

You Can Soon Check Unclaimed Amount on Insurer's Website

Common Reasons for Claims/ Premium Refund Remaining Unpaid



Preeti.Kulkarni
@timesgroup.com

Mumbai: Insurance customers and nominees of deceased policyholders will be able to access details of their unclaimed amounts on the websites of insurance companies from early next year. Last week, the Insurance Regulatory and Development Authority (Ir-da) issued a revised circular on the procedure for allowing policyholders or their nominees to access details of unclaimed amounts on insurers' websites.

This includes death benefits, maturity proceeds, premium due for refund and indemnity claims remained unclaimed for over six months.

Earlier this year, the insurance regulator had expressed concern over the rising unclaimed amounts that had gone up to Rs4,865 crore in 2012-13 from 73,037 crore in 2011-12.

As per the original plan, insurers were supposed to offer this facility from April this year. They have been granted further time till January 31, 2015 to upload the information as at December 31, 2014. The details will be updated in April and October every year.

"The move is pro-consumer and puts the onus of helping the customer get the unclaimed amount with least amount of delay on insurers. The various clauses ensure that insurance companies need to do their best to return policy holders' money," says Suresh Sadagopan, certified financial planner and founder, Ladder Financial Advisors.

Irda has asked insurers to pro-

vide a facility on their websites for policyholders and nominees to ascertain whether any unclaimed amounts due to them are lying with the insurer. Details you may have to enter include policyholder's name, date of birth, PAN and the policy number. The regulator has said that while providing the name and date of birth will be mandatory, other details can be treated as optional fields. After authenticating the information provided by you, the insurer will start the process of disbursing the unclaimed amount.

"Unlike SEBI's investor protection fund, there was no mechanism in the insurance space to deal with unclaimed amounts. Ir-da's initiatives will make insurers more responsible towards managing such cases. Majority of claims disbursed constitute maturity proceeds, and not death benefits. During the policy tenure, policyholders move residences and if the address is not updated, it is difficult to track them," says P Nan-dagopal, MD and CEO, IndiaFirst Life Insurance.

Except for the postponement of date of implementation, the changes are minor in the new directive. "As per the modification, insurers will need to display information on any unclaimed amount above Rs1,000 on their websites.

The policyholder now only needs to fill out his name, policy number, PAN and date of birth on the website and if the information in any two fields matches with the insurers records, the unclaimed amount with the company will be displayed," says Vignesh Shahane, CEO and whole-time director, ID-BI Federal Life Insurance.