INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY
(IRDA)
3RD FLOOR, PARISRAMA BHAVAN
BASHIR BAGH
HYDERABAD-500004

APPOINMENT OF INSURANCE OMBUDSMAN

IRDA INVITES APPLICATIONS FROM PERSONS WHO HAVE RETIRED (OR ABOUT TO RETIRE) FROM I.A.S. OR I.R.S. AND AGED NOT ABOVE 62 YEARS AS ON 1-9-09

FOR APPOINTMENT AS INSURANCE OMBUDSMAN AT **Delhi, Chandigarh and Kolkata.**

Service	:	Applicants must be persons who have retired (or about to retire) from IAS or IRS
Age	:	Not above 62 years as on 1-9-2009
Position held	:	The candidate should have held a post of the rank of Additional Secretary to the Government of India or any post under State Government equivalent to Additional Secretary to Government of India.

The applicants may send an application in the enclosed format alongwith a copy of their CV to the Authority on or before **20th September 2009.** If they wish, they can e-mail the applications to **chairman@irda.gov.in**

The RPG Rules under which the Insurance Ombudsman is appointed and the details of Pay and Perks applicable to Insurance Ombudsman are attached to this Notice.

EXECUTIVE DIRECTOR (ADMN.)
I.R.D.A.

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY

APPLICATION FOR INSURANCE OMBUDSMAN
Delhi
Chandigarh
Kolkata

Name	Date of Birth and Age as on 1-9-09	Service (IAS or IRS) to which the official belongs and Year	Post last held	Option for posting as Insurance Ombudsman at Delhi or Chandigarh or Kolkata
				Option 1: Option 2: Option 3:
Contact Tel. No.		_____ Mobile _____ Residential		
Postal Address				
E-Mail address:				
Signature of the official				

Government of India
Ministry of Finance
Department of Economic Affairs
Insurance Division
New Delhi, the 11th November, 1998

NOTIFICATION

Gsr..... (E) In exercise of the powers conferred by sub-section (1) of Section 114 of the Insurance Act, 1938 (4 of 1938) the Central Government hereby frames the following Rules, namely:-

1. Short title: - These Rules may be called the Redressal of Public Grievances Rules, 1998.

2. Application:- These Rules shall apply to all the insurance companies operating in general insurance business and in life insurance business:

Provided that the Central Government may exempt an insurance company from the provisions of these Rules, if it is satisfied that an insurance company has already a grievance redressal machinery which fulfils the requirements of these Rules.

3. The objects of these Rules are to resolve all complaints relating to settlement of claim on the part of insurance companies in cost effective, efficient and impartial manner.

4. Definition:- In these rules unless the context otherwise requires:-

(a) "Act" means Insurance Act, 1938;

(b) "Committee" means an advisory committee referred to in Rule 19;

(c) "Financial year" means period of twelve months commencing from the 1st day of April of any year and ending on 31st day of March of the succeeding year;

(d) "General Insurance Corporation of India" means a government company formed under sub-section (1) of section 9 of the General Insurance Business (Nationalisation) Act, 1972 and shall include a subsidiary company of such company;

(e) "governing body" means governing body of the Insurance Council constituted under sub-rule (1) of rule 5;

(f) "Insurance Council" means the Life Insurance council and the General Insurance Council referred to in section 64C of the Act;

(g) "Insurance Regulatory Authority" means a body established by Goyernment of India vide Resolution No. 17 (2)/94 Ins. V dated 23.01.1996 to monitor the orderly growth of insurance industry:

Contd..2/-

(h) "Insurance company" means the Life Insurance Corporation of India, the General Insurance Corporation of India and any other company which has been given a licence to carry on business of life insurance or of the general insurance, as the case may be;

(i) "Insured person" means an individual by whom or on whose behalf an insurance policy has been taken on personal lines;

(j) "Life Insurance Corporation of India" means the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956;

(k) "Personal Lines" means an insurance policy taken or given in an individual capacity;

5. Governing body of Insurance Council:- (1) There shall be a Governing Body of the Insurance Council which shall consist of one representative from each of the insurance companies.

(2) The representative of an insurance company shall ordinarily be Chairman or Managing Director or any one of the Directors of such company.

(3) The Governing Body shall formulate its own procedure for conducting its business including the election of the Chairman.

Provided that the Chairman of the Life Insurance Corporation of India shall act as the first Chairman of the governing body.

6. Ombudsman:- (1) The governing body shall appoint one or more persons as ombudsman for the purpose of these rules.

(2) The Ombudsman selected may be drawn from a wider circle including those who have experience or have been exposed to the industry, civil service, administrative service, etc. in addition to those drawn from judicial service.

(3) An Ombudsman shall be appointed by the Governing Body from a panel prepared by the Committee consisting of:-

(a)	Chairman of Insurance Regulatory Authority	-Chairman
(b)	Two representatives of Insurance Council including one each from the Life Insurance Business and from General Insurance Business respectively.	-Member
(c)	One representative of the Central Government	-Member

7. Term of Office:- An Ombudsman shall be appointed for a term of three years or till the incumbent attains the age of sixty five years, whichever is earlier. Reappointment is not permitted.

Provided that no person shall hold office as such Ombudsman after he has attained the age of 65 years.

Contd..3/-

8. Removal from Office:- (1) An Ombudsman may be removed from service for gross misconduct committed by him during his term of office.

(2) The Governing Body may appoint such person as it thinks fit to conduct enquiry in relation to misconduct of the Ombudsman.

(3) All enquiries on misconduct will be sent to Insurance Regulatory Authority which may take a decision as to the proposed action to be taken against the Ombudsman.

(4) On recommendations of the Insurance Regulatory Authority if the Governing Body is of opinion that the Ombudsman is guilty of misconduct, it may terminate his services.

9. Pay and Allowances of Ombudsman: - (1) The Ombudsman shall be allowed a fixed pay of rupees twenty six thousand per month. Any pension to which he is entitled from the Central Government or State Government or any other organization / institution shall be deducted from his salary.

(2) The other allowances and perquisites of the Ombudsman shall be such as may be specified by the Central Government.

10. Territorial Jurisdiction of Ombudsman:- (1) the office of the Ombudsman shall be located at such place as may be specified by the Insurance council from time to time.

(2) The Governing Body shall specify the territorial jurisdiction of each Ombudsman.

(3) The Ombudsman may hold sitting at various places within his area of jurisdiction in order to expedite disposal of complaints.

11. Staff:- (1) The Ombudsman shall have such secretarial staff as may be provided to him by the Insurance Council after having consultation with the Ombudsman.

(2) The Ombudsman may agree the services of professional expert with a view to assist him in discharging his functions.

(3) The salary, allowances and perquisites payable to Ombudsman, the salary, allowances and other benefits payable to the staff of the secretariat and all expenses incurred for the purposes of these rules shall be borne by the Insurance Council.

(4) The Ombudsman shall prepare the budget indicating the requirement of funds before the beginning of every financial year.

(5) The budget of the office of Ombudsman will be sent to the Governing Body.

(6) The Governing Body will finalise the budget in consultation with the Ombudsman and shall allocate the funds to the office of Ombudsman.

(7) The total expenses on Ombudsman and his staff shall be incurred by the insurance companies who are members of the insurance council in such proportion as may be decided by the Governing Body from time to time:

Contd..4/-

Provided that till a decision is taken by the Governing Body, the entire expenditure shall be shared equally between the insurance companies in the life insurance business and general insurance business in equal proportion.

(8) The share of expenditure which is to be incurred by each insurance company shall be in the ratio of premium income for the previous year of such company.

Explanation:- For the purpose of this sub-rule "premium income" means the gross direct premium income of the insurer without taking into account from time to time income on reinsurance accepted by the insurance company.

