



Life Insurance Corporation of India

Policy for Protection of Interests of Policyholders

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Section 1: Introduction and Objectives.

At present there are different Board approved policies covering various aspects for enhancing insurance awareness as well as protection of policyholder's interest. The broad objectives of the existing policies are enumerated below:

a) Insurance Awareness Policy:

- To spread financial literacy especially awareness for life insurance to all citizens of the country in order to equip them with knowledge, skills and confidence to make an informed choice about Financial Planning and Life insurance Products.
- To make consumers aware of redressal mechanisms available for protection of their rights at various levels.

b) Grievance Redressal Policy:

- To strengthen the existing grievance mechanism and to reinforce our commitment of serving our customers with utmost sensitivity, accountability, transparency, fairness and with a sense of urgency.

c) Policy on handling Spurious Calls Complaint:

- To draw a set/ uniform procedure to be followed at all levels in the Corporation in respect of all such complaints received through all sources such as email, letters etc., thus reinforcing our commitment to our customers.

d) Citizen's Charter:

- A mission statement reinforcing the commitment of the Corporation to the community, to the customers and to the workforce setting standards for fairness in dealing with customers along with details of Policy Servicing Benchmarks.

IRDAI has notified Protection of Policyholder's Interests Regulations, 2017 vide notification dated 22nd June 2017. Para 5 of the said Regulations states that:

Every insurer shall have in place a board approved policy for protection of Policyholder's Interests.

This policy has been framed with an objective of bringing all aspects for protection of policyholder's interests as stipulated in the IRDAI Protection of Policyholders Interest Regulations, 2017 into a single comprehensive policy.

This policy shall, hereinafter, be called "**Policy for the Protection of policyholder's interests.**"

Section 2: Scope

The scope of the policy includes the following:

- i. Steps to be taken for enhancing Insurance Awareness so as to educate prospects and policyholders about insurance products, benefits and their rights and responsibilities.
- ii. Service parameters including turnaround times for various services rendered.
- iii. Procedure for expeditious resolution of complaints.
- iv. Steps to be taken to prevent mis-selling and unfair business practices at point of sale and service.
- v. Steps to be taken to ensure that during policy solicitation and sale stages , the prospects are fully informed and made aware of the benefits of the product being sold vis-à- vis the product features attached thereto and the terms and conditions of the product so that the benefits/returns of the product are not mis-stated/mis-represented.

Section 3: Definitions

- a) “Complaint” or “Grievance” means written expression (includes communication in the form of electronic mail or other electronic scripts), of dissatisfaction by a complainant with insurer, distribution channels, intermediaries, insurance intermediaries or other regulated entities about an action or lack of action about the standard of service or deficiency of service of such insurer, distribution channels, intermediaries, insurance intermediaries or other regulated entities;

Explanation: An enquiry or request would not fall within the definition of the “complaint” or “grievance”. Complaints arising out of or in relation to the servicing of policies referred to LIC by Public Authorities like Prime Minister’s Office, Ministry of Finance, IRDAI, Directorate of Public Grievances etc shall also be covered by this Policy.

- b) “Complainant” means a policyholder or prospect or any beneficiary of an insurance policy who has filed a complaint or grievance against an insurer or a distribution channel;
- c) “Distribution Channels” means persons and entities authorized by IRDAI to involve in sale and service of insurance products;
- d) “Grievance Redressal Officer” means a designated officer, who will be responsible for handling grievances as specified below:

Office	Designated Officer
Central Office	Executive Director (CRM)
Zonal Office	Regional Manager (CRM)
Divisional Office	Manager (CRM)
Branch Office	Branch-in-charge

- e) "Prospect" means any person who is a potential customer of an insurer and likely to enter into an insurance contract either directly with the insurer or through a distribution channel;
- f) "Spurious Calls" means Unsolicited/Hoax/Unauthorized/Illegal calls received from unidentified persons claiming to be Officials of LIC/IRDAI/Government of India/Insurance Councils/other Insurance Companies/SEBI etc with the purpose of any of the following *:
- To solicit new business.
 - Encourage the complainant to surrender of the existing policies and buy fresh policy with additional/enhanced returns/benefits.
 - To defraud the complainant by luring them to make payments by cash or cheque in favour of some private agencies/companies

May make false claims such as*:

- gifts, promotional offers, interest free loans freebies such as free credit card, mediclaim benefit, holiday packages etc. on investing in new policies
- Direct transfer of agent's commission to complainant's account, bonus transferred to lapsed policies etc.
- Claiming bonus or incentive is being distributed under their lapsed/old/matured/inforce policies.

