

**Magma HDI General Insurance  
Company Limited**

This policy document defines various aspects for ensuring protection of Policyholders' Interest

## Protection of Policyholders' Interest Policy

Effective Date: 28.07.2017

Approval Date: 28.07.2017

Version No.: 2.0

Approved By: Board of Directors

Policy Owner: Deputy CEO

This document is confidential and supersedes any Protection of Policyholders' Interest Policy existing in the Company and should be read in conjunction with the most recent policies, procedures and regulations adopted/issued from time to time.

Subject: <b>Protection of Policyholder's Interest Policy</b>	Original Issue Date: 28.07.2017	Effective Date: 28.07.2017
	Revision Dates: 27.07.2018	Policy Version: 2.0

**Magma HDI General Insurance Company Limited**

**Protection of Policyholder's Interest Policy**

<b>Base Document</b>	:	<b>Regulation issued by IRDAI bearing Ref No. IRDAI/Reg/8/145/2017 dated 22.06.2017</b>
<b>Initial Document Prepared by</b>	:	<b>Mr. Sandeep Kumar</b>
<b>Functional aspects Checked by</b>	:	<b>Mr. Sanjeev Punn and Mr. Mayank Tantia</b>
<b>Governing Guideline/Policy</b>	:	<b>Regulation issued by IRDA no. IRDAI/8/145/2017 dated 22.06.2017</b>
<b>Compliance aspects checked by</b>	:	<b>Mr. Anand Roop Choudhary</b>
<b>Policy Owner</b>	:	<b>Mr. Vikas Mittal</b>

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## **(1) Company Overview & Vision**

Magma HDI General Insurance Co Ltd. is a joint venture between Magma Fincorp Ltd., Kolkata and HDI Global SE Germany. The Company is having the IRDAI registration No.- 149 dated 22 May, 2012 and started its operation from September, 2012.

Magma Fincorp Ltd. is one of India's premier and largest NBFCs, with a strong distribution and service network, along with an impressive penetration in rural India.

HDI Global SE Germany is part of Hannover based Talanx Group - a multi-brand provider within the insurance and financial services industries, and operates in around 150 countries.

Our vision is to be the most preferred, vibrant and responsible general insurance company, fulfilling the aspirations of all its stakeholders. We aim to service the entire gamut of insurance needs of a customer and provide exemplary customer service.

## **(2) Objectives**

- (i) To ensure that interests of insurance policyholders' are protected.
- (ii) To ensure that insurers, distribution channels and other regulated entities fulfil their obligations towards policyholders and have in place standard procedures and best practices in sale and service of insurance policies.
- (iii) To ensure policyholder-centric governance by insurers with emphasis on grievance redressal.

## **(3) Scope**

- (i) Steps to be taken for enhancing Insurance Awareness so as to educate prospects and policyholders about insurance products, benefits and their rights and responsibilities.
- (ii) Service parameters including turnaround times for various services rendered.
- (iii) Procedure for expeditious resolution of complaints
- (iv) Steps to be taken to prevent mis-selling and unfair business practices at point of sale and service.
- (v) Steps to be taken to ensure that during policy solicitation and sale stages, the prospects are fully informed and made aware of the benefits of the product being sold vis-a-vis the product features attached thereto and the terms and conditions of the product so that the benefits / returns of the product are not mis-stated / mis-represented.

#### **(4) Definitions**

(i) **“Authority”** means the Insurance Regulatory and Development Authority of India established under the provisions of section 3 of the Insurance Regulatory and development Authority Act, 1999 (41 of 1999);

(ii) **“Company”** means Magma HDI General Insurance Company Limited incorporated under the provisions of the Companies Act, 1956 and registered with the Authority as an Insurer having registration number 149

(iii) **“Complaint” or “Grievance”** means written expression (includes communication in the form of electronic mail or other electronic scripts), of dissatisfaction by a complainant with insurer, distribution channels, intermediaries, insurance intermediaries or other regulated entities about an action or lack of action about the standard of service or deficiency of service of such insurer, distribution channels, intermediaries, insurance intermediaries or other regulated entities.

Explanation 1: An inquiry or request would not fall within the definition of the “complaint” or “grievance”.

Explanation 2: With an objective to enhance customer experience, any request not being resolved in accordance with company procedures will be marked as a special request and evaluated for escalation to a complaint

(iv) **“Complainant”** means a policyholder or prospect or any beneficiary of an insurance policy who has filed a complaint or grievance against an insurer or a distribution channel.

