

ROLE OF IRDA

IRDA means insurance regulatory and development authority. Insurance Regulatory and Development Authority of India (IRDA), it is the apex body overseeing the insurance business in India. IRDA set all rules and regulation of the insurance industry. Every insurance company is registered under IRDA. Role of Insurance Regulatory and Development Authority (IRDA) is to protect the rights of the policy holder. IRDA helps in the systematic growth of the insurance industry to benefit the common man and help in bringing economic growth.

What is IRDA Act?

Insurance Regulatory and Development Authority of India Act was passed by the Parliament in the year December 1999. The Act received the President's approval in the year January 2000. The Act intends to protect the interest of the insurance policy holders. It also inspires and secures the systematic growth of the insurance industry.

Functions of IRDA:

- To protect the interest of policy holders
- To maintain speedy growth of the insurance industry
- To provide funds for the growth of the Indian economy
- To promote, monitor and regular fair dealing with the insurance company
- To manage the claim quickly and properly
- To prevent frauds & manage the grievance system properly
- To maintain transparency & fairness of insurance products in the industry
- To register the companies who run in the insurance business

Role of Insurance Regulatory and Development Authority (IRDA)

Role of Insurance Regulatory and Development Authority (IRDA) is to protect the interest of and ensure the treatment to insurance policy holders. To inspire the systematic growth of the insurance industry to benefit the common man and help in bringing economic growth.

- To protect the interest of policyholders at the time of claims, issuance of the policy, and cancellation of the policy is the ultimate motive. Hence, it monitors that **no insurance company** can deny the claim on their free will unless it falls beyond the scope of the cover.
- There is a need to tame the market to a single tune which brings the players together and then compete with each other simply based on the discounts. And so, IRDA clearly states the code of conduct for all insurance companies, surveyors, and loss assessors.
- To prevent any misdeed, it calls for both annual or need-based audit, conduct investigation, call for information from either the insurance companies or intermediaries.
- Regulate the rates and terms offered by the insurance companies to bring equality for the customers.
- If there arises any dispute between the insurer and the policyholder, then IRDA will step in to provide a resolution.
- To prevent different insurers, quote rates as per their convenience, they bound the major risks to the Tariff Advisory Committee. After this, the insurers keep in mind the percentage of premium income they would need to fund the professional organizations.
- Keeping in mind the development of both the urban and the rural sector, IRDA bounds the insurers with a minimum percentage to carry both life and non -life business.
- Ensures and encourages the systematic growth of the insurance industry just to benefit the common people who invest in policies to look for safety.
- Protects the interest of the policyholders so that they trust the system.
- Promote high standards of integrity and fair dealings in the market.
- Resolve disputes of all kinds and speed up claim settlement.
- Set standards and conduct vigilance to check for scams or frauds