulations 2002, is stated that “where the prospect depends upon the advice of the Insurer or his agent or an insurance intermediary such a person must advise the prospect dispassionately.” This needs attention.





- For increase in the Sum Insured under the Mediclaim Policies the date of enhancement of SI is not mentioned to invoke pre existing condition clause thereby leading to disputes. The Sum Insured is enhanced without a request letter from the Insured or a fresh proposal form.
- In motor claims, the survey is conducted in the absence of either the insured or his representative leading to disputes which are avoidable.
- Supplementary estimates are accepted by the surveyor from the dealer without the knowledge of the Insured/Insurer which is avoidable.
- No site inspection is carried out by the surveyor or no explanation of the Insured is called as to the circumstances of the accident.
- There is unusual delay in the submission of the survey report by the surveyor or the Investigation report by the Investigator. No reminder is sent by the Insurer. Thus, delay in receipt of the report amounts to violation of Protection of Policyholders Interest Regulations 2002.

**Life Insurance :**

- a. For free look cancellations, proof of delivery is not produced resulting in disputes. The representatives appearing do not bring proof.
- b. Signing of declaration of Good Health by the Agent as witness in lapsed policies. No action is taken against the agent even after finding that on the date of DGH, the person was sick and admitted in the hospital. The matter was taken up with LIC of India.
- c. Wrong repudiation of claims – It has been observed in some of the cases that the claims are repudiated under a wrong clause which is avoidable.
- d. In ULIP policies, when the claim is repudiated on the grounds of non declaration of the material fact, even fund value is not paid. The risk of investment is that of the investor, hence insurer cannot hold on to this fund.
- e. In an annuity policy, the insured is not informed in time about the vesting date and the option to take an annuity either with the same Insurer or another. These disputes are avoidable.
- f. In some cases, the compliance of award is not confirmed by Insurers for a long time.
- g. It has come out during the hearings that in a few cases, the Insurers produce bogus proposal forms. The matter has been reported to IRDA for necessary action.

**AUDIT & ACCOUNTS**

During this financial year, all the major expenses were well within the budgeted limits and the expenditure under many heads was kept at the bare minimum. The audit was conducted by Auditors M/s Suri & Co, Chennai, who were appointed as the auditors during the year. The accounts for the financial year 2014-15 were finalized without any adverse comments from the Auditors.



### **From the desk of the Insurance Ombudsman - DELHI**

The administrative jurisdiction of the Office of the Insurance Ombudsman, Delhi, covered the States of Delhi & Rajasthan till 3<sup>rd</sup> Dec 2014, after which Office of the Insurance Ombudsman, Jaipur (Rajasthan), started functioning. The real test of the functioning of the insurance industry for the common man is in the satisfaction of the Insured.

While preparing the cause lists, priority was accorded to senior citizens/ ailing persons or persons with disabilities for expeditious redressal. The medical and financial underwriting aspects as also the latest Consumer District Forum, State Commissions, National Commission, High Court and Supreme Court rulings in the matters of Insurance Sector were kept in mind to arrive at judicious decisions.

The Insurance Industry has to make the best use of this forum so that fewer people have the need to go to a Court of Law or a Consumer Forum for seeking justice and redressal of grievances. The adage “be the change you want to see” (in its Insurance Avtar) was given a fillip by the initiative of GBIC implementing 11<sup>th</sup> November, 2014 as “Bima Lokpal Diwas”. At Delhi office an interactive session was held comprising of complainants and representatives of Insurance Companies. Award cheques were handed over by company’s representatives to the complainants. The policy holders and representatives of the Insurance Companies welcomed the initiative as it marked a thawing of relationship between the insured and insurer. One important feedback from the members of the public was the urgent need for advocacy of the forum i.e. the Office of the Insurance Ombudsman for redressal of grievances.

A seminar, “Grievance Redressal Mechanism, Improvement, Innovation and Revitalization” was organized on 18.11.2014. Current issues were identified and a brain storming session to suggest ways of improving and strengthening the servicing to the Policy Holders, as also for improving the grievance redressal mechanism was debated.

