

# Ombudsman

The Insurance Ombudsman scheme was created by Government of India for individual policyholders to have their complaints settled out of the courts system in a cost-effective, efficient and impartial way.

There are 12 Insurance Ombudsman in different locations and you can approach the one having jurisdiction over the location of the insurance company office that you have a complaint against.

## You can approach the Ombudsman with complaint if:

- You have first approached your insurance company with the complaint and
  - They have not resolved it
  - Not resolved it to your satisfaction or
  - Not responded to it at all for 30 days
- Your complaint pertains to any policy you have taken in your capacity as an individual and
- The value of the claim including expenses claimed is not above Rs 20 lakh

## Your complaint to the Ombudsman can be about:

- Any partial or total repudiation of claims by an insurer
- Any dispute about premium paid or payable in terms of the policy
- Any dispute on the legal construction of the policies as far as it relates to claims
- Delay in settlement of claims
- Non-issue of any insurance document to you after you pay your premium

## The settlement process

### Recommendation:

The Ombudsman will act as counsellor and mediator and

- Arrive at a fair recommendation based on the facts of the dispute
- If you accept this as a full and final settlement, the Ombudsman will
- Inform the company which should comply with the terms in 15 days

### Award:

- If a settlement by recommendation does not work, the Ombudsman will:
- Pass an award within 3 months of receiving the complaint and which will be
  - A speaking award with the detailed reasoning
  - Binding on the insurance company but
  - Not binding on the policyholder
- The Ombudsman can also award an ex-gratia payment

## Once the Award is passed

- You have to accept the award in writing and the insurance company has to be informed of it within 30 days and
- The Insurance company has to comply with the award in 15 days after that.

## FAQ on Ombudsman Scheme

### INSURANCE OMBUDSMAN SCHEME MADE EASY TO UNDERSTAND.

#### Scheme of Insurance Ombudsman.

With an objective to provide a forum for resolving disputes and complaints from the aggrieved insured public or their legal heirs against Insurance Companies, the Government of India, in exercise of powers conferred on it u/s 114(1) of Insurance Act, 1938 framed "**Redressal of Public Grievances Rules, 1998**", which came into force w.e.f. 11th November, 1998. These Rules aim at resolving complaints relating to the settlement of disputes with Insurance Companies on personal lines of insurance, in a cost effective, efficient and impartial manner. These Rules apply to all the Insurance Companies operating in General Insurance business and Life Insurance business, in Public and Private Sectors.

To implement the above Rules, the Institution of Insurance Ombudsman has been established and is functioning since 1999. The Ombudsman functions within a set geographical jurisdiction and can entertain disputes relating to partial/total repudiation of claims, delay in settlement of claims, any dispute on the legal construction of the policies in so far as such disputes relate to claims, disputes regarding premium paid or payable in terms of the policy and non-issuance of insurance documents.

The Insurance Ombudsman is provided with a Secretarial Staff by the Governing Body of Insurance Council and such staff is drawn from Insurance Companies. The total expenses on running the Institution are shared by all Insurance Companies, who are Members of the Insurance Council.

#### FREQUENTLY ASKED QUESTIONS (FAQs):

##### 1) With whom is a complaint to be lodged?

Complaint is to be lodged with the Insurance Ombudsman under whose territorial jurisdiction the insurer's office falls, at the address given in "CONTACT US".

##### 2) Does Insurance Ombudsman operate in any territorial jurisdiction?

Yes, Insurance Ombudsman operates only within the territorial limits specified in "CONTACT US".

##### 3) How is this territorial jurisdiction to be applied to complaints?

The complaint will lie with the Insurance Ombudsman under whose territorial jurisdiction the Branch or Office of the Insurer complained against is located. However, in case of Group Insurance policies, the complaint may be lodged with the Insurance Ombudsman under whose territorial jurisdiction the place of residence of the complainant falls.

**4) Who can approach Ombudsman?**

Any aggrieved individual who has taken an Insurance Policy on personal lines (or if deceased, the legal heir(s) under such policy) can approach Ombudsman.

**5) What is the meaning of Insurance on Personal Lines?**

Insurance on personal lines means a policy taken or given in an individual capacity, e.g. life insurance, personal accident insurance, mediclaim insurance, insurance of personal property of the individual such as motor vehicle, household articles, etc.

**6) What are the complaints that are entertained by the Ombudsman?**

Complaints pertaining to repudiation of claims totally or partially, delay in settlement of claims, any dispute on the legal construction of the policies in so far as such disputes relate to claims, disputes regarding premiums paid / payable and non-issue of insurance documents.

**7) How is the complaint to be lodged?**

The complaint is to be made in writing and may be lodged through personal approach or through post / fax / email (followed by hard copy).

**8) Is there any time limit to approach the Ombudsman?**

Yes. Within one year of the rejection by the insurer of the representation of the complainant or the Insurer's final reply to the representation.

**9) Is there any maximum limit for the amount under dispute that can be entertained by the Ombudsman?**

Yes. The maximum limit for the amount under dispute for which the Ombudsman can entertain a complaint is up to Rs.20 lakhs.

**10) Can a complainant, who has already approached Consumer Forum/court on the same subject, approach the Ombudsman?**

No. Any complainant, whose complaint on the same subject matter is or was before a Court/Consumer Forum cannot approach Ombudsman.

**11) What are the pre-requisite conditions in short, for lodging a complaint?**

a. The complaint must be by an individual on a 'Personal Lines' insurance and within the terms of reference of the Insurance Ombudsman as set out under FAQ 6.

b. A representation should be made to the Insurance Company and either an unsatisfactory reply should have been received or the representation should stand as un-replied for at least 1 month.