12. Power of Ombudsman:- (1) The Ombudsman may receive and consider:-

(a) complaints under rule 13;

(b) any partial or total repudiation of claims by an insurer;

(c) any dispute in regard to premium paid or payable in terms of the policy;

(d) any dispute on the legal construction of the policies in so far as such disputes relate to claims;

(e) delay in settlement of claims;

(f) non-issue of any insurance document to customers after receipt of premium.

(2) The Ombudsman shall act as counsellor and mediator in matters which are within his terms of reference and, if requested to do so in writing by mutual agreement by the insured person and insurance company.

(3) The Ombudsman's decision whether the complaint is fit and proper for being considered by it or not shall be final.

13. Manner in which complaint is to be made: (1) Any person who has a grievance against an insurer, may himself or through his legal heirs make a complaint in writing to the Ombudsman within whose jurisdiction the branch or office of the insurer complaint against is located.

(2) The complaint shall be in writing duly signed by the complainant or through his legal heirs and shall state clearly the name and address of the complainant, the name of the branch or office of the insurer against which the complaint is made, the fact giving rise to complaint supported by documents, if any, relied on by the complainant, the nature and extent of the loss caused to the complainant and the relief sought from the Ombudsman.

(3) No complaint to the Ombudsman shall lie unless:-

(a) The complainants had before making a complaint to the Ombudsman made a written representation to the insurer named in the complaint and either insurer had rejected the complaint or the complainant had not received any reply within a period of one month after the insurer concerned received his representation or the complainant is not satisfied with the reply given to him by the insurer;

Contd..5/-

(b) The complaint is made not later than one year after the insurer had rejected the representation or sent his final reply on the representation of the complaint; and

(c) The complaint is not on the same subject matter, for which any proceedings before any court, or Consumer Forum, or arbitrator is pending or were so earlier.

14. Ombudsman to act fairly and equitably: (1)The Ombudsman may, if he deems fit, adopt a procedure other than mentioned in sub-rule (1) and (2) of Rule 13 for dealing with a claim:

Provided that the Ombudsman may ask the parties for necessary papers in support of their respective claims and where he considers necessary, he may collect factual information available with the insurance company.

(2) The Ombudsman shall dispose of a complaint fairly and equitably.

15. Recommendations made by the Ombudsman: (1) when a complaint is settled, through mediation of the Ombudsman, undertaken by him in pursuance of request made in writing by complainant and insurer through mutual agreement, the Ombudsman shall make a recommendation which he thinks fair in the circumstances of the case. The copies of the recommendation shall be sent to the complainant and the insurance company concerned. Such recommendation shall be made not later than one month from the date of the receipt of the complaint.

(2) If a complainant accepts the recommendation of the Ombudsman, he will sent a communication in writing within 15 days of the date of receipt of the recommendation. He will confirm his acceptance to Ombudsman and state clearly that the settlement reached is acceptable to him, in totally, in terms of recommendations made by the Ombudsman in full and final settlement of complaint.

(3) The Ombudsman shall sent to the insurance company a copy of the recommendation along with the acceptance letter received from the complainant. The insurer shall thereupon comply with the terms of the recommendations immediately not later than 15 days of the receipt of such recommendation and the insurer shall inform the Ombudsman of its compliance.

16. Award:- (1) Where the complaint is not settled by agreement under Rule 15, the Ombudsman shall pass a speaking award with detailed reasoning which he thinks fair in the facts and circumstances of a claim.

(2) An award shall be in writing and shall state the amount awarded to the complainant:

Provided that Ombudsman shall not award any compensation in excess of which is necessary to cover the loss suffered by the complainant as a direct consequence of the insured peril, or for an amount not exceeding rupees twenty lakhs (including ex-gratia and other expenses), whichever is lower.

(3) The Ombudsman shall pass an award within a period of three months from the receipt of the complaint.

(4) A copy of the award shall be sent to the complainant and the insurer named in the complaint.

