

IC-24 - Legal Aspects of Life Assurance

Original Text in book

Chapter -13 Page no.372 of Point.1.9 Point c. last bullet point

- As per the FDI norms, foreign participation in an Indian insurance company was restricted to 26% equity/ordinary sharing capital with the balance being funded by Indian promoter entities. In April 2015 the Reserve Bank of India notified government's decision to raise foreign direct investment (FDI) lone in the insurance sector to 49%.

Revised text as per revised FDI limit as below

Chapter -13 Page no.372 of Point.1.9 Point c. last bullet point

- As per the FDI norms, foreign participation in an Indian insurance company was restricted to 49% equity/ordinary sharing capital with the balance being funded by Indian promoter entities. The Parliament has passed Insurance (Amendment) Act, 2021 to increase foreign direct investment (FDI) in the insurance sector to 74%.

Original Text in book

Chapter 14 Page no.383.

2. Understand the 3-tier system of redressal of complaints.

[Learning Outcome b]

The Act envisages a three-tier quasi-judicial system of redressal of complaints at the district, state and national level.

| District Forum | State Commission | National Commission |
|--|--|---|
| Composition: President (District Judge) and two other members (1 lady member) | President (High Court Judge) and not less than two other members (1 lady member) | President (Supreme Court Judge) and not less than four other members (1 lady member) |
| Pecuniary Jurisdiction: Value of services and compensation claimed shall not exceed Rs. 20 lakhs. | Value of services and compensation claimed shall be more than Rs. 20 lakhs but shall not exceed Rs. 1 crore | Value of services and compensation claimed shall be more than Rs. 1 crore. |
| Appeal against the order of District Forum can be made in State Commission within a period of 30 | Appeal against the order of State Commission can be made in National Commission within a period of 30 days from | Appeal against the order of the National Commission can be made in the Supreme Court within a period of 30 days from the |

| | | |
|---|--|--|
| days from the date of receipt of the order. | the date of receipt of the order. | date of receipt of the order. |
| The appeal shall be subject to deposit of 50% of the amount awarded or Rs. 25,000, whichever is less. | The appeal shall be subject to deposit of 50% of the amount awarded or Rs. 35,000, whichever is less | The appeal shall be subject to deposit of 50% of the amount awarded or Rs. 50,000, whichever is less |

Revised text as per revised District Forum as below
Chapter 14 Page no.383.

2. Understand the 3-tier system of redressal of complaints. [Learning Outcome b]

The Act envisages a three-tier quasi-judicial system of redressal of complaints at the district, state and national level.

| District Forum | State Commission | National Commission |
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| Composition: President (District Judge) and two other members (1 lady member) | President (High Court Judge) and not less than two other members (1 lady member) | President (Supreme Court Judge) and not less than four other members (1 lady member) |
| Pecuniary Jurisdiction: Value of services and compensation claimed shall not exceed Rs. 1 crore. | Value of services and compensation claimed shall be more than Rs. 1 crore but shall not exceed Rs. 10 crore | Value of services and compensation claimed shall be more than Rs. 10 crore. |
| Appeal against the order of District Forum can be made in State Commission within a period of 30 days from the date of receipt of the order. | Appeal against the order of State Commission can be made in National Commission within a period of 30 days from the date of receipt of the order. | Appeal against the order of the National Commission can be made in the Supreme Court within a period of 30 days from the date of receipt of the order. |
| The appeal shall be subject to deposit of 50% of the amount awarded or Rs. 25,000, whichever is less. | The appeal shall be subject to deposit of 50% of the amount awarded or Rs. 35,000, whichever is less | The appeal shall be subject to deposit of 50% of the amount awarded or Rs. 50,000, whichever is less |

Original Text in book
Chapter 14 Page no.384.

Test Yourself 2

In case of a complaint filed in the District Forum; which of the following is true?

- A Value of services and compensation claimed shall not exceed Rs. 20 lakhs.
- B Value of services claimed shall not exceed Rs. 20 lakhs
- C Value of compensation claimed shall not exceed Rs. 20 lakhs
- D Value of services and compensation claimed shall exceed Rs. 20 lakhs

Original Text in book
Chapter 14 Page no.395.

Answers to Test Yourself

Answer to TY 2

The correct answer is A.

In case of a complaint filed in the District Forum, the value of services and compensation claimed shall not exceed Rs. 20 lakhs.

Revised text as per revised District Forum
Chapter 14 Page no.384.

Test Yourself 2

In case of a complaint filed in the District Forum; which of the following is true?

- A Value of services and compensation claimed shall not exceed **Rs. 1 Crore.**
- B Value of services claimed shall not exceed Rs. 20 lakhs
- C Value of compensation claimed shall not exceed Rs. 20 lakhs
- D Value of services and compensation claimed shall exceed Rs. 20 lakhs

Revised text as per revised District Forum
Chapter 14 Page no.395.

Answers to Test Yourself

Answer to TY 2

The correct answer is A.

In case of a complaint filed in the District Forum, the value of services and compensation claimed shall not exceed **Rs. 1 Crore.**