### **Observations and Suggestions**

1. Insurance Companies, primarily in public sector are found to be lax in submission of Self Contained Note. Furnishing only reasons for repudiation does not help in justification of action. More often than not the grounds of repudiation are not consistent with the terms & conditions of the policy.
2. The Private Sector Insurers at times do not mention name and address of policy issuing office and the escalation matrix with regard to dispute relating to policy/claim. Consequently the policy holders find it difficult to tender their basic servicing requirements like payment of renewal premium etc.





3. In majority of cases, complainants have mentioned that the life assured had only signed the proposal form without knowing the contents of the proposal which is reiterated during the personal hearings. It is clear that intermediaries responsible for selling these products had not properly briefed the life assured and it appears that life assured was not aware of the benefits they may get from the policy or the implications of non-disclosure of medical history. When claim was preferred, 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 or the complainants, who take up the case after the death of life assured, are responsible for the mis-selling of the policy by the intermediaries. More often than not thus, the cases are tilted in favor of the Insurance Company.
4. There are complaints that the insured have not received policy documents in time. During hearings, Insurers are not able to substantiate with documentary evidence that policy documents along with terms and conditions were delivered to the insured. This lacunae in the system gives opportunity for misusing the Free Look Period clause to both insured and insurer. It is suggested that the insurers evolve a system whereby they can prove the date of receipt of policy document with the terms and conditions by the customers.
5. When the Sum Insured is increased at the time of renewal, some companies, while settling the claim are not accepting the increased sum Insured. The claims are settled only on the basis of previous sum Insured. There is no specific policy condition detailing the provision of increase, with the result the claim settlement is often being questioned by the insured leading to litigations. The policy terms and conditions should clearly incorporate the conditions under which the enhanced sum insured would be applicable.
6. The general complaint from the insured public is that the changes in the terms and conditions of the policy are not brought to their notice while renewing the policy. They also plead that they are not provided detailed terms and conditions. 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.
7. Fresh policies are issued against the cheques given by policyholder/s for the renewal premium with false information and without obtaining signatures on the proposal forms from insured and without any request. The Insurance Company should ensure that necessary controls are built in to avoid misunderstanding.

### **AUDIT & ACCOUNTS**

The audit was conducted by Auditors M/s ASA & Associates LLP., New Delhi who were appointed as the auditors during the year. The accounts for the financial year 2014-15 were finalized without any adverse comments from the Auditors.



### **From the desk of the Insurance Ombudsman - GUWAHATI**

The Office of the Insurance Ombudsman, Guwahati has been vacant since 18<sup>th</sup> July, 2014. To attend to grievances of complainants in Guwahati, the Insurance Ombudsman Kolkata has assumed additional charge of the Office of Insurance Ombudsman, Guwahati. Although there was a gap of seven months and hearings could be held on two occasions only, during the last financial year, the performance has been reasonably good.

The operating jurisdiction of Office of Insurance Ombudsman, Guwahati, is spread over a vast and difficult terrain; some parts are inaccessible for most part of the year. A glimpse at the State wise data of grievances will point to the unsatisfactory level of awareness in States like ARUNACHAL, MANIPUR, MEGHALAYA, MIZORAM and NAGALAND. A huge effort needs to be made for spreading awareness amongst the insuring public about the alternate grievance mechanism available to them by way of Insurance Ombudsman. Though attempts were made to engage in awareness campaign, no headway could be made so far because of inaccessibility due to inclement weather and road conditions as also the constraint of time. Frequent political and social disturbances also make it difficult to plan anything reasonably ahead in time.

### **OBSERVATION AND SUGGESTIONS.**

Every year some points are raised by Insurance Ombudsmen with the intention that the insurers will take some actions towards solution so that the problems faced by Insurance Ombudsmen will not recur in future. But it should be placed on record that seldom any result has been observed.