(* lists are only indicative not exhaustive)

All such calls will come under the purview of 'Spurious calls' irrespective of whether the complainant has responded to it in any manner;

Section 4: Steps and Procedures

a) Procedure for registering General Complaints:

- Policyholders can personally contact designated Officials and seek redressal of their grievances. The respective Grievance Redressal Officers will be available at their Offices for personal interviews with the customers on all Mondays between 2.30 p.m. and 4.30 p.m.
- Customers can meet the Grievance Redressal Officers on other days also with prior appointment.
- The names of the Grievance Redressal Officers shall be displayed in the respective Offices and will also be periodically published in the newspapers.
- In addition to the above, the customers may also send their grievances, if any, through post, by e-mail etc to the respective servicing offices / Grievance Redressal Officers.

- A centralized system known as Complaint Management System (CMS) for on-line registration of the grievances by the policyholder is made available on our website (www.licindia.in). Policyholders can register their grievance related to their policies on-line. After registration of the grievance a Complaint Registration Number is allotted immediately which can be noted for future references such as viewing the status of the complaint, etc. As soon as the grievance is registered a system generated mail is sent to the Servicing Branch of that policy which in turn will attend to the grievance and post their compliance on the system. Any resolution detail posted by the Branch is approved by Higher Offices for closure. Once the grievance is resolved a system generated mail is sent to the customer informing about the action taken by LIC upon the grievance.
- In select cities, special servicing centres called “**Customer Zones**” are also functioning, where customers may walk- in to register their grievances, if any.
- Grievances related to repudiated death claims, “**Claims Review Committees**” are set up at Zonal Office level and Central Office level. The committee consists of two or more senior officers of LIC and an Honorable Retired Judge of the District Court/High Court.

b) Procedure for registering complaints relating to Spurious Calls:

The Corporation does not engage any telecaller services to call our policyholders. Policyholders receiving spurious calls are advised to follow the following guidelines:

- Not to entertain calls from unverified sources and part with any information about their policy number or personal data such as DOB, PAN number, address, Aadhaar card number etc.
- Lodge Police Complaint with the local Police Station.

c) Steps to be taken for creating Insurance Awareness

The Corporate website is updated from time to time on various insurance aspects so that the policyholder is abreast of latest information about insurance products, benefits and their rights and responsibilities. Each office of the Corporation has a designated role and the same is enumerated below:

- **Central Office:**
 - Corporate website to be aligned with the Policy for protection of interests of policyholders.
 - Customer portal to be used to educate the customers.
 - Insurance Awareness advertisements to be issued from time to time on various aspects affecting customers in English, Hindi and all Regional languages.
 - Pan India campaign on TV as well as radio channels.
 - Social /Digital media viz: Facebook, Twitter, etc to be used for customer education.

- Any other activity as deemed fit required for customer awareness.
- **Zonal Office:**
 - Zonal Offices to incorporate the policy in all their training modules.
 - Zonal office to spread the message through appropriate media campaign and press releases.
- **Divisional Office:**
 - Divisional Office to ensure training in all branches for all staff members on Customer Education policy.
 - Ensure discussion about the policy in all agents' meet and training sessions.
 - Managers of the Divisional offices to visit big institutions, colleges, schools and other SSS paying authorities and make them aware about the policy.
- **Branch Office:**
 - Branches to conduct maximum customer meets at all levels i.e. Branch headquarter, Taluka and village level and ensure that salient features are conveyed to maximum customers and also other people in the area. In the city areas such meetings can be held in important localities, schools, colleges and other places.
 - Display of boards / banners for educating customer on Citizens charter giving the policy servicing benchmarks.

Section 5: Service Parameters

a) Turnaround Time (TAT) and Process of Resolution of Grievances

- Written acknowledgement should be sent to customers immediately and in no case it should be later than 3 working days from date of receipt of grievance. In case, the complaint is submitted personally written acknowledgement to be provided to the customer at the time of submission of complaint.
- The acknowledgement to contain the name and designation of the officer who will deal with the grievance.
- It will specify the approximate time required for redressing the grievance or otherwise.
- If the complaint is resolved within 3 days, the resolution is to be communicated along with the acknowledgement. In other cases, the final letter of resolution/rejection is to be sent within 2 weeks of the receipt of the grievance. In case of rejection, the reasons for the same to be communicated to the customer.
- If any case requires more time than what is mentioned above, the same is to be informed to the customer/ regulator giving reasons thereof mentioning the approximate time required to send the final reply.

