DISSERTATION

ON

To evaluate the current grievance resolution processes implemented by an insurance company.

Guided by
VARSHA TANU(ASSOCIATE PROFESSOR)

SUBMITTED BY
DR. AKSHYA KUMAR
Roll No . 1456

Institute of Health Management Research

IIHMR UNIVERSITY, JAIPUR

(2022-24)

Title : To evaluate the current grievance resolution processes implemented by an insurance company.

1- **Introduction :**

2- In 2000, the insurance industry was liberalized. The insurance industry has expanded tremendously since its deregulation. Insurance provides financial protection to individuals, families, and organizations. Insurance makes it easy to save money and offers a safe and profitable investment. Insurance, unlike banking or capital markets, is positioned as a distinct financial business. A life insurance contract is a long-term arrangement between the insured person and the insurance provider. Both parties are responsible for fulfilling their own obligations. Customer relationship management is an effective strategy for improving customer service. All complainants should have easy access to a grievance resolution process. Online grievance procedures increase accountability, efficiency, and transparency.

3- The Insurance Regulatory and Development Authority of India (IRDAI) was established to ensure that the Indian insurance market safeguards policyholders' interests. The Grievance Redressal Guideline defines a grievance or complaint as "any communication that expresses dissatisfaction regarding an action or lack thereof, regarding the standard or deficiency of service of an insurance company or any intermediary, or that requests remedial action."

4- **Literature Review**

Cohen (1975) extensively explored the efficacy of federal remedies in combating dishonest and misleading practices within consumer protection frameworks. He identified three primary approaches - "prevention," "restitution," and "punishment" - and argued that while prevention was an ideal public policy, its effectiveness could be limited when implemented in isolation. Cohen emphasized the significance of addressing consumer fraud, advocating for the judicious use of punishment to deter the most harmful practices or to dissuade repeat offenders. Additionally, he highlighted the potential of arbitration as a promising avenue for compensating aggrieved consumers, suggesting that federal regulatory organizations should further explore its utilization.

Sobti's (2002) study delved into patients' perceptions and the legal regulation of medical services under the Consumer Protection Act, 1986 (CPA). Following the landmark Supreme Court decision in the Indian Medical Association vs. V.P. Santha case in 1995, which heightened awareness about deficiencies in medical services, Sobti observed a notable surge in complaints and appeals related to medical malpractices. Despite initial skepticism from medical professionals regarding the CPA's impact on healthcare costs and practices, Sobti found that patients received a greater sense of justice through the CPA's grievance redressal process. The study underscored the evolving dynamics between patients, medical practitioners, and legal regulations, suggesting that the CPA played a pivotal role in addressing patients' grievances.

In his examination of the grievance redressal mechanism in the general insurance market, G. Johary (2007) proposed alternative conflict resolution mechanisms tailored specifically for the insurance industry. Johary's proposal aimed to enhance the efficiency and effectiveness of grievance resolution, emphasizing the importance of creating dedicated dispute resolution mechanisms to address the unique challenges within the insurance sector.

A scrutiny by Shilpy Sinha and Preeti Kulkarni (2011), as reported in The Economic Times, shed light on the Insurance Regulatory and Development Authority's (IRDA) commitment to safeguarding policyholder interests. Despite this focus, the authors emphasized the need for initiatives aimed at improving policyholders' understanding of the existing grievance redressal system. Their analysis underscored the importance of transparency and accessibility in grievance resolution processes to enhance consumer confidence in the insurance sector.

5- Objectives

A) To evaluate the current grievance resolution processes implemented by Insurance companies.

B) To study the response of the company.

C) To study a few case studies to understand the way company catered to the need of their customers.

6- Materials and Methods

It is a retrospective study since it focuses on the past and contemplates events that have occurred in the past. A health insurance company obtains information from previous cases (legal notices, Ombudsman appeals, consumer court proceedings, and mediators).

7- Data Analysis:

The data analysis involved a thorough examination of the selected cases to identify patterns, trends, and common issues raised by insured consumers. This analysis aimed to provide insights into the types of grievances faced by consumers and the effectiveness of existing redressal mechanisms in addressing these concerns. Qualitative thematic analysis was employed to categorize and interpret the data, facilitating the identification of key themes and implications for policy and practice.

8- References:

9- Anderson, L. (2016). The role of insurance in risk management. Risk Management Review, 5(2), 112-125.

10- Anderson, L., & White, B. (2018). Obligations in life insurance contracts. Insurance Law Journal, 25(4), 189-202.

11- Brown, A., Smith, J., & Johnson, R. (2020). Challenges in Insurance Grievance Redressal: A Case Study Analysis. Journal of Insurance Studies, 15(2), 45-58.

12- Brown, S., & Patel, T. (2019). Contribution of insurance and banking services to GDP. Journal of Finance and Economics, 30(1), 78-89.

13- Clark, E. (2021). Strategic importance of customer relationship management in insurance. Insurance Strategy Review, 15(2), 78-91.

14- Government of India. (1998). Notification on the Establishment of the Insurance Ombudsman. Gazette of India, 22(4), 123-126.

15- Gupta, S. (2020). Empowering customers through grievance redressal. Journal of Consumer Affairs, 45(3), 112-125.

16- IRDAI Annual Report. (2019). Insurance Regulatory and Development Authority of India.

17- IRDAI Guidelines. (2018). Grievance Redressal Guidelines. Insurance Regulatory and Development Authority of India.

18- IRDA. (2015). Integrated Grievance Management System (IGMS): Enhancing Grievance Redressal in the Insurance Sector. Insurance Regulatory and Development Authority of India.

19- IRDAI. (2020). Regulatory measures for policyholder protection. Insurance Regulatory and Development Authority of India.

20- IRDAI Circular. (2017). Establishment of Ombudsman system. Insurance Regulatory and Development Authority of India.