

# A Study of Claim Settlement Process of Life Insurance Services of HDFC Life Insurance Company

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**ABSTRACT:** Life insurance is mainly taken to cover up risk of death/disability in monetary terms and secondary as investment option for better return. Claims are filed at the time of maturity or in case of death/disability. The study focuses on the claim settlement process of life insurance services of HDFCLife Insurance Company. Numbers of claims are also increasing in HDFC Life Insurance Company with the increasing numbers of policies; therefore it is very much essential to have unambiguous claim settlement process. The study is based on the secondary data collected from IRDA and research papers from various journals. The study concluded that in HDFC Life Insurance Company with their preference to customers; efficiently perform their claim settlement process.

**Keywords:** - Claim Settlement Process, Life Insurance, HDFC Life Insurance Company.

## 1. INTRODUCTION:

Insurance is a protection against economical loss arising due to an unexpected event. Insurance contract is a contract by which one party called the insurer promises to save the other party, the insured on payment of consideration known as the premium. A right of insured (Policyholder/Nominee) to receive the amount secured under the insurance policy contract promised by insurer is called claim. Claims can be maturity claims occurs because of survival up till the end of the policy term i.e. to the date of maturity, survival benefits due to survival up to a specified duration during the term, death claims arise due to death of the life assured during the policy term. Policy holders or nominees must first file an insurance claim before any money can be provided. An insurance claim is provided by an insurance company. The insurance company may or may not approve the claim, based on their own assessment of the condition under which claim is made. Claim settlement is one of the most important part of life insurance services. It said that really testing of any insurance is done at the time of the claims. Any policyholder wants to have unambiguous claim settlement process at the time of financial requirement. Claim settlement process normally involves multiple channels, multiple systems, and multiple processes. Today all the life insurance companies have improved their claim settlement process, controlled claim settlement expenses and focuses more towards improving customer satisfaction. HDFC Life Insurance Company is one of the private life insurance company set up in India in December 2000 and maintaining its lead over private sector life insurance companies.[1]

## 2. LIFE INSURANCE IN INDIA:

Insurance business started 150 years ago in India. With the founding of the Oriental Life insurance company in Calcutta, the business of life insurance was started around 1818 in India. It was initiated by Mr. Bipin Behari Dasgupta and for the life insurance, Europeans living in India were their primary customers. The first native life insurance provider in India was established in 1870 with the name Bombay Mutual Life Assurance Society. Insurance Act 1938, was passed and department of insurance under the authority of superintendent of Insurance was formed for the administration of the Insurance Act. In 1939 – 1955 reveals absence of trust in life insurance business and which was the basic foundation of life insurance business and nationalization of life insurance sector got vital. LIC of India was formed in 1956 by an Act of parliament and is fully owned by Government of India. So far there are total 24 life insurance companies in India. Life Insurance Corporation of India (public sector company), HDFC Life Insurance Company, ICICI Prudential Life Insurance Company, and Bajaj Allianz Life Insurance Company etc. (private sector company), are the few names of companies.

Life insurance is mainly taken for two objectives, first is for financial risk coverage and second is for the investment.

- i) Financial risk coverage: - Lump sum payment is provided if specific event occurred (Death/Maturity).
- ii) Investment: - Money is invested with intention of getting greater return.

Primary purpose of any insurance service is to provide financial security against uncertainty. For this risk management, policy holder regularly pays insurance premium to the insurance company. However, the risk is

intangible and rarely requirement for a risk coverage is felt by an individual customer, therefore there is extra effort needed to make the customer understand the need for insurance.[2]

### 3. HDFC LIFE INSURANCE COMPANY:

HDFC Life Insurance Company is one of India's leading private life insurance companies which provide insurance product range for individuals as well as for groups. HDFC Life Insurance Company is a joint venture between is a joint venture between Housing Development Finance Corporation Limited, one of India's leading housing finance institutions and Standard Life Aberdeen plc. Established in 2000, HDFC Life is positioned as a leading life insurer in India, offering a range of individual and group insurance solutions. Its portfolio comprises various investment and insurance products such as Income, Savings, Protection, Pension, and Health. Till June 30, 2017, HDFC Life Insurance Company offered 31 individual and 10 group products, along with 5 optional riders (Critical illness rider, Disability rider, Accidental death benefit rider, Term rider, Waiver of premium rider) benefits fulfilling to specific needs of customers during each stage of their lives.