Contd..6/-

(5) The complainant shall furnish to the insurer within a period of one month from the date of receipt of the award, a letter of acceptance that the award is in full and final settlement of his claim.

(6) The insurer shall comply with the award within 15 days of the receipt of the acceptance letter under sub-rule (5) and it shall intimate the compliance to the Ombudsman.

17. Consequences of non-acceptance of award:- If the complainant does not intimate the acceptance under sub-rule (5) of rule 16, the award may not be implemented by the insurance company.

18. Power to make Ex-gratia payment: If the Ombudsman deems fit, he may award an Ex-gratia payment.

MISCELLANEOUS PROVISIONS:

19. Advisory Committee: An Advisory Committee consisting of non exceeding five eminent persons shall be notified by the Government to assist the Insurance Regulatory Authority to review the performance of the Ombudsman from time to time. The Insurance Regulatory Authority shall decide the time, venue and quorum of such meeting. The Authority, after discussing the matter with the Governing Body, may recommend to Government appropriate proposals for effecting improvements in the functioning of Ombudsman. In the light of recommendations made by the Insurance Regulatory Authority, the Government may carry out such amendments to these rules as they may deem fit.

20. The Ombudsman shall furnish a report every year containing a general review of the activities of the office of the Ombudsman during preceding financial year to the Central Government and such other information as may be considered necessary by it. In the Annual Report, the Ombudsman will make an annual review of the quality of services rendered by the insurer and make recommendations to improve these services.

21. Recommendation of the Insurance Council:- The Insurance Council may suggest to the Ombudsman such recommendations as it deems fit and which in its opinion will enhance the utility of the annual report and also so that the objectives of the rules are clearly analysed in terms of the activities in the year under review. Suggestion for long term improvement of insurance sector will be incorporated by the Ombudsman in his report.

(F.No. 56/32/97 – Ins.I)
sd/-
D.C. Srivastava, Dir.

29th July 2009

बीमा परिषद नियंत्रण निकाय कार्यालय
Office of the Governing Body of Insurance Council

Ref. G.B.I.C./Cir. No.166

To,
All the Offices of Insurance Ombudsman.

Re: Revised service conditions of Insurance Ombudsmen.

As per instructions received from Ministry of Finance, the revised terms relating to salary of Ombudsman are as follows :

Tenure : A term of three years or till the incumbent attains the age of 65 years, whichever is earlier. Re-appointment is not permitted.

Salary : The Ombudsman shall be allowed a fixed pay of Rs.80,000/- P.M. (Apex scale) w.e.f. 1st January, 2006. Any pension to which he is entitled from the Central Government or a State Government or any other organization / institution shall be deducted from his salary.

DA and CCA : Ombudsman shall be entitled to DA at the rates admissible to Group 'A' officers drawing equivalent pay in the Central Government. The applicable rates of DA are given in the Annexure 'A' enclosed.

The Ombudsman is not entitled for CCA w.e.f. 1.9.2008.

Retirement from parent service on appointment : If the person selected for appointment to the post of Ombudsman is holding an office at the time of his appointment, he shall resign from that office before he can be appointed as Ombudsman.

Earned Leave : The incumbent to the post of Ombudsman shall be entitled to 30 days Earned Leave for every completed year of service. The payment of leave salary during leave shall be governed by Rule 40 of CCS Leave Rules, 1972. He would be entitled to encashment of 50% of Earned Leave to his credit, at any time.

Other Leave Provisions such as Casual Leave etc. : Ombudsman shall be entitled to other kinds of leave as applicable to Group 'A' Officers drawing equivalent pay in the Central Government.

Bonus : The Ombudsman shall not be entitled to bonus.

Sumptuary Allowance : No Sumptuary Allowance shall be paid to the Ombudsman even though he might have been judge of High Court prior to his appointment.

Leave Sanctioning Authority : Governing Body of Insurance Council.

Pension : The Ombudsman shall not be entitled to Pension, Provident Fund and Gratuity for the service rendered as Ombudsman.

