

NICL Policy for Protection of Policyholders' Interests-2019

1. Background

- 1.1. Vide Notification dated 22nd June 2017, Insurance Regulatory and Development Authority of India (IRDAI) notified The Insurance Regulatory and Development Authority of India (Protection of Policyholders' Interests) Regulations, 2017 (PPI Regulations, 2017).
- 1.2. Regulation 5 (1) of the said Regulations mandates that every insurer shall have in place a board approved policy for protection of policyholders' interests. It is stipulated that the policy shall *inter-alia* dwell upon enhancement of Insurance Awareness among policyholders, service parameters, complaint resolution procedures and protection against mis-selling and unfair business practices.

2. Introduction

- 2.1. National Insurance Company Limited (NICL) has a strong track record of customer centric approach in operations with the motto of fulfilling customers' needs "on time, every time" to their full satisfaction aiming towards building a long lasting relationship.
- 2.2. NICL constituted a Policyholder Protection Committee (PHPC) on 20th March 2010 in line with the requirement of IRDA guidelines dated 5th August 2009 on Corporate Governance. The Company has developed suitable mechanisms and frameworks and has mandated various stakeholders including its officers and staff to work towards ensuring customer satisfaction and protection of their legitimate rights.
- 2.3. This Policy, called the **NICL Policy for Protection of Policyholders' Interests – 2018**, seeks to integrate these mechanisms and frameworks so as to provide a seamless experience of customer delight.

3. Insurance Awareness framework

- 3.1. NICL has always been at the forefront in customer empowerment and building awareness. Towards this end, the Board of NICL, in its 359th meeting held on 16.10.2015 adopted **Insurance Awareness Policy**.
- 3.2. The stated objectives of the policy include creating awareness about (i) the need for and benefits of insurance policy among the general public, (ii) the benefits of health, property and other non-life insurance products as a measure to augment financial security to policyholders, (iii) access to insurance services, policy terms and

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conditions and availability of various types of products and their features, and (iv) the rights and responsibilities of consumers.

- 3.3. A copy of the **Insurance Awareness Policy** is appended to this document as Annexure – A.

4. Service parameters framework

- 4.1. NICL is committed to maintaining highest standards of customer service in its operations. The Company has in place a Board approved Citizens' Charter which is reviewed and revised periodically taking into account changes in regulatory and operational scenarios. The Citizens' Charter reiterates the commitment of NICL towards (i) acting courteously, fairly and reasonably with the customers, (ii) providing clear and complete information about products and services, (iii) quick and sympathetic resolution of grievances, (iv) responding to the requests for new covers, (v) providing customised insurance products for the rural and social sector and the weaker sections of the society at economical prices, among others.
- 4.2. NICL's Citizens' Charter, last revised and adopted by the Board in its 369th meeting on 23.12.2016 has been further updated in line with the PPI Regulations, 2017. A copy of the revised **NICL Citizen's Charter – 2018** is appended to this document as Annexure – B.

5. Grievance resolution mechanism

- 5.1. NICL espouses and reiterates a customer centric approach in its operations and recognises that customer grievances are a strong feedback tool in identifying the gaps between the expectations of the customers vis-a-vis the services provided. The Company believes that a speedy and transparent resolution of grievances goes a long way in building trust and long term relationships.
- 5.2. The Company has a dedicated Customer Relationship Management team, headed by a General Manager as the GRO at the Head Office. Customers are encouraged to bring their grievances to the notice of concerned authorities at our operating Offices as well as at the Regional and Head Office through conventional as well as electronic modes. The customer grievance portal of the Company, Customer Grievance Management System (CGMS) is integrated on real time basis with IRDAI's Integrated Grievance Management System (IGMS) portal. NICL is also a member of Centralised Public Grievance Redress and Management System (CPGRAMS) portal hosted by the Department of Administrative Reforms and Public Grievances, Government of India. Action has also been initiated to obtain credentials for joining the Integrated Grievance Redressal Mechanism (INGRAM) portal of Department of Consumer Affairs, Government of India.

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5.3. Customer grievances are resolved as per the provisions of the Board approved **Customer Grievance Redressal System (CGRS)** Policy of the Company. The Policy was last reviewed, updated and adopted by the Board in its 364th meeting on 26.6.2016. The CGRS – 2016 policy of the Company is appended as Annexure – C.

6. Protection against mis-selling and unfair business practices

- 6.1. In the context of general Insurance products marketed by NICL, mis-selling may be defined as the wilful promise of a benefit, service or feature not available in the product, while offering a free scheme or discount not allowed as per the authorised procedures of the Company may be considered to constitute an unfair trade practice.
- 6.2. NICL is conscious of the negative effects of mis-selling and unfair business practices in the long run for the general Insurance Industry as a whole as well as for the general public. The Company strongly discourages such practices. All intermediaries are sensitised periodically on such issues.
- 6.3. Complaints on mis-selling and unfair business practices are taken seriously and are examined at appropriate levels. Depending on the extent of the malpractice(s) and its ramifications, suitable action, ranging from issuance of warning to termination of services/reporting to law enforcement agencies, is taken.

7. Miscellaneous provisions

- 7.1. This Policy, as also the associated documents mentioned herein and annexed hereto, shall be reviewed by the PHPC at periodical intervals. Amendments, if any, made to these documents upon such review shall stand incorporated in this Policy.
- 7.2. The Chairman cum Managing Director of the Company shall have the powers to issue necessary clarifications for removal of doubts on any provision of the policy and may prescribe guidelines for implementation of the policy in its overall framework.