HDFC Life Insurance Company has a pan India presence that includes over 11,614 branches across India of its top 15 bancassurance partners, as on June 30, 2017. The Company has two wholly owned subsidiaries namely HDFC International Life and Re Company Limited, which is regulated by Dubai Financial Services Authority and HDFC Pension Management Company Limited, which is regulated by Pension Fund Regulatory and Development Authority of India. [3]

### 4. CLAIM SETTLEMENT PROCESS OF HDFC LIFE INSURANCE COMPANY:

HDFC Life insurance company has provided different source through which can file their life insurance claim. They provide a hassle-free and exclusively sensitive claim experience. They always do their best to enable faster settlement of claims and claims settlement ratio reflects their assurance. So far at HDFC Life insurance company 97.62% individual claims and 99.67% group claims are honored & paid. They also believe in settling claims on priority basis. For claims of policies which are three or more years old, claims are processed within 24 business hours. Claim settlement process mainly consists of three steps :

- I. **Step One :Claim Intimation:** Policy Holder/Nominee intimate claims to the HDFC Life Insurance Company, Intimation can be done through following ways :

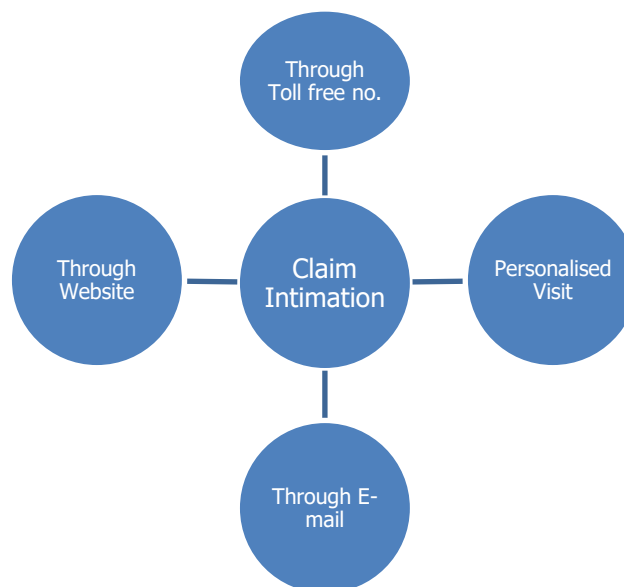


FIG 1: Showing various mode of claim Intimation in HDFC Life Insurance Company

- a. **Through Call:** - Policy Holder/Nominee can intimate claims by calling on the available customer care toll free number. Claims registered through this mode are taken care of by central claims team.  
**Toll-free No: - 1860-267-9999**
- b. **Personalized visit:** - Policy Holder/Nominee can intimate claims to nearest branch of HDFC Life insurance company or Corporate Claims Cell. Intimation should be in written form; this will be considered to formal intimation.

- c. **Through e-mail:** - Policy Holder/Nominee can intimate claims by sending e-mail to the dedicated e-mail address for claim settlement process.

**E-mail at [claims@hdfclife.com](mailto:claims@hdfclife.com)**

- d. **Through website:** - Policy Holder/Nominee can intimate claims by logging details in HDFC Life website. Claims registered through this mode are also taken care by central claims team. Following is the snapshot of the online form :

Claim Request Form

Please fill the form to initiate a Death Claim request. Claim will be registered after submission of documents at branch.  
Fields marked with "\*" are mandatory to be filled.

Policy Holder's Name\*      Policy Number\*      Date of Birth

Date of Death      Intimating Person's Name\*

Are you a NRI?\*      Yes      No

Mobile Number\*      Alternate Number      Email ID\*

Address

State\*      City      Pincode/ZipCode\*      Country

**FIG 2:** Online claim request form of HDFC Life Insurance Company  
(Source: Available from <https://www.hdfclife.com/customer-service/claims>)

- II. **Step Two: Claim Evaluation & Processing:** In claim evaluation & processing, dedicated claim care team analyses each claim in detail. On the basis of all records and proofs in connection with the claim, Claims are examined and settled by the company. Sometime if there are any pending documents then the requirement is raised, company informs the claimant about the required documentation.