1. The Self Contained Note is either not submitted or is received late from Insurers. Timely submission of SCN supported by sustainable documents will help the Insurance Ombudsman to pass an order without any loss of time.
2. Address of the Branch Offices or at least premium points where the policy holder may pay his premium should be mentioned in the policy bond. This is a problem in case of private insurers. Nowhere policy bond mentions offices where premium can be paid or contact numbers.
3. In Medi-claim cases claims are repudiated on the basis of previous history of illness mentioned in the Discharge Summary of the Hospital records at the time of death. The Insurer must justify repudiation by providing through other documents like prescription, out-patient slip, laboratory reports etc. relating to the pre-proposal stage not after signing of the proposal form.





4. 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.
5. Non-implementation of Awards: In many occasions it is observed that some insurers do not implement award in time.

#### **AUDIT AND ACCOUNTS**

The audit was conducted by M/s Debashis Mitra & Associates, Chartered Accountants, Guwahati, who were appointed as the auditors during the year. The accounts for the financial year 2014-15 were finalized without any adverse comments from the Auditors.



### **From the Desk of the Insurance Ombudsman - HYDERABAD**

The jurisdiction of the Insurance Ombudsman, Hyderabad covers the States of Andhra Pradesh, Karnataka & Yanam, portion of the Union Territory of Pondicherry. In the current fiscal, the new State of Telangana was created from erstwhile undivided State of Andhra Pradesh. The post of Insurance Ombudsman, Bangalore came into existence on 06.12.2014. All cases pertaining to Karnataka state were transferred to the Bangalore office.

The Institution of Insurance Ombudsman has been playing a very effective role in redressing the public grievances within its sphere. Considering the fact that a good chunk of complainants come from lower strata of the society, the Ombudsman be empowered to grant ex-gratia towards expenses in deserving cases where the complaints are dismissed.

### **OBSERVATIONS & SUGGESTIONS**

- i) The insurers should make earnest efforts to issue the proposal forms in the local language so that the policy holder can understand the statements printed in the proposals. Likewise, the policy documents also be issued in local language of the policy holder so that the policy holder is clear about the terms and conditions of the policy. A contract which apparently is understood only by one party could always run into interpretational difficulties.
- ii) Majority of Life Insurance complaints relate to repudiation of death claims. The insurers are prone to reject claims based on the previous history mentioned in the discharge summary sheet of the hospital records at the time of death. It is necessary to show cogent evidence of prior medical history before repudiation of claims.
- iii) Under General Insurance, the insurers reject claims invoking pre-existing disease clause without reliable evidence to establish that the insured suffered from such ailments before commencement of insurance. In many cases, claims were rejected on presumptions and surmises.
- iv) 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.

### **AUDIT & ACCOUNTS**

The Audit was conducted by M/s Anjaneyulu & Co., Chartered Accountants, Hyderabad, who were appointed as Auditors. There were no adverse comments from the Auditors on preparation and finalization of the Accounts for the financial year 2014-15.





### **From the desk of the Insurance Ombudsman - JAIPUR**

Opening of the new office at Jaipur was given wide publicity with the celebration of Bima Lokpal Day on 11-11-2014. The Audience expressed happiness at Ombudsman services being rendered at Jaipur itself, as earlier it was looked after by Bima Lokpal, Delhi.

In the State of Rajasthan, maximum complaints are of the nature of mis-selling and efforts were made to bring relief to the complainants, in an impartial and cost effective way.

### **OBSERVATIONS & SUGGESTIONS**

1. Persons indulging in mis-selling should be identified and penalized.
2. Insurance companies must review the decisions taken by TPA's.
3. The financial underwriting rules should be followed by the insurance companies. It has been observed that policies involving huge annual premium running into lacs of Rupees (Rs. 5 lakh, Rs. 42 lakh) have been issued to retired persons by the same insurance company.
4. It should be clearly mentioned in the Policy documents that the Office of Insurance Ombudsman is not an office of the Insurance Company and before approaching the Insurance Ombudsman, the complainant should represent the case to the GRO of the Insurer.
5. Freelook period should be for at least 30 days.
6. Time limit for compliance of award should be strictly followed. In few cases, after a period of five months of award the insurance company is writing that it is considering filing of writ petition and implementation of award will be considered after the decision on this issue has been finalized.