- The final letter of resolution/ rejection will also inform the customer how to pursue the complaint if dissatisfied with the reply.
- The complaint is to be treated as closed if no reply is received from the customer within 8 weeks from the date of receipt of our final letter by the customer.
- The complaint will also be treated as closed where the Grievance Redressal Officer certifies that the contractual, statutory and regulatory obligations have been discharged.
- Where the grievance is not resolved in favour of the policyholder or partially resolved in favour of the policyholder, the complainant is to be informed that he has the option to take up the matter before insurance ombudsman.

b) Policy Servicing Bench Marks

All offices will adhere to the following policy servicing bench marks as applicable:

Sr No.	Description of service	Bench Marks
1	Free look cancellation/surrender/Withdrawal/Request for refund of proposal deposit/Refund of outstanding proposal deposit subject to receipt of all documents	15 days
2	Maturity claim/Survival Benefit /Annuity/Pension processing subject to receipt of all documents	On or before due date
3	Raising claim requirements after lodging the claim	15 days
4	Death Claim Payment/Rejection/Repudiation without investigation requirement under a Life Policy	30 days
5	Death Claim Payment/Rejection/Repudiation with investigation requirement under a Life Policy	120 days
6	Issuance of policy document after acceptance of the proposal	5 days
7	Registration of nomination/ Assignment/ Re-assignment and return of policy document	3 days
8	Effecting revival/ alteration/issue of duplicate policy on receipt of all requirements	2 days
9	Loan settlement after receipt of all requirements	3 days
10	Intimation of status of SSS policies	Once a year along with Bonus information
11	Effecting change of address/ transfer In-Out and other enquiries under the policies	Same day
12	Acknowledge a grievance	3 days
13	Resolve a grievance	15 days
14	Claim Payment/Rejection/Repudiation without investigation requirement under a Health Policy	30 days
15	Claim Payment/Rejection/Repudiation with investigation requirement under a Health Policy	45 days

The service parameters and turnaround times as approved by the Board will be displayed on the website www.licindia.in and updated as and when the same are revised by the Board from time to time.

Section 6: Mis-Selling and Unfair Trade Practices:

(A) Steps taken by LIC to prevent mis-selling & unfair trade practices:-

- 1) All product details to be made available on our website www.licindia.in.
- 2) Product brochures which are circulated to create awareness and educate the prospects and policyholders are as approved by IRDAI.
- 3) Benefit illustrations and copy of proposal forms are to be provided as per IRDAI guidelines to the prospects/policy holders.
- 4) Corporation to impart training to its market intermediaries regularly to sensitize them that the prospective customers are fully informed about unique selling proposition (USPs) of various plans in general & ULIP Plans in particular.
- 4) “Cooling Off” option to be communicated to the customers in case of dissatisfaction about the plan.
- 6) Mobile app to be developed for customers & agents.

(B) Action taken against Agents

- 1) The LIC of India (Agents) Regulations, 2017 which came into force from 02.02.2017, rescinding the existing LIC of India (Agents) Rules, 1972 under Regulation 8, specify the ‘Functions of the Agents’ and under the Second Schedule, specify the ‘Code of Conduct’.
- 2) Any violation of the above Regulations, including mis-selling of insurance products and indulging in unfair business practices, further to investigation and charges being proved, invites disciplinary action as per the provisions of Regulations 15 and 16 along with Regulation 19(1) in accordance to the Fifth Schedule of the LIC of India (Agents) Regulations, 2017

Section 7: Responsibility:

- Branch-in-Charge will be responsible for implementation of all aspects mentioned in the policy at Branch level.
- Sr./Divisional Manager-in-Charge will be responsible for implementation of all aspects mentioned in the policy at Divisional level.
- Zonal Manager-in-Charge will be responsible for implementation of all aspects mentioned in the policy at Zonal level.

Section 8: Monitoring Mechanism

Monitoring Mechanism in form of various MIS will be put in place to ensure that various services are rendered to the policyholders with the timelines prescribed by IRDAI. Monitoring mechanism for grievances is already in place through ICMS Module.

Section 9: Review Mechanism

Chairman shall constitute a Review Committee at Central Office. The Review Committee to review the implementation of the policy for the Corporation as a whole once in a year within 45 days from the expiry of the financial year, ensure that the same are in conformity with the IRDAI Protection of Policyholders Regulations, 2017.

Section 10: Amendments

This policy will be subject to changes/ modifications from time to time as per IRDAI Guidelines/ Statutory Compliances. Chairman or any other officer duly authorized by him shall have the right to amend this policy.

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