

Amendments in Insurance Ombudsman rules

The objects of the insurance ombudsman rules is to resolve all complaints of all personal lines of insurance, group insurance policies, policies issued to sole proprietorship and micro enterprises on the part of insurance companies and their agents and intermediaries in a cost effective and impartial manner.

This is to be noted that all complaints must be filed by the individuals or their legal heirs. Any complaints filed by company on behalf of their employee/policy holder shall stand rejected.

Following are the three amendments brought in by the Government:

1. The amended rules have enlarged the scope of complaints to Ombudsmen; now errors from agents, brokers and other intermediaries (like banks) will also be under the purview of this body. This means complaints related to policies like servicing, claims or even misselling can also be filed against these intermediaries.
2. The Insurance Ombudsman rules to enable customers to file and track complaints digitally and also attend hearings over video-conferencing
3. In order to secure the independence and impartiality of the appointed persons while serving as ombudsmen. Further, the selection committee will now include an individual with a track record of promoting consumer rights or advancing the cause of consumer protection in the insurance sector.

Important details for policy holders:

1. Customers can approach an Insurance Ombudsman within one year of their claim being rejected. Policyholders have to first formally complain to the insurance company and if the insurer does not reply for a month or the reply is unsatisfactory, they can approach the Ombudsman.
2. The claim limit under Insurance Ombudsman is Rs 30 lakh and it should be a matter that is not being heard under any court or a consumer forum.
3. Once the customer submits all the relevant documents, the Ombudsman has up to three months to make a decision on the matter. This is binding on all parties. Customers can file complaints only for personal/retail lines of insurance like motor, health or life insurance.