GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION No. 3556
ANSWERED ON MONDAY, AUGUST 10, 2026/SHRAVANA 19, 1948 (SAKA)

Insurance Claim Repudiation and Consumer Protection

3556. SHRI SRIBHARAT MATHUKUMILLI:

Will the Minister of FINANCE be pleased to state:

(a) Whether the Government is aware of instances of insurance claims being rejected or delayed on grounds arising from ambiguous or unclear policy terms, if so, the details thereof;
(b) The number and value of insurance claims repudiated in the country during each of the last five years, along with the number subsequently overturned by the Insurance Ombudsman, consumer forum or courts, State-wise particularly in Andhra Pradesh, including Visakhapatnam;
(c) Whether the Government has assessed the financial impact of unjustified claim repudiation on policyholders and families, if so, the details thereof, particularly in Andhra Pradesh and Visakhapatnam; and
(d) The steps being taken by the government to ensure clear and standardised policy language, prevent arbitrary claim repudiation, strengthen accountability of insurers, and provide timely grievance redressal to affected policyholders?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): Insurance Regulatory and Development Authority of India (IRDAI) monitors policyholder grievances relating to repudiation of insurance claims and delay in settlement through analysis of regulatory returns submitted by insurers, supervisory reviews and complaints registered on the Bima Bharosa Portal. Based on such analysis, IRDAI undertakes appropriate regulatory, supervisory and follow-up measures, wherever necessary.

Rejection or delay generally arise due to several factors, including non-disclosure or misrepresentation of material facts, incomplete, inaccurate or inconsistent documentation, exhaustion of the sum insured, non-fulfilment of policy conditions, applicability of waiting period, fraud investigations, delays in completion of loss assessment surveys, judicial proceedings in the case of Motor Third Party claims, and delay in submission of records or other information by hospitals, garages and other entities.

(b): The data on insurance claims repudiated is maintained by IRDAI at the aggregate level and is not maintained State-wise or city-wise. A detail containing data of claims repudiated during last 5 years is at Annexure-I. The state-wise data on Reason for Grievance referred to Insurance Ombudsman, including any partial or total repudiation of claims by an insurer, as received from Council of Insurance Ombudsman Office is attached as Annexure-II.

(c) and (d): IRDAI (Insurance Products) Regulations, 2024 and the IRDAI (Protection of Policyholders' Interests, Operations and Allied Matters of Insurers) Regulations, 2024 require Insurers to use clear, simple and policyholder-friendly language in policy documents, disclose all key features, benefits, exclusions and terms through prospectuses, provide proposal forms and policy documents in simple language (including scheduled languages, wherever feasible), offer a 30-days free-look period, publish a Citizens' Charter specifying service standards, timelines and grievance redressal mechanisms, ensure fair and timely settlement of claims. Health insurance claims can not be repudiated without approval of the Product Management Committee (PMC) or Claims Review Committee (CRC) and where delay occurs in settlement of claim, the insurer is required to pay penal interest. If the customer is not satisfied with the service of the insurer they may approach Insurance Ombudsman for redressal. Any delay in honouring the award of the Insurance Ombudsman attracts a penalty of ₹5,000 per day.

In addition, the complaints can also be registered on Centralised Public Grievance Redress and Monitoring System (CPGRAMS) portal of the Government of India, which is monitored regularly from the appropriate level in Department of Financial Services (DFS) for redressal of grievances registered.

These measures are applicable uniformly across the country, including Andhra Pradesh.

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Annexure-I

Annexure-I referred to in part (b) of Lok Sabha Unstarred Question No. 3556 on "Insurance Claim Repudiation and Consumer Protection" answered on 10.08.2026

Death Claims of Life Insurers

(i) Individual Death Claims (Number of Policies)

Financial Year	Claims Repudiated / Rejected	Claims Paid
2020-21	12,559	10,83,623
2021-22	16,509	15,87,110
2022-23	15,173	10,60,419
2023-24	16,408	9,82,615
2024-25	17,333	10,11,880

(ii) Group Death Claims (Number of Lives)

Financial Year	Claims Repudiated / Rejected (Group)	Claims Paid
2020-21	3,980	10,91,756
2021-22	11,149	14,18,442
2022-23	4,032	12,40,247
2023-24	4,459	14,80,087
2024-25	4,155	16,28,641

Source: IRDAI Handbook on Insurance Statistics

(iii) Claims of General Insurers (including Health Insurance Claims)

Financial Year	Number of Claims Repudiated	Number of Claims Paid
2020-21	8,72,085	4,03,67,244
2021-22	9,40,416	5,58,98,793
2022-23	11,50,969	6,17,17,431
2023-24	14,60,527	7,12,00,854
2024-25	16,71,436	5,92,35,233

(iv) Claims of Stand Alone Health Insurers

Financial Year	Number of Claims Repudiated	Number of Claims Paid
2020-21	2,44,461	15,95,870
2021-22	4,77,087	29,54,721
2022-23	5,50,721	37,61,032
2023-24	5,36,339	50,27,957
2024-25	5,67,722	71,43,761

Source: IRDAI Handbook on Insurance Statistics

The insurance ombudsmen deal with all types of eligible complaints registered with them, which include complaints on repudiation of claims also. The Insurance Ombudsman maintains complaints data centre-wise. The Hyderabad Centre has jurisdiction over both Andhra Pradesh and Telangana.