### **AUDIT & ACCOUNTS**

The Audit was conducted by M/s Kalani & Co., Chartered Accountants, Jaipur, who were appointed as Auditors. There were no adverse comments from the Auditors on preparation and finalization of the Accounts for the financial year 2014-15.



### **From the Desk of the Insurance Ombudsman - KOCHI**

The territorial jurisdiction of the Office of the Insurance Ombudsman, Kochi extends to the entire State of Kerala besides the Union Territory of Lakshadweep and Mahe – an integral part of the Union Territory of Pondicherry.

To clear the doubts of the general public relating to insurance matters, Television shows were held. Similarly, press releases issued by this office about the performance of Ombudsman Centre, nature of complaints and precautions to be taken while taking a policy, have all been given wide coverage not only in Malayalam Newspapers but also in well known papers like Times of India, The Hindu etc. Besides, there has also been participation in seminars conducted on Banking & Insurance in colleges and universities.

### **OBSERVATIONS & SUGGESTIONS**

1. There is an unhealthy practice on the part of the Insurance companies to deny the policyholders the relief granted by the Ombudsman quoting non-existing provision, exploiting the ignorance of policyholders and citing that they are proposing to file an Appeal against the Ombudsman's Order. Even in cases where the companies are filing Writ Petitions in the High Court, unless a Stay is granted by the High Court in implementing the Ombudsman's Award, companies are duty bound to give effect to the Order. But in actual practice, the companies are delaying giving effect to the Order till the outcome of the Writ Petition is known. This is also against the tenets of Law and has to be nipped in the Bud. The Insurance companies are well aware of the fact that the Insurance Ombudsman's order is binding on them and there is no provision for filing Appeal as per RPG Rules 1998.
2. The insurance companies may be directed to depute their own officers to appear before the Ombudsman instead of engaging Advocates as is the practice adopted by atleast one of the nationalized insurance companies in Kerala. The insurance companies should file their Self Contained Note well ahead of the hearing dates.

### **AUDIT & ACCOUNTS**

The Audit was conducted by M/s Babu A. Kallivayalil & 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 2014-15.



## **From the desk of the Insurance Ombudsman - KOLKATA**

All in all, the year's performance was satisfying on all counts. The Ombudsman's Office was lying vacant for more than a year and therefore had a huge number of unattended complaints.

An alert Institution of Ombudsman and other legal forum can only work as a curative intervention. However, to strengthen regulatory framework, IRDA needs to gently but firmly nudge the Surveyors and TPA's to the right path. Possibly, the Claim Investigation Agencies also should be brought under a licensing process. Where self-regulation is merrily given a go by, a stronger regulation remains the only alternative.

## **OBSERVATIONS & SUGGESTIONS**

### **1. Improvement in transparency of policy conditions:-**

Certain terms in the policy documents are found non-transparent and the interpretations are made in favour of Companies. One of the disputes are proportionate deduction of various expenses like Surgeon's fee; Anesthetist fee; OT Charges, various investigation charges. There are very few hospitals where these variable charges exist as per room rent. But this is done at random by deducting proportionately even for the hospital where there is no variable charges. This aspect needs to be examined. It is felt that in all group Mediclaim policies obtained by Employers, it should be made mandatory on the part of employer to issue confirmation of insurance protection to individual employees with clear reference to the group insurance policy and benefits secured both by letter/e mail and by display on website easily accessible to all employees/ex-employees.

### **2. Cataract Treatment:-**

A good number of complaints received by this forum for Cataract Treatment as there is difference in quantum to be paid among the PSU Companies. There is also no mention in the policy conditions regarding the type of lens to be allowed in settlement of claim. There should be a clear mention about the fixed amount for lens. The Insurer may mention certain percentage of sum insured for the eligibility of amount for lens in the policy conditions clearly.