Travelling Allowance : While on tour or transfer, the Ombudsman will be entitled to travelling allowance, daily allowance, transportation of personal effects as admissible to a Group 'A' officer in the Central Government drawing equivalent pay. The Ombudsman will also be entitled to the facility of temporary accommodation in Guest Houses/Transit Camps under the control of the member companies of Insurance Council, on payment of rent at outstations as prescribed for the highest ranking Insurance executives.

Leave Travel Concession (LTC) : Ombudsman shall be entitled to Leave Travel Concession i.e. One Home Town and One All India Travel, during their tenure as applicable to Group 'A' officers drawing equivalent pay of the Central Government

Accommodation : The Ombudsman will not be entitled to Government accommodation If lease accommodation as per GBIC rules is not availed of, the Ombudsman shall be entitled to HRA at Central Government rates as applicable to officers drawing equivalent pay. The classification of cities and rates of HRA applicable from 1st September, 2008 are given in Annexure 'B' enclosed.

Transport Allowance : With effect from 1st September, 2008, the incumbent to the post of Ombudsman will be eligible for fixed reimbursement of Rs.7000/- per month plus Dearness Allowance thereon for use and maintenance of his personal car for official transportation. This would include the salary of a driver who would not be a Government servant/Insurance employee. However, conveyance expenses i.e. driver's salary, petrol bills and repairs, maintenance and servicing cost reimbursed w.e.f. 1st September, 2008 as per rules framed by GBIC are to be recovered.

Facilities for Medical Treatment : In the event that medical treatment and hospital facilities as provided in the Central Government Health Service (CGHS) Scheme for retired government servants are not available by virtue of past employment, the Ombudsman shall be entitled to,

(a) reimbursement of full annual premium for Mediclaim Policy taken from any one of the Public Sector General Insurance Companies for a sum assured equivalent to the entitlement of Scale I officers of the Life Insurance Corporation of India/General Insurance Corporation of India, and

(b) reimbursement of routine medical expenses incurred in the preceding 12 months (such period to be reckoned from the month and date of joining) upto the amount permissible for reimbursement to the Chairman of Life Insurance Corporation of India from time to time on the same basis.

Children Education Allowance and Hostel Subsidy : With effect from 1st September, 2008, Children Education Allowance shall be reimbursed upto the maximum of Rs.1000/- per school going child (from Nursery to Class XII) per month subject to a maximum of two children and Hostel Subsidy shall be reimbursed upto a maximum limit of Rs.3000/- per school going child (from Nursery to Class XII) per month subject to a maximum of two children. The limits shall be automatically raised by 25% every time the Dearness Allowance on the revised Basic Pay goes up by 50%.

The revised fixed pay of Rs.80,000/- p.m. (Apex Scale) and Dearness Allowance will be applicable w.e.f. 1.1.2006. The dates for admissibility of other allowances are as indicated above.

All the Ombudsman offices are instructed to make the payment of arrears to the Ombudsman and send the copy of arrears calculation sheet to the Office of the Governing Body of Insurance Council.

CHAIRMAN

Governing Body of Insurance Council

ANNEXURE-A

Rates of Dearness Allowance (D.A.) payable to Insurance Ombudsmen, on account of Revision of Salary (effective date 01.01.2006).

Effective date	Rate of D.A. per month
From 01.01.2006	No D.A.
From 01.07.2006	2%
From 01.01.2007	6%
From 01.07.2007	9%
From 01.01.2008	12%
From 01.07.2008	16%
From 01.01.2009	22%

ANNEXURE-B

Classification of Cities and %age of House Rent Allowance (H.R.A.) payable to Insurance Ombudsmen on account of Revision of Salary (effective date 01.09.2008).

Category	Name of Cities	Rate of HRA as %ge of Basic Pay
X	Chennai, Delhi, Hyderabad, Kolkata & Mumbai	30%
y	Ahmedabad, Bhopal, Bhubaneshwar, Chandigarh, Guwahati, Kochi & Lucknow	20%