(v) **“Distribution Channels”** means persons and entities authorised by the Authority to involve in sale and service of insurance products.

(vi) **“Prospect”** means any person who is a potential customer of an insurer and likely to enter into an insurance contract either directly with the insurer or through a distribution channel.

#### **(5) Grievance Redressal**

##### **(i) Grievance Officer/s**

The Company nominates the Head- Operations as the Grievance Redressal Officer (GRO) of the Company.

In order to effectively address customer grievances, the Company shall designate an officer in each of its branch office.

The details of the GRO/ Designated Grievance Officer along with the contact details in full shall be published in the website of the Company and the name and contact details of designated Grievance Officer of respective office and the other Grievance Officers in hierarchy up to GRO at corporate office shall also be displayed in the notice board of respective offices.

(ii) **Turnaround Time (TAT)**

The Company shall endeavour to follow the below mentioned TAT

Stage	TAT
Acknowledgment	within 3 Days
Resolution	within 1 Week

(iii) **Modes of Communication to reach MHDl**

(a) **Phone Call:** Customers can call at the MHDl Toll free customer service number:

**1 800 266 3202 (24\*7)**

(b) **Emails:** Customers can send emails at the address- [customer care@magma-hdi.co.in](mailto:customer care@magma-hdi.co.in) for redressal of grievances.

(c) **Mailers / letters:** Customers shall send direct mailers / letters in the name of 'Grievance Redressal Officer' at the address:

Magma HDI General Insurance Co. Ltd.  
Rustomjee Aspiree , 4<sup>th</sup> Floor,  
Sion-Wadala Link Road, Off Eastern Express Highway,  
Everard Nagar, Sion (E),  
Mumbai - 400 022

The mailers / letters can also be sent to:

Magma HDI General Insurance Co. Ltd.  
Magma House  
24, Park Street,  
Kolkata - 700016

(d) Customers can also register their grievances through designated Grievance Officer at local MHDl branch offices.

(e) **Company website posting:** Customers can directly post their queries/ complaints in the customer service section of the website of the Magma MDI General Insurance Co Ltd. – [www.magma-hdi.co.in](http://www.magma-hdi.co.in)

The issues received through website shall be downloaded and registered for resolution.

(f) **Other touch points:**

- I. **Government Bodies:** These include complaint registered with government authorities constituted by a competent authority or by an enactment of Parliament or State Legislature. Eg.- National Consumer Helpline (NCH), Public Grievance Portal (PG Portal), Executive Council of Insurers (earlier GBIC) etc.
- II. **Senior Management:** Letter and Email received by a member of Senior Management
- III. **IRDAI Call Centre:** Email, Calls and Letters received at the call centre of the IRDAI

(iv) **Process of Resolution for Grievances and Complaints**

(a) Customers shall be allowed to record his grievance with MHDl through any of the modes of communication as mentioned in this policy.

(b) The grievance shall be acknowledged in writing or electronic script within 3 working days of the receipt of the same

(c) The written acknowledgement containing the name and designation of the officer who will be dealing with the grievance including details of the redressal procedure and the estimated time of resolution of dispute shall be communicated to the complainant.

(d) MHDl shall endeavour to resolve the grievance within one week of its receipt and send a communication for final closure to the complainant.

(e) Customer shall also be informed in the closure letter that the complaint shall be deemed to be closed if MHDl does not receive a reply within 8 weeks of the closure letter.

(f) The final letter of resolution shall inform the complainant about how he/she may pursue the complaint, if dissatisfied.

(g) Each and every branch office of the MHDl will have the system of grievance registration.

(v) **Closure of Grievances**

A complaint shall be considered as disposed off and closed when

(a) the company has acceded to the request of the complainant fully (or)

(b) where the complainant has indicated in writing , acceptance of the response of the company (or)

(c) where the complainant has not responded to the insurer within 8 weeks of the company's written response



(vi). **Escalations**

In case, the customer do not receive a response within the prescribed TAT by the company, they may escalate their grievance to:-

**Level 1**

To the National Operations Manager  
Magma HDI General Insurance Co. Ltd.  
Rustomjee Aspiree , 4<sup>th</sup> Floor,  
Sion-Wadala Link Road, Off Eastern Express Highway,  
Everard Nagar, Sion (E),  
Mumbai - 400 022  
e-mail: [grievanceescalation@magma-hdi.co.in](mailto:grievanceescalation@magma-hdi.co.in)

