



# Amendment Of Insurance Ombudsman Rules, 2017

## Why in News

Recently, the Union government amended the **Insurance Ombudsman Rules, 2017, bringing insurance brokers within the ambit** of the Insurance Ombudsman and also allowed policy holders to **file online complaints**.

### Key Points

#### ▪ About:

- **Enlarged the Scope Of Complaints:** Earlier it was only disputes. Now the amended rules will cover even the **deficiencies in service on the part of insurers, agents, brokers and other intermediaries**.
- **Introduced ICT Enabled Complaint Redressal:**
  - Enables making **complaints electronically**.
  - **Complaints management system** to enable policyholders to track the status of their complaints online.
  - **Video-conferencing for hearings**.
- These amendments will strengthen the **timeliness and cost-effectiveness** of the mechanisms.

#### ▪ Empowering Ombudsman:

- A number of amendments have been made for securing the independence and integrity of the ombudsman selection process, while also building in safeguards to secure the independence and impartiality of the appointed persons while serving as ombudsmen.
- The selection committee will now include an **individual with a track record** of promoting consumer rights or advancing the cause of consumer protection in the insurance sector.

## Insurance Ombudsman

#### ▪ About:

- In exercise of the powers conferred by the **Insurance Regulatory and Development Authority Act, 1999** and in accordance with the **Redressal of Public Grievances Rules, 1998**, the office of Insurance Ombudsman was established by the Central Government.
- Its powers, functions, terms of office etc. were laid in **Insurance Ombudsman Rules, 2017**.

#### ▪ Qualification:

- An Ombudsman shall be selected from amongst persons having experience of the insurance industry, civil service, administrative service or judicial service.

#### ▪ Selection:

- An Ombudsman shall be selected by a Selection Committee comprising of:

- Chairperson of the **Insurance Regulatory and Development Authority (IRDA)** who is also the Chairman of the Selection Committee.
- One representative each of the Life Insurance Council and the General Insurance Council from the Executive Council of Insurers.
- A representative of the Government of India not below the rank of a Joint Secretary.

▪ **Term of Office:**

- Three years and it is eligible for reappointment provided that no person shall hold office as an Ombudsman after he has attained the age of seventy years.

▪ **Duties and Functions:**

- **Mediation And Counselling:** The Ombudsman shall act as counsellor and mediator relating to matters where there is written consent of the parties to the dispute.
- **Grievance Redressal:** The IRDAI may, at any time refer any complaint or dispute relating to insurance matters to the Insurance Ombudsman.

**Source:TH**

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