### **3. Claims for enhanced sum insured:-**

A good number of complaints pertain to partial settlement without considering the enhanced sum insured. Some Insurers have not mentioned this method clearly in their policy conditions for which disputes arises.





#### 4 Motor Claim Grievances:-

Complaints are mostly disputes related to the method of settlement whether on Total Loss or Constructive Total Loss basis. Motor Tariff prescribed settlement of Construction Total Loss when the repair cost of a vehicle exceeds 75% of the IDV (value of the vehicle), but this is not mentioned in the policy conditions. The Insurer also does not write their settlement clearly to the Insured that this 75% is to be calculated after applying policy excess. Copy of survey report is not handed over to the insured at the time assessment and as a result, the insured also remains unaware about the settlement method which ultimately end in disputes with the Insurer.

#### 5 Personal Accident Grievances:-

Very few numbers of claims have been received by this forum. However, claims are mostly related to loss of vision which is claimed as loss of sight as mentioned in the policy conditions of Personal Accident Policy. More clear definition of loss of partial or total loss sight is required to avoid disputes. The Insurance Companies may examine the matter.

### 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 2014-15.



### **From the Desk of the Insurance Ombudsman - LUCKNOW**

The geographical spread of Uttar Pradesh is very vast. People from different nooks and corners of the state have filed claims. They had fallen prey to the mischievous agents, who had cheated them for their financial gain.

The institution of Insurance Ombudsman has become significant in redressing grievances of insured and rendering effective and speedy justice to the down trodden. It was our endeavour to provide speedy and expeditious redressal to complainants. A lot of awareness among the public was generated both by news paper and electronic media with the active initiative of the GBIC and the IRDA. It is an ardent belief that wherever and whenever justice is denied to the aggrieved claimant by the mighty insurance companies, this forum played its role in giving quick and effective justice.

The need of the hour is to give proper training to agents so that they can render proper advice and market the correct product as per the need of the customer. Consumer education and guidance is also necessary because well informed customers are an asset for the industry.

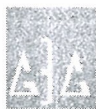
The contract of insurance is based on relationship between insured, insurer and intermediaries. The expectations of aggrieved customer from this forum are very high. The onerous duty of this forum is to dispense equitable and speedy justice to the users. Ultimately, this forum is and will be an epitome of speedy and cost effective justice to the millions of insuring people in future.

### **Observations & Recommendations**

- a) Insurance policies have been repudiated on the ground that the nominee had no insurable interest in the contract. In the proposal form, the complainant was made nominee by the deceased life assured. The matter of insurable interest could have been examined at an earlier stage.
- b) In general insurance, claims are being repudiated on the ground that "No claim Bonus" was claimed wrongly. All the general insurance companies can put the details of claim paid by them in a common basket from which claim in respect of particular vehicle can be found out easily before issuing policy. If this is done, the repudiation of claim on wrong claim of "No Claim Bonus" would reduce substantially.

### **AUDIT & ACCOUNTS**

- c) The Audit was conducted by M/s R M Lall & 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 2014-15.



### **From the Desk of the Insurance Ombudsman- MUMBAI**

Our mission statement reflects our intention of providing equitable solutions to the Complainants to the best of our 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.

Till 2013-14, the Office of the Insurance Ombudsman, Mumbai, was attending to the complaints from Mumbai, Maharashtra and Goa. However with the opening of Pune Office in the year 2014 the centre is attending to the cases pertaining to Mumbai (City and Suburbs) and Goa only. During the last two years we have tried to initiate a few customer friendly initiatives to improve the speed and quality of our disposal and the efforts have started paying dividends. Although it's a mammoth challenge we remain hopeful in our pursuit of attaining the desired level even with our limited resources.

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. While many Insurers have tried to respond to it proactively yet it is observed that in many cases the customers were on the receiving side. It is seen that the number of complaints received by the centre is not in proportion to the market share of the companies and is more related to the business model in case of Life companies and control over TPA's and decision making process in case of General Ins. companies.

