

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 3087**

ANSWERED ON - 23.3.2021

**Amendment in Insurance Ombudsman Rules**

3087 SHRI RAMKUMAR VERMA:

Will the Minister of Finance be pleased to state:

- (a) Whether it is a fact that Government has amended Insurance Ombudsman Rules, if so, the details thereof along-with the reasons for doing so;
- (b) Whether Government has received complaint (s) with regard to the delay in settlement or in many cases not paying of settlement amount in lieu of different silent clauses, if so, the details thereof and the action taken by Government; and
- (c) Whether the current amendments tackle the issue of delay to reach the Ombudsman, if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI ANURAG SINGH THAKUR)

- (a) Yes Sir, Government of India has amended the Insurance Ombudsman Rules, 2017 vide the Insurance Ombudsman (Amendment) Rules, 2021, published in the Extraordinary Gazette of India vide notification G.S.R. 147 (E) dated 02.03.2021. The Rules were amended after the Committee on Subordinate legislation recommended revamping of Insurance Ombudsman Rules, 2017. The amended Rules have enlarged the scope of complaints and have enabled online tracking of complaints, videoconferences for hearings etc. The Insurance Ombudsman (Amendment) Rules, 2021 is available at <https://financialservices.gov.in/act-rule/Insurance/Insurance-Rules>.
- (b) The Insurance Regulatory and Development Authority of India have received 91 complaints between 01.04.2017 to 28.02.2021 as against 23702 awards passed during the same period, alleging non-compliance/ delay in compliance of awards passed by Insurance Ombudsmen. These complaints were taken up with the respective insurers and in most of the case, the insurers have provided resolutions to the complaints.

Rule 17 (6) of the Insurance Ombudsman Rules, 2017 states "the insurer shall comply with the award within thirty days of the receipt of the award and intimate compliance of the same to the Ombudsman. Rule 17(8) of the said Rule states "the award of Insurance Ombudsman shall be binding on the insurers".

- (c) In terms of Rules 14(iii) (B) of Insurance Ombudsmen (Amendment) Rules, 2021 the complainants are now allowed to file complaints through electronic mail or online through website of the insurer or insurance broker concerned besides written representations. Further, in terms of sub clause 6 of Rules 14(v) the Council for Insurance Ombudsmen should put in place a complaints management system, which should include an online platform developed for the purpose of online submission and tracking of the status of complaints made under Rule 14.

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