(v) The number of insurance complaints and awards passed in favour of complainants by the Hyderabad Centre during the last five financial years is as under:

Financial Year	Total Life Insurance Complaints	Award in favour of Complainant
2020-21	1,479	221
2021-22	1,428	241
2022-23	641	109
2023-24	766	127
2024-25	583	149

Financial Year	Total General Insurance Complaints	Awards in favour of Complainant
2020-21	140	27
2021-22	154	6
2022-23	114	18
2023-24	175	45
2024-25	296	46

Financial Year	Total Health Insurance Complaints	Awards in favour of Complainant
2020-21	496	133
2021-22	903	145
2022-23	930	189
2023-24	1,291	323
2024-25	1,432	200

Source: IRDAI Handbook on Insurance Statistics

IRDAI does not maintain state-wise data regarding the rejected claims overturned by consumer forum, or courts, particularly in Andhra Pradesh, including Visakhapatnam.

Total number of insurance complaints and awards passed by all courts including Hon’ble Supreme court, Hon’ble High Courts, other Courts and Consumer forum in favour of complainants is provided below:

Year	No of Cases decided in the Courts / forums	Decided in favor of Policyholder/ Customer
2021-22	19,025	10,871
2022-23	25,790	13,442
2023-24	39,538	22,015
2024-25	44,064	23,765
2025-26	46,122	25,418

Note: Inclusive of Claims related complaints

Annexure-II

Annexure-II referred to in part (b) of Lok Sabha Unstarred Question No. 3556 on "Insurance Claim Repudiation and Consumer Protection" answered on 10.08.2026

Reason for Grievance referred to Insurance Ombudsman: Rule 13(1)(b) - Any partial or total repudiation of claims by an insurer										
State	2021-22		2022-23		2023-24		2024-25		2025-26	
	Received during the Year	Disposed during the Year in favour of Complainants	Received during the Year	Disposed during the Year in favour of Complainants	Received during the Year	Disposed during the Year in favour of Complainants	Received during the Year	Disposed during the Year in favour of Complainants	Received during the Year	Disposed during the Year in favour of Complainants
Andaman & Nicobar	2	0	2	0	0	0	1	0	2	2
Andhra Pradesh	98	53	201	122	450	292	487	178	775	274
ARUNACHAL PRADESH	1	1	1	0	0	0	4	1	2	2
Assam	151	72	271	154	343	197	388	206	483	351
Bihar	90	41	154	98	388	244	542	372	507	312
Chandigarh	63	36	73	57	100	76	104	48	59	9
Chattisgarh	47	12	88	54	138	79	132	70	165	81
Dadra & Nagar Haveli	0	0	14	6	6	4	5	5	13	7
Daman & Diu	0	0	2	2	3	3	8	3	8	4
Delhi	442	145	631	355	992	725	1,194	893	1,516	851
Goa	27	6	22	14	43	17	37	21	36	14
Gujarat	1,182	1,184	1,810	1,410	2,732	1,866	3,499	2,313	4,181	2,167
Haryana	400	226	923	684	1,736	1,391	1,938	1,087	1,166	410
Himachal pradesh	28	10	45	37	60	41	70	38	36	6
Jammu and Kashmir	24	17	29	20	71	53	69	28	39	13
Jharkhand	52	12	88	49	162	114	244	179	286	178
Karnataka	475	278	811	632	1,205	977	1,658	1,116	1,592	1,284
kerala	1,025	253	990	644	1,851	1,276	2,208	1,521	2,561	1,768
Lakshadweep	0	0	0	0	0	0	1	0	0	0
Madhya Pradesh	369	128	913	641	2,405	1,414	2,420	1,490	2,700	1,745
Maharashtra	3,596	1,397	3,540	1,794	5,181	2,302	5,869	1,842	7,333	3,758
Manipur	2	0	5	1	5	5	14	7	8	7
Meghalaya	8	3	7	4	8	5	7	5	8	6
Mizoram	0	0	2	0	2	1	4	1	2	2

Nagaland	0	0	7	1	1	0	12	5	3	8
Odisha	238	122	367	233	617	437	627	420	645	472
Pondicherry	19	2	6	4	35	25	28	15	40	19
Punjab	278	166	491	374	1,123	926	1,311	660	607	125
Rajasthan	643	365	797	439	1,233	852	1,416	828	1,790	1,021
Sikkim	0	1	1	1	3	2	6	5	5	3
Tamil Nadu	767	266	1,014	614	1,986	1,255	1,552	806	2,371	1,298
TELANGANA	270	207	384	243	968	714	1,139	530	1,638	640
Tripura	4	3	19	13	21	13	26	16	15	10
Uttar Pradesh	819	285	1,161	589	2,030	1,268	2,439	1,422	2,587	1,073
Uttarakhand	65	21	92	41	149	100	122	63	145	33
West Bengal	757	301	1,122	460	1,804	957	1,802	931	1,862	856
Total	11,942	5,613	16,083	9,790	27,851	17,631	31,383	17,125	35,186	18,809

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