

Unclaimed insurance money: Is some of it yours?

Lack of awareness, outdated records and unresolved disputes are adding to piles of unclaimed insurance funds that are lying with insurers. Check whether these belong to you and how to reclaim them.

by Riju Mehta

When Ritika Goswami (name changed) lost her father in November last year, she was too consumed by grief to go through his financial documents immediately. After a couple of months, when she was scanning his mail on the phone, she discovered a notice from a public-sector life insurance company asking for policy and bank details to issue maturity proceeds that were due in January this year. “My mother and I had no idea that the policy even existed, let alone know about the maturity amount or where he had kept the original policy document,” says Delhi-based Goswami. After a prolonged search, they found the endowment plan that was issued in 2011 and approached the insurer to process the maturity proceeds worth ₹4 lakh.

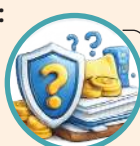
The Goswami family is not alone; they share this predicament with lakhs of policyholders, nominees and beneficiaries, who remain blissfully unaware of the funds that belong to them, but are lying unclaimed with insurance companies. According to information shared by the government in Parliament in March 2026, as much as ₹8,973.89 crore in unclaimed insurance funds is lying with life and general insurance companies as of 28 February this year.

An insurance amount is regarded as unclaimed if it remains unpaid beyond 12 months from the due date. The proceeds that remain unclaimed for more than 10 years are transferred to the Senior Citizens' Welfare Fund

Why is the amount unclaimed?

Lack of awareness:

If the policyholder does not inform the beneficiaries, heirs or nominees about the plans purchased, the latter are not even aware of the existence of a policy after the death of the former.



Change in contact details: In the 15-20 years of policy's term, the policyholder/nominees may change address, phone number, banks without informing the insurer, making it difficult to contact them.



Absent nominees:

If a nominee is not appointed, or passes away before the policyholder, or nominee details are not updated, the insurer does not know whom to contact for benefits.



Incomplete bank details: If bank details are missing or incomplete, and/or the policyholder/nominees forget to update these, the money remains with the insurer.



Missing policy details:

Due to the long tenure of traditional life insurance plans and in the absence of a consolidated portfolio, documents are either misplaced or lost, with neither the policyholder, nor nominees and beneficiaries able to track these, eventually giving up on the benefits.



Disputed claims: Often, legal disputes between heirs or nominees after the policyholder's death, or long court battles, result in the money lying with the insurer.



Ignorance about policy structure:

Lack of knowledge about the payment of maturity benefits after surrendering a policy, or eligibility for premium refunds, or staggered payments in traditional plans means people lose out on funds.



(SCWF), which is maintained by the government. However, the transfer does not affect the ownership rights and beneficiaries retain the right to claim the amount up to 25 years from the date of transfer. The problem is most people don't even realise that the money is theirs to claim.

“Unclaimed insurance money continues to remain a liability on the insurers' books and is subject to regulatory oversight. However, the bigger challenge is the lack of awareness and proactive action by policy-

holders and nominees in claiming benefits that rightfully belong to them,” says Shilpa Arora, Co-founder and Chief Operating Officer, Insurance Samadhan.

Unclaimed: Which funds & why?

While the unclaimed funds are spread across different categories in life, health and general insurance, the largest chunk belongs to life. “In particular, traditional savings-oriented products such as endowment, money-back, and whole-life policies

tend to account for the largest share of unclaimed amounts. These typically have long tenures spanning 15-30 years, during which policyholders may change their addresses, contact details, or nominee information,” says Saurabh Vijayvergia, Founder and CEO, CoverSure.

Agrees Kunal Kabra, Founder, Kustodian.Life, a company that helps people recover unclaimed funds. “General insurance has unclaimed balances too, but they're different in nature—smaller amounts stuck in incomplete reimbursements, refunds, or stalled claim processes. Life insurance is a discoverability problem. General insurance is more a process completion problem,” he says.

For non-life insurers, a significant portion of unclaimed amount relates to health. “This often happens when policyholders can't submit the required documents to support their claims because the medical facility is away from their residence and the records are not collected after discharge. The claim may remain incomplete, leading to delay or non-settlement,” says Rajat Dutta, Founder & Initiator, Inheritance Needs Services.

In life insurance, on the other hand, unclaimed amounts largely comprise uncollected maturity proceeds, death benefits unpaid due to incomplete documentation, surrender values of policies discontinued for non-payment of premiums, and, to a lesser extent, uncollected premium refunds, adds Dutta. These are mostly due to lack of awareness on the part of policyholders and beneficiaries, outdated records, unresolved disputes, and absence of nominees or their death before the policyholder.

“Maturity benefits are especially prone to remaining unclaimed because, unlike death claims, there is no triggering event that prompts immediate action. Policyholders may overlook policy maturity dates or fail to initiate the claim process altogether,” says Vijayvergia. These also remain unpaid if the bank account has been closed or changed and the details are not updated, resulting in insurer notices and reminders failing to reach the policyholders.

Another large contributor to unclaimed amounts is open title claims. “When a death claim is filed, but the nominee has also passed away, or valid succession documents are missing, claim remains unsettled due to non-establishment of a valid title holder, and/or family disagreements over entitlement, until courts settle the matter,” says Rajesh Krishnan, Chief Operations & Customer Experience Officer at Bajaj Life Insurance.

Many policyholders are also unaