Insurance Regulatory and Development Authority of India

Press Release | 20th November 2026

Order in the matter of Star Health and Allied Insurance Company Limited

The Insurance Regulatory and Development Authority of India ('IRDAI' or 'Authority') has passed an Order against M/s Star Health and Allied Insurance Company Limited ('Insurer') arising from an inspection conducted from 31st January to 11th February 2022, following a Show Cause Notice dated 4th December 2024 and a personal hearing on 18th June 2025.

The Authority found that, in handling health insurance claims including COVID-19 claims, the Insurer had repudiated claims on untenable grounds. The Authority further found that the insurer had made deductions which were not supported by the policy terms, and in many sampled cases, the amount was paid only after the Authority highlighted them. Policyholders were not informed of the specific policy conditions under which claims were repudiated or reduced, depriving them of an informed basis to challenge these decisions.

The Authority has imposed a total penalty of Rs. 2 crore under Section 102 of the Insurance Act, 1938, comprising Rs. 1 crore for violation of Regulation 27(v) of the IRDAI (Health Insurance) Regulations, 2016 in respect of repudiation of claims, and Rs. 1 crore for violations of Regulations 27(v), 33(d)(ii) and 33(d)(iv) of the said Regulations and Regulation 21(3)(c)(i)(c) of the IRDAI (Third Party Administrators – Health Services) Regulations, 2016 in respect of deductions from claims and communication of claim decisions.

The Insurer has also been warned for not ensuring that discounts agreed with network hospitals are reflected in hospital bills and made known to policyholders (Regulation 20(9) of the said TPA Regulations), and directed to ensure that its claim settlement letters itemise all allowed, disallowed, non-payable and discount amounts and the reduction in Sum Insured. It was further cautioned for collecting renewal premium more than 90 days in advance (Regulation 13(iii) of the Health Insurance Regulations) and for not providing Insurance Ombudsman details to complainants; its corrective steps on these were taken on record. The Order is to be placed before the Insurer's Board, with an Action Taken Report to follow.

The detailed Order is available at https://irdai.gov.in/web/guest/document-detail?documentId=10053459.

IRDAI remains committed to policyholder protection and fair, transparent settlement of claims.