



**बीमा विनियामक और विकास प्राधिकरण**  
**INSURANCE REGULATORY AND  
DEVELOPMENT AUTHORITY**

Ref- IRDA/HLTH/MISC/CIR/216/09/2011

Date: 20.09.2011

**CIRCULAR**

**To: All life Insurers and non-life insurers**

**Re: Delay in claim intimation/documents submission with respect to**

- i. **All life insurance contracts and**
- ii. **All Non-life individual and group insurance contracts**

The Authority has been receiving several complaints that claims are being rejected on the ground of delayed submission of intimation and documents.

The current contractual obligation imposing the condition that the claims shall be intimated to the insurer with prescribed documents within a specified number of days is necessary for insurers for effecting various post claim activities like investigation, loss assessment, provisioning, claim settlement etc. However, this condition should not prevent settlement of genuine claims, particularly when there is delay in intimation or in submission of documents due to unavoidable circumstances.

The insurers' decision to reject a claim shall be based on sound logic and valid grounds. It may be noted that such limitation clause does not work in isolation and is not absolute. One needs to see the merits and good spirit of the clause, without compromising on bad claims. Rejection of claims on purely technical grounds in a mechanical fashion will result in policyholders losing confidence in the insurance industry, giving rise to excessive litigation.

Therefore, it is advised that all insurers need to develop a sound mechanism of their own to handle such claims with utmost care and caution. It is also advised that the insurers must not repudiate such claims unless and until the reasons of delay are specifically ascertained, recorded and the insurers should satisfy themselves that the delayed claims would have otherwise been rejected even if reported in time.

The insurers are advised to incorporate additional wordings in the policy documents, suitably enunciating insurers' stand to condone delay on merit for delayed claims where the delay is proved to be for reasons beyond the control of the insured.

  
J Harinarayan  
CHAIRMAN