

IRDAI Public Notice on Spurious Phone Calls and Fictitious/Fraudulent Offers

Ref: IRDA/CAD/PNTC/MISC/197/08/2014 (Link)

Date: 26-08-2014

IRDAI CAUTIONS PUBLIC AGAINST SPURIOUS CALLS AND FICTITIOUS OFFERS

- Members of public have been receiving a lot of spurious calls in the name of officials of Insurance Regulatory and Development Authority making fraudulent claims and fictitious offers.
- IRDA issued a public notice on January 29, 2014 cautioning members of public from falling prey to such offers and issued advertisements in newspapers.
- In spite of these efforts, it is observed that members of public are still receiving spurious calls in the name of officials of IRDA. The nature of calls are as indicated below:
 - Claiming that IRDA is distributing bonus to insurance policy holders out of the funds invested by insurance companies with IRDA.
 - Claiming that the policyholder would receive bonuses being distributed by IRDA if they purchase an insurance policy and wait for a few months after which the bonus would be released by IRDA.
 - Advising existing policyholders that money in respect of their policy has been fraudulently transferred to someone else and for receiving that money back from IRDA, they have to fulfil certain formalities including payment of money
 - Claiming that they are from the Grievance Cell or IGMS Department of IRDA making a call in continuation with a complaint made against an insurer and for resolving the grievance and release of benefit, they have to fulfil certain formalities including payment of money.
- The other kinds of spurious calls are:
 - Advising customers to subscribe to a fresh policy after surrender of the existing policy and wait for a few months after which the fresh policy would be entitled for additional enhanced returns / benefits.
 - Informing that 'Survival Benefit or Maturity Proceeds or Bonus' is due under their existing policy and investing in a new insurance policy is mandatory to receive the amounts which are due.
 - Advising public to invest in insurance policies to avail gifts, promotional offers, interest free loans, or setting up of Telecom towers or other such offers.
- The general public is hereby informed that IRDA is a regulatory body established by an Act of Parliament, i.e. the Insurance Regulatory and Development Authority Act 1999, to protect the interests of the policyholders, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto. Further, IRDA informs the members of public that:
 - IRDA does not involve directly or through any representative in sale of any kind of insurance or financial products.
 - IRDA does not invest the premium received by insurance companies.
 - IRDA does not announce any bonus for policyholders or insurers.
 - IRDA has put in place Grievance Redressal Cell in Consumer Affairs Department, Integrated Grievance Management System and IRDA Grievance Call Centre to provide an alternate platform for registering grievances against insurers thereby facilitating resolution of customer grievances by insurers.
 - IRDA or its officials dealing with Grievance Management do not make calls in relation to complaints lodged with IRDA as IRDA plays a facilitative role and does not adjudicate upon or investigate into such complaints
 - Any person making any kind of transaction with such individuals/agents will be doing the same at their own risk.
- IRDA hereby urges the public to remain alert and not to fall prey to frauds or scams perpetrated by miscreants who impersonate to be employees / officers of IRDA or other insurance companies. These miscreants frequently use the names of Shri Rakesh Bajaj, Smt. Manju Arora, Shri R. Srinivasan, Shri Mukesh Sharma, Sri Mukesh Kumar etc. as IRDA officials to give confidence to the customer that they indeed are receiving calls from the IRDA.
- In order to make the members of public aware of the kind of calls that are being received, one such spurious call indicating the modus operandi adopted to force the gullible customer to fall their prey, is indicated below:
- Modus Operandi**
 - The spurious callers call the victims repeatedly and introduce themselves as employees of IRDA.
 - They would inform that proceeds of one's insurance policy are being transferred to some other person.
 - They would suggest the policyholder to visit IRDA at Hyderabad / Delhi and meet one particular officer who is responsible for transferring this money. They would give mobile numbers of this officer.
 - On being called on the given number the person on the other side would introduce himself/herself as IRDA officer.
 - They would inform that IRDA is maintaining money from such accounts where agents had committed frauds and this money is being returned to policy holders.
 - The officer would tell that on policyholder's mandate the due from existing policy is being transferred to some other person.
 - When informed that no such mandate was given, they would indicate that somebody has committed fraud and that they will file an FIR with police in Hyderabad / Delhi. They would also give details of the FIR filed.
 - For further assistance they would give another number. The person on this number would suggest that to get back the money, the policyholder has to engage the services of a particular company. The policyholder has to deposit the following documents:
 - An account payee cheque in the name of the company;
 - PAN;
 - First page of the policy document; and
 - Address proof.
 - They would further suggest that these documents be couriered and the details of the despatch including docket number etc be furnished to them.
 - They would keep on calling for details of the despatch of cheque and documents and would assure the policyholder that the transfer of dues from the policy to other persons account would be stopped once they receive these documents.
- The following are the links to the Audio files which contain the voice recordings of the conversation as made available by one of the complainants
 - Spurious call - Audio 1
 - Spurious call - Audio 2
- If any member of the public notices such instances, he or she may lodge a police complaint giving full details, along with the details of the caller and telephone number from which the call was received, in the local police station.
- As a customer education initiative, on August 15, 2014, IRDA issued an advertisement in English in leading newspapers with the title "Real Value of Insurance through Right Buying – A Few Tips". This advertisement also contained caution to public from falling prey to spurious calls made in the name of IRDA and making payments to unlicensed intermediaries. IRDA would continue its efforts to caution members of public from falling prey to spurious calls and fictitious offers in the name of IRDA or insurance companies or intermediaries.