**Level 2**

To the Grievance Redressal Officer  
Magma HDI General Insurance Co. Ltd.  
Rustomjee Aspiree , 4<sup>th</sup> Floor,  
Sion-Wadala Link Road, Off Eastern Express Highway,  
Everard Nagar, Sion (E),  
Mumbai - 400 022  
e-mail: [gro@magma-hdi.co.in](mailto:gro@magma-hdi.co.in)

(vii) **Grievance Management System**

The Company shall have an automated grievances management system that will enable online registration, tracking status of grievance by complainants and generation of reports prescribed by IRDAI.

The system shall be one which can further seamlessly integrate with IRDAI's system as prescribed by the regulator from time to time.

(viii) **Review of Grievances**

(a) The CEO shall in person review 20 grievances every week.

(b) The Board appointed Policyholder Protection Committee, shall quarterly review the grievance details / reports as provided by the management in a pre-defined format.

(ix) **Publicizing Grievance Redressal Procedure**

MHDI shall publicize its grievance redressal procedure and ensure that it is specifically made available on its website.

(x) **Policyholder Protection Committee**

MHDI has a Policyholder Protection Committee in place which is headed by a Non-Executive Director, as stipulated in the guidelines for Corporate Governance issued by the Authority. The Committee shall receive and analyze the required reports from the management and carry out all other requisite monitoring activities.

(xi) **Insurance Ombudsman**

In case, the complainant is not satisfied with the resolution, they can contact the Insurance Ombudsman. The detailed addresses of all the Insurance Ombudsman shall be mentioned in the policy document and on our company website. Every office of the insurer shall also display in prominent place, the name, address and other contact details of the insurance ombudsman within whose jurisdiction the office falls.

(xii) **Periodic Returns**

The Returns pertaining to Grievance / Complaints shall be submitted to the Authority on periodic basis within the stipulated time as per the Regulations / Guidelines

## (6) Turn Around Time for services rendered

The Company shall endeavor to follow the below mentioned service level TATs. Same shall also be displayed on the company's website and reviewed on periodic basis.

Sr. No.	Service Level (Claims)	TAT
1	Appointment of Surveyor after claim intimation	72 hrs
2	Information to Insured / Claimant of essential documents and other requirements that the claimant should submit in support of the claim	7 days
3	Start of survey by the Surveyor after his appointment	48 hrs
4	Submission of Interim Report by the Surveyor after his first visit	15 days
5	Submission of Final Report to the Insurer after appointment of Surveyor	30 days
6	Submission of Final Report in commercial or large risk to the Insurer after appointment of Surveyor	90 days
7	Settlement of claim by the insurer after receipt of final report	30 days
8	Request by Insurer to furnish an additional survey report on certain specific issues after submission of final report	15 days
9	Offer a settlement of claim to claimant/insured after receipt of final survey report or additional survey report	30 days
10	Rejection of claim to claimant/insured after receipt of final survey report or additional survey report	30 days

Sr. No.	Service Level (Policy)	TAT
1	Policy issuance through on-line mode or over the counter	1 day
2	Policy issuance for sourcing done through intermediaries - Motor	10 days
3	Policy issuance for sourcing done through intermediaries - Non-Motor	15 Days
4	Insured placed request for any amendment /changes in coverages in existing motor policy	8 Days
5	Insured placed request for any amendment /changes in coverages in existing non-motor policy	10 Days
6	Insured placed request for refund of amount	10 Days
7	Intimation after premium cheque bounced	8 Days
8	Issuance of duplicate renewal notice	2 days
9	Issuance of duplicate policy copy	2 days
10	Issuance of NCB recovery letter after getting confirmation from the previous insurer	7 days
11	Furnishing copy of proposal form to insured	30 days
12	Document detailing information received from insured either orally / in writing / electronically for issuance of policy (wherever proposal form is not used)	15 days

Sr. No.	Service Level (Complaints/Grievances)	TAT
1	Acknowledgment of Complaint	3 days
2	Resolution	1 week

## **(7) Insurance Awareness**

### **(i) GENERAL**

#### **(a) Purpose**

Life insurance and general insurance companies offer a variety of insurance products covering different types of risks. There is dearth of knowledge to understand the value of insurance. Insurance literacy plays a vital role in insurance inclusion as well as in increasing insurance awareness and penetration. Lack of awareness about the benefits of insurance is one of the impediments for insurance companies to expand their reach and reduces penetration. To step up insurance awareness across the insurance industry, Insurance Regulatory and Development Authority (hereinafter “IRDAI”) has advised all the Insurance Companies to set up a policy for creating Insurance Awareness which shall incorporate the year-long action plan on the part of the insurance companies for initiating insurance literacy and awareness campaigns throughout the country.