The success of the forum, to a great extent depends upon the co-operation and support of the Companies in strengthening the mechanism, willingness to resolve at the Company level and build competency and empowerment at the decision making level. Brokers/Agents/ Banking Channel partners, TPA's and Surveyor's are the most significant contributors to the growing number of disputes. To facilitate mutual understanding and resulting good governance, interactions with the companies apart from arranging two separate meets with the Life and General Insurance Companies at Mumbai were arranged where valuable inputs from either side was exchanged and it has helped in reduction of grievances. Marked improvements were observed in the number of cases getting resolved at the Company level without our specific intervention. 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.

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 & SUGGESTIONS**

1. In spite of having a 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 to the Grievance Officer; the Companies do not bother to re-examine the cases and treat the complaints as closed. As a result the effectiveness of the system is seriously compromised and status of the complaints does not get correctly reflected in the IRDA's records. 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.
2. It is also noticed that there are cases where Companies have denied claims on the basis of fraudulent investigations and in at least one of the death claim cases in Life side when the Forum informed the Company about the attempted Fraud, the Company instead of declining decided to pay the death claim. On being asked, the company cited lack of manpower as the reason.
3. The forum received many reminders from complainants that in spite of clear instructions in the Award with regards to settlement by the Company, there is a delay in implementation of the Award. The undue delay on the part of the Companies defeats the purpose of the exercise and also causes dissatisfaction amongst the complainants. In one of the case, a public sector General Insurance company has moved High Court against the order of the Ombudsman. We feel the expenses on this count should be entirely borne by the Company and should not be passed on to common pool as the expenses involved are much higher than the award itself.
4. The number of complaints coming from companies with smaller policy base and smaller Premium Income is disproportionate to their market share. Appropriate system would be the cost being borne by the companies in proportion to their number of complaints with a provision for discounts in case the complaints are resolved by the companies within 15 days of lodgement with Ombudsman. If adopted, this will go a long way in improving the system.

## **AUDIT & ACCOUNTS**

The Audit was conducted by M/G.M. Kapadia & 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 2014-15.



### **From the Desk of the Insurance Ombudsman- PUNE**

The Annual Report and statements of the Office of Insurance Ombudsman, Pune for the year 2014-15, having territorial jurisdiction over the insuring public of Maharashtra State except Mumbai Metropolitan Region is being submitted in compliance with Rule 20 of the Redressal of Public Grievances Rules, 1998. The Office of the Insurance Ombudsman started its operations at Pune from 10.09.2014 and hence the report is for the period from 10.09.2014 to 31.03.2015.

An "Interface with Insurers" was conducted on 19.01.2015 at the National Insurance Academy, Pune with a view to create awareness amongst Insurers, which was a grand success.

### **OBSERVATIONS & SUGGESTIONS**

1. During this short tenure, it was observed that complaints on Life Insurance pertained to mis-selling. The seeds of mis-selling are sown during the first interaction between the prospect and insurance intermediary. Though the Insurance regulator is tightening the rules for Unit Linked Insurance Plans (ULIPs) and educating the public through electronic and print media mis selling continues.
2. In General Insurance large number of cases pertain to Mediclaim. There is ambiguity associated in interpretation of clauses, lack of transparency in terms and conditions of the policy, rejection letters from TPA and not from Insurer, failure to revise various clauses keeping in view the advancement in medical science & technology etc. are the causes for complaints arising in general insurance segment.
3. The Health Insurers generally depend on the decision of TPAs for the admissible amount of claim and do not have any in house system of scrutinizing the decision of the TPAs.
4. The Free look period for cancellation of the policy by the Insured may be extended up to 30days. 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.
5. The Insurers should inform the Office of the Insurance Ombudsman about any changes in the terms and conditions of their products to keep the centers abreast of changing rules and products.

### **Audit and Accounts:**

M/S A R Sulakhe & Co. C.A., Pune was appointed as Auditor for the financial year 2014-15. The Audited accounts for the year 2014-15 along with all schedules, explanatory notes and the Auditors Report has been submitted to the GBIC . There is no adverse comment in the Auditors Report.