

Pvt Life Insurers Rejected 1 Out of 5 Claims in FY14

Our Bureau

Mumbai: Private insurers Shriram Life, IndiaFirst Life Insurance and Canara HSBC OBC rejected nearly one in five claims during 2013-14 while state-run Life Insurance Corporation improved its claims settlement ratio to 98.14% during the fiscal, according to the annual report released by Insurance Regulatory and Development Authority. Insurers say they are forced to reject — or repudiate, in industry parlance — a lot of claims due to suppression of relevant facts such as medical history.

“Insurance non-disclosure is the biggest item, which is leading to repudiation. Customers should be willing to share more information proactively,” said Girish Kulkarni, managing director and chief executive of Star Union Dai-ichi, which settled 92.86% claims during the year. In 2013-14, insurers repudiated 18,423 claims for ₹624 crore while 8,496 claims for a total of ₹450 crore were pending. Life insurance companies settled 8.56 lakh claims on individual policies with a total payout of ₹10,860 crore during the fiscal.