#### **(b) Necessity of Insurance awareness**

The growing need for financial education for the families to take better financial decision and to increase their economic security has been widely recognized. It is felt that well informed and well educated customers can create economic ripples. They make better financial decisions for themselves and their families, increasing their economic security and wellbeing. Secured families are more involved in their communities as home owners and voters. Insurance companies can address the problem of financial illiteracy of consumers by educating them. Further, in urban India and amongst the salaried class, insurance is largely used as a tax saving tool, rather than for protection against risk. There is a need to reorient the consumer about the benefits protecting their risk.

#### **(c) Vision**

To spread awareness about benefits of General Insurance, especially to the underserved.

### **(ii) Insurance Awareness Committee**

The said Committee shall formulate an appropriate awareness strategy which is closely aligned with corporate objectives, formulate various Insurance Awareness initiatives and review progress made. The members of the Committee would include:

- (a) Managing Director & Chief Executive Officer
- (b) Deputy CEO
- (c) Head Marketing
- (d) Chief Technical Officer
- (e) Head Operations
- (f) Head HR

The committee shall meet at least on half yearly basis.

(iii) **Action Plans for implementation**

Company shall adopt the following action plan which would help it to spread literacy on general insurance.

- Setting up structured action plan, for spreading benefits of General Insurance.
- Creating awareness about consumer protection and grievances redressal machinery available within the Company specifically and across the industry in general.
- Delivering Insurance Education interalia through agents, intermediaries, trained employees, educational Institutions.
- Establishing initial contact with certain target group and educating them about protection and insurance related products so that they are empowered to take prudent decisions.
- Electronic marketing including social media

(iv) **Awareness about Grievance and Dispute Resolution**

The Company shall also address the need of awareness about the various types of possible grievances that may arise in the general insurance transactions with the insurance company and the various tools to fight them.

## **(8) Prevention of mis-selling & unfair business practices**

### **(i) General**

#### **(a) Vision**

To prevent mis-selling and unfair business practices at point of sale and service.

#### **(b) Purpose**

Mis-selling in common parlance refers to unfair or fraudulent practices adopted at the time of soliciting and selling insurance and generally includes selling policies which have not been sought by the customer or which are different from what the customer wanted or was promised or where the product offered for sale is not suitable to the needs of the customer. So, steps are to be taken to prevent mis-selling and unfair business practices at point of sale and service.

### **(ii) Action Plan for implementation**

Company shall adopt the following action plan which would help to prevent mis-selling and unfair business practices in the company.

- Training to different distribution channel
- Highlighting the Important exclusions of the policy
- Details in the prospectus shall be simple and easy to understand
- Sample calling at periodic interval to ascertain whether the policy details are correctly explained during the sale
- Details of the policy wording to be available on the website
- Weekly review of Grievances by the CEO under PRAGATI Scheme
- Periodic feedback from customers after claim settlement
- Highlighting the provisions of Sec.41 of Insurance Act, 1938 (Prohibition of Rebates) in the prospectus
- Any other steps as suggested by the management from time to time

The Change Control Record format needs to be pasted below.

### Change Control Record

<b>Version No.</b>	<b>Change Request by</b>	<b>Memorandum of Change</b>	<b>Approval date</b>
1.0	Vikas Mittal	<ol style="list-style-type: none"><li>1. Procedure for Redressal of Grievances</li><li>2. Steps taken for enhancing Insurance Awareness and constitution of Insurance Awareness Committee</li><li>3. Steps taken to prevent mis-selling &amp; unfair business practices</li><li>4. Service level TATs</li></ol>	28.07.2017
2.0	Vikas Mittal	<ol style="list-style-type: none"><li>1. Addition of Explanation:2 to Section 4(iii)</li><li>2. Change of Grievance Redressal Officer (GRO) to Head-Operations</li><li>3. Change of toll-free number to 1800-266-3202</li></ol>	27.07.2018