Bridging the Gap: Analyzing Customer Grievances and Resolution Mechanisms in United India Insurance

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Abstract

Customer grievance mechanisms in the insurance sector have gained prominence due to increasing service expectations, regulatory oversight, and accelerated digital transformation. This study examines grievance patterns and resolution practices in United India Insurance Company (UIIC), a major public-sector insurer, by identifying key issues such as delayed claims, ambiguous policy terms, and documentation barriers contributing to customer dissatisfaction. The research evaluates UIIC's IRDAI-mandated grievance-redressal framework using five years of data to assess operational efficiency and responsiveness. It also highlights technological advancements adopted by the insurer, including digital portals, CRM systems, and automation tools that enhance transparency and speed of resolution. Based on the findings, the study offers evidence-based suggestions for strengthening UIIC's service delivery and concludes with insights to guide future improvements.

Keywords: United India Insurance, Customer Grievances, Grievance Redressal Mechanism, Service Quality and Customer Satisfaction.

Introduction

Customer grievance management has emerged as a critical area of inquiry in service-sector research, particularly in insurance, where customer trust, policy clarity, and timely claim settlement form the foundation of service quality. As insurance products are inherently complex and risk-sensitive, the gap between customer expectations and service delivery often generates dissatisfaction, necessitating robust grievance-redressal structures. In India, where the insurance market has expanded rapidly due to liberalization and digital transformation, grievance management has become central to consumer protection, regulatory compliance, and institutional credibility. The Insurance Regulatory and Development Authority of India (IRDAI) has strengthened policies to ensure transparency and accountability, thereby placing additional responsibility on insurers to enhance service reliability and procedural efficiency.

United India Insurance Company Limited (UIIC), one of India's largest public-sector general insurers, operates within this evolving regulatory and competitive landscape. With a diverse customer base and extensive portfolio spanning health, motor, fire, agricultural, and miscellaneous insurance, UIIC must balance its commercial objectives with its social mandate as a government-owned institution. The increasing volume of customer grievances—linked primarily to claim delays, unclear policy terms, and documentation challenges—reflects the need for continuous improvement in its service processes. UIIC's structured grievance-redressal system, guided by IRDAI norms, serves as a crucial interface that determines customer satisfaction, retention, and trust in institutional service quality.

Given the rising complexity of insurance products and the growing expectations of digital-age consumers, analyzing UIIC's grievance patterns and resolution mechanisms offers valuable insights into operational efficiency and policyholder protection. This study examines complaint trends, investigates the effectiveness of internal grievance processes, and evaluates the impact of technological interventions in enhancing service transparency and timeliness. Through this analysis, the research contributes to the

broader discourse on strengthening customer-centric governance within India's insurance sector.

Customer Grievances – Concept and Meaning

Customer grievances represent a critical dimension of service management and consumer behavior research. They occur when customers perceive a deviation between expected and delivered value across aspects such as product quality, service responsiveness, communication transparency, and delivery reliability. Research suggests that unresolved grievances directly influence customer churn, trust erosion, and negative word-of-mouth, thereby posing substantial strategic risks for organizations operating in competitive markets (Kumar & Mishra, 2019). From a systems perspective, grievances function as feedback mechanisms that highlight service failures, operational inefficiencies, and gaps in process standardization.

The literature identifies several recurring causes of grievances: service delays, defective products, billing discrepancies, limited accessibility of support channels, and unprofessional employee behavior. Sectors with high customer interaction—such as banking, telecom, insurance, and retail—are particularly vulnerable due to their dependence on service accuracy and transparency. In product-driven business and companies, contract mismanagement, substandard possessions, and weak after-sales hold up frequently set off customer dissatisfaction (Sharma & Verma, 2020). Research emphasizes that organizations must adopt structured, technology-enabled grievance redressal frameworks incorporating multi-channel communication, quick acknowledgement algorithms, workflow tracking, and policy-oriented resolution protocols to enhance reliability and responsiveness (Singh, 2021).

Beyond immediate resolution, academic studies highlight the strategic value of grievance analytics. Organizations that systematically evaluate complaint data can identify behavioural patterns, recurring operational faults, and emerging consumer expectations. Integrating these insights into training programs, quality-control systems, and

process improvements leads to higher service consistency and long-term retention (Rahman & Gupta, 2022). Thus, effective grievance management transitions from being merely corrective to a proactive strategic tool. Institutions that prioritize transparency, accountability, and timely redressal strengthen stakeholder confidence, enhance brand equity, and demonstrate sustained commitment to customer-centric governance.

Customer Grievances Resolution Mechanism

A Customer Grievances Resolution Mechanism refers to the structured process through which organizations receive, assess, and resolve customer complaints in a time-bound and transparent manner. It forms a critical element of service quality management, particularly in sectors such as banking, telecom, retail, and insurance where customer interaction is continuous. Research indicates that a robust grievance mechanism enhances customer satisfaction, reduces service failure impact, and improves organizational credibility (Kumar & Mishra, 2020). Customer grievances generally arise due to product defects, billing errors, service delays, communication lapses, or unmet expectations.

An effective grievance mechanism includes clearly defined communication channels such as helplines, email support, mobile apps, and online complaint portals. Prompt acknowledgment reassures customers and reflects organizational responsiveness. After receiving a complaint, the mechanism typically involves verification, root-cause analysis, assigning responsibility, and offering a resolution within a pre-defined timeline. Studies emphasize that transparency during these arena strengthens consumer faith and reinforces service trustworthiness (Sharma & Jain, 2021).

Technological integration has significantly improved grievance handling. Tools such as CRM platforms, automated ticketing systems, AI chatbots, and complaint-tracking dashboards help streamline operations and reduce delays. Researchers emphasize that analyzing grievance data enables organizations to detect recurring issues, operational gaps, and training requirements (Patel & Singh, 2022). This analytical approach transforms grievance

handling from a reactive process to a strategic improvement tool (Verma & Gupta, 2019). Overall, an efficient Customer Grievances Resolution Mechanism not only addresses customer concerns but also creates opportunities for organizational learning, operational enhancement, and long-term customer retention.

Literature Review

Customer grievances with UIIC and other Indian insurers often arise from claim repudiation, delays, documentation complexity, or deficient services, underscoring a structural "gap" between customer expectations and insurer performance. According to UIIC's Customer Grievance Redressal System (CGRS) policy, grievances may be lodged via multiple channels—letter, telephone, e‑mail, in-person visit, or online portals—for issues relating to delay, non-payment, partial payment, arbitrary deduction, refund, or poor service. Grievances must be acknowledged within three days and ideally resolved within fifteen days, unless complications warrant more time (UIIC, 2019). However, research suggests that many policyholders do not even register complaints. A pan-India survey covering life, health, vehicle, and agricultural insurance found that for many customers the "transaction costs" of grievance registration are high—so much so that they simply exit the product rather than lodge a complaint (Balasubramaniam, Gawali, Sane, & Sharma, 2023; Chivukula, 2021).

The role of resolution mechanisms becomes critical. Internal grievance cells of insurers—like UIIC's CGRS—constitute the first line of redressal. Studies have consistently found these internal cells to be more effective and faster compared to external forums such as Insurance Ombudsmen or regulatory bodies (Jisha & Ninan, 2025; Ram & Sharma, 2024). In particular, customer satisfaction is strongly correlated with the efficiency and transparency of these internal mechanisms; where documentation procedures are cumbersome or timely updates are not provided, user dissatisfaction increases sharply (Jisha & Ninan, 2025; SSRN, 2015).

Yet, despite the multilevel redressal architecture—including internal cells, escalation to regional/HO committees, and external complaint forums such as the Insurance Ombudsman or IRDAI portals—significant gaps remain. These include low consumer awareness, perceived procedural complexity, and limited trust in successful outcomes, especially among low-income or less-educated customers (Goda, 2019; SSRN, 2015; Chivukula, 2021). Consequently, many valid grievances remain unvoiced or unresolved, reducing overall consumer confidence in the insurance system.

Overall, while UIIC's formal grievance-redressal framework aligns with regulatory and industry standards, empirical evidence suggests that its effectiveness depends heavily on accessibility, transparency, and user-friendliness in practice. Strengthening consumer education, simplifying documentation, providing regional-language support, and reducing friction in complaint registration and follow-up are essential for bridging the "grievance gap," ensuring that insured customers receive the protection and service that insurance promises (Balasubramaniam et al., 2023; UIIC, 2019).

Objective of study

United India Insurance Company Limited (UIIC) is a major public-sector general insurer in India, offering a wide range of non-life insurance products. As a government-owned entity, UIIC operates with a dual mandate: providing commercial risk-protection services and fulfilling socio-economic responsibilities. Its customer-service and grievance-redressal mechanisms are central to safeguarding policyholders' interests, enhancing service reliability, and maintaining regulatory compliance. Increasing competition, regulatory reforms, and rising customer expectations have pushed the company toward more customer-centric practices that emphasize transparency, responsiveness, and efficient claim management.

Despite these developments, insurers frequently encounter issues where operational priorities, cost efficiencies, or procedural complexities hinder service quality, resulting in grievances related to delays, repudiations, and inadequate communication. Examining these

grievances is crucial for assessing UIIC's effectiveness in meeting policyholder expectations and upholding industry standards prescribed by the Insurance Regulatory and Development Authority of India (IRDAI). Accordingly, this study is designed to achieve the following objectives: -

1. To quantify the number of customer complaints recorded by UIIC during the study period.
2. To examine the nature of complaints and the grievance-redressal outcomes.
3. To critically evaluate UIIC's complaint-handling mechanisms in relation to regulatory norms and customer-satisfaction benchmarks.

Customer grievances in United India Insurance typically arise from delayed claim settlements, unclear policy terms, premium discrepancies, and insufficient customer support. Such issues emerge when customers perceive claim processing as unfair, communication as inadequate, or documentation requirements as burdensome. These factors directly contribute to dissatisfaction and weaken policyholder trust. An effective grievance-redressal mechanism is therefore essential for timely complaint resolution, procedural transparency, and improved service responsiveness. Strengthening grievance management not only addresses individual complaints but also provides insights into systemic service gaps. By resolving issues efficiently and maintaining clear communication, United India Insurance can enhance customer confidence, meet regulatory expectations, and reinforce the overall quality and reliability of its service delivery.

Customer Grievance and Solution in UIIC

Table Customers Grievances Received and Solved in UIIC

Financial Year	Grievances Received / Reported	Grievances Disposed / Solved	Disposal Ratio / Percentage
2021	2245	2210	98.44
2022	6325	6255	99.46
2023	7423	7324	99.87
2024	8904	8902	99.97
2025	10054	10098	99.86

Source: Data collected from official website of United India Insurance Company

The Customer Grievances Resolution Mechanism serves as a systematic framework for receiving, documenting, investigating, and resolving customer complaints through accessible channels such as helplines, email, and online portals. Its purpose is to ensure timely acknowledgment, transparent communication, and fair redressal of issues. In the context of United India Insurance Company (UIIC), the mechanism plays a critical role in maintaining service quality, addressing policyholder dissatisfaction, and complying with regulatory norms. A robust system not only resolves complaints but also enhances institutional accountability and long-term customer trust.

The grievance data from 2021 to 2025 highlights a consistent upward trend in the number of complaints received, rising from 2,245 in 2021 to 10,054 in 2025. This increase may indicate growing customer awareness, higher policy volumes, or operational challenges. However, UIIC's disposal ratios remain exceptionally high, consistently above 98%, with 2024 showing the highest at 99.97%. These figures suggest that while the volume of grievances has expanded, the company's ability to resolve complaints efficiently has also strengthened. The near-complete disposal rates reflect an effective grievance-handling system, demonstrating UIIC's commitment to timely redressal, operational responsiveness, and customer-centric service delivery.

Driving Change: Technology Involvement in Grievance Solution

Technological advancement within United India Insurance Company (UIIC) has significantly improved the speed, accuracy, and transparency of its grievance-resolution processes. One of the major transformations has been the adoption of digital grievance-redressal platforms, such as online complaint portals, mobile-responsive reporting systems, and automated acknowledgement modules. These platforms enable customers to register complaints instantly and receive real-time tracking updates, reducing delays caused by manual processing. Additionally, UIIC's integration of CRM (Customer Relationship Management) systems helps streamline communication, centralize customer records, and ensure that each grievance is directed to the appropriate department without procedural bottlenecks. This shift from paper-based to digital workflows has contributed to faster case handling and improved consistency in service delivery.

Advanced technologies such as AI-enabled data analytics, automated document verification, and digital policy repositories have further strengthened decision-making within UIIC. AI tools help analyze complaint patterns, identify systemic service gaps, and predict areas where policyholders may face recurring issues. Robotic Process Automation (RPA) is increasingly used for routine tasks like claim data checks, premium reconciliation, and compliance verification, which reduces human error and accelerates the resolution process. These tools collectively support quicker investigation of grievances and enhance accuracy in claim assessments. The improved disposal ratios—consistently above 98% between 2021 and 2025—reflect the operational efficiency gained through these advancements.

UIIC has also prioritized customer-facing technologies to improve accessibility and engagement. The use of chatbots, multilingual support systems, digital helplines, and mobile apps has enabled customers to obtain information or resolve minor issues without visiting branch offices. Integration with national digital infrastructures such as Aadhaar-based authentication, e-KYC, and digital payment gateways further reduces processing time for claims and refunds. These innovations have collectively strengthened the customer experience, enabling UIIC to maintain high grievance-disposal rates despite the rising volume of complaints. Overall, technology has become a key driver of timely problem-solving, operational transparency, and enhanced customer satisfaction in UIIC's service ecosystem.

Suggestions and Remedies

Strengthening UIIC's grievance-redressal performance requires a multidimensional approach that addresses operational efficiency, technological integration, customer awareness, and regulatory alignment. First, the company should simplify documentation and claim-processing protocols to eliminate procedural bottlenecks that commonly trigger customer dissatisfaction. Developing standardized claim-submission templates, multilingual support documents, and automated verification tools can significantly reduce turnaround time. UIIC should also expand its customer-education initiatives by conducting awareness drives, digital literacy programs, and periodic communication campaigns explaining policy terms, coverage limits, and grievance-registration channels. Research consistently indicates that service transparency and information clarity reduce complaint frequency and improve trust. Enhancing staff training on customer handling, communication ethics, and data accuracy can further minimize errors and strengthen service responsiveness. Additionally, UIIC may introduce periodic internal audits of grievance data to identify systemic issues and implement targeted corrective actions, ensuring continuous improvement aligned with IRDAI guidelines.

Further, remedies must focus on leveraging technology and improving user experience. UIIC should enhance its digital grievance infrastructure by integrating AI-driven complaint triaging, automated status notifications, chatbot assistance, and predictive analytics to identify emerging grievance

patterns. Expanding mobile-app functionalities to include end-to-end claim submission, e-KYC, document uploads, and real-time claim tracking would enhance accessibility, particularly for rural and low-income customers. Introducing an integrated CRM-IRDAI portal sync could improve regulatory reporting and reduce duplication of work across platforms. UIIC may also consider establishing a centralized "Customer Experience Command Centre" to monitor grievance trends, service metrics, and digital interactions in real time. Strengthening collaboration with insurance intermediaries, agents, and third-party administrators can ensure consistent communication and quicker issue escalation. Finally, incorporating customer-feedback analytics into strategic decision-making will help UIIC transition from a reactive grievance-handling model to a proactive service-improvement framework, thereby enhancing policyholder satisfaction and institutional credibility.

Conclusion

The analysis of customer grievances and resolution mechanisms in United India Insurance Company (UIIC) highlights the central role of service quality, transparency, and technological integration in shaping policyholder satisfaction. The study demonstrates that grievances often arise from delayed claim settlements, unclear communication, documentation challenges, and procedural complexity—issues that reflect broader structural gaps in insurance service delivery. However, the high disposal ratios consistently above 98% from 2021 to 2025 indicate UIIC's strong institutional capacity and commitment to resolving complaints within regulatory timelines. These outcomes show that while the volume of grievances has increased due to growing awareness and service utilization, the company has simultaneously strengthened its operational responsiveness and customer-centric service design. Effective grievance management not only resolves individual disputes but also offers valuable feedback for identifying service bottlenecks and enhancing policyholder trust.

The study further establishes that technology has emerged as a transformative force in UIIC's grievance-handling ecosystem. Digital portals, CRM platforms, AI-driven analytics, RPA tools, e-KYC integration, and mobile-enabled services have collectively improved accuracy, reduced turnaround time, and enhanced user accessibility. These innovations position UIIC to transition from reactive complaint resolution to proactive service improvement driven by data insights and automation. Moving forward, UIIC can further strengthen its grievance ecosystem by simplifying documentation, increasing customer awareness, incorporating regional-language interfaces, and expanding digital literacy initiatives. Overall, UIIC's evolving grievance-redressal framework reflects a shift towards transparent, efficient, and technology-enabled governance, reinforcing its mandate as a public-sector insurer committed to service excellence and policyholder protection.

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