### Required Documents :

For life insurance following documents are required:

- In case of natural death
  - Original Policy Document
  - Medical records at the time of death & past illnesses
  - Death claim form (includes bank details & cross cheque)
  - Claimant's Identity & Residence Proof
  - Death certificate issued by Govt. / Relevant Authority
  - Money Back, Maturity & Pension - Annuity Claim Documentation list
- In case of unnatural death ( Death due to Suicide/Murder/Accident)
  - Original Policy Document
  - Death certificate issued by Govt. / Relevant Authority
  - Death claim form (includes bank details & cross cheque)
  - FIR, Police Inquest Report & Panchanama
  - Post Mortem Report
  - Claimant's Identity & Residence Proof
  - Money Back Maturity & Pension - Annuity Claim Documentation list

Apart from above mentioned documents company may call for further details if required.

Various documents and forms required for the claim and that can be directly downloaded from HDFC Life Insurance Company's website. These forms are also available on various branches & offices also. [4]

For the better services, customers are provided support during their claim settlement process :

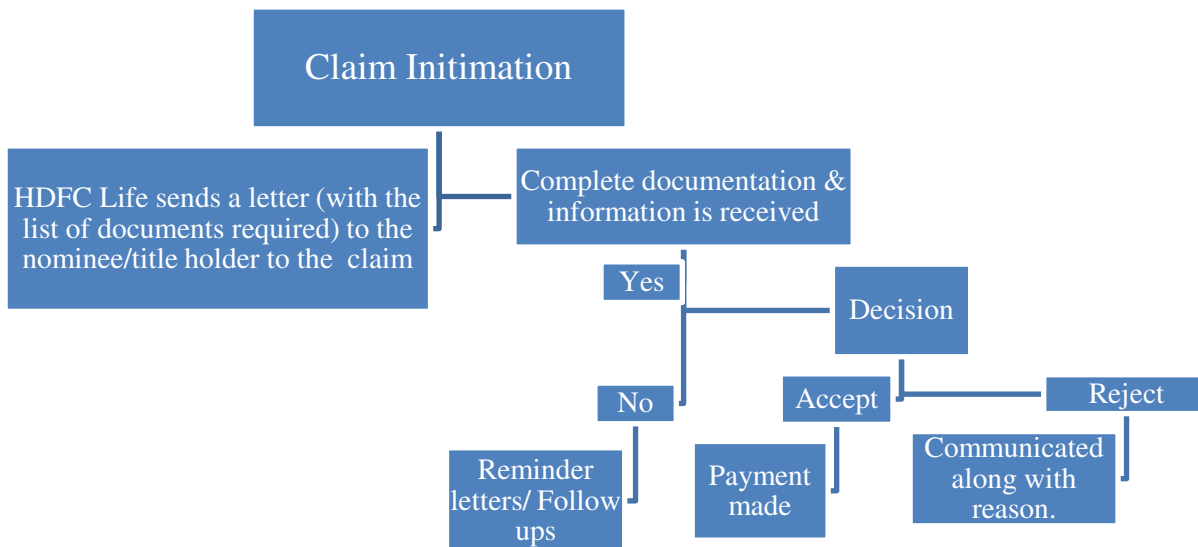


FIG3 :HDFC Life Insurance Company Claim Settlement Process

(Source : [https://www.hdfclife.com/customer-service/claims#make\\_claim\\_image\\_popup1](https://www.hdfclife.com/customer-service/claims#make_claim_image_popup1))

III. **Step Three :Claim Payment Decision :** Once all the required documents are submitted to the concern branch or claim cell and documentation is complete then on the basis of that decision regarding the payment of claim is taken as soon as possible. If in any case claims require further verification, the claimant is informed about that. Whatever a decision is taken, claimant is informed with the help of written communication through letter. In case of rejection of claim, information is given to claimant along with specific reasons. [5]

## 5. CONCLUSION:

HDFC Life Insurance Company's claim settlement process is as per requirement of the customers, due to that the time of necessity, mostly customer don't suffer due ambiguity in claim settlement process. Further claim settlement process takes in to consideration all facts & figures so that probability of loss due to fraud claims is reduced. Faster claim settlement process decreases the processing cost, any claims where multiple stages are there in the process, should be avoided since it upsurges the claim settlement cost. For increasing the speed, policyholders should be provided proper information on regular bases and on good faith. HDFC Life Insurance Company is very much innovative, flexible and they have updated their claim settlement process time to time with changing requirements. [6]

## 6. RECOMMENDATION :

With the increase in number of smart phone user, HDFC Life Insurance Company should provide claim intimation function on their smart phone application also. For uploading of various required documents for claim access on smart phone application should be given. Settlement of claims should be more fixed time oriented. Along with that customers should be informed about important of principle of utmost good faith so that they should not try to hide any important information which is essential for hassle free claim settlement process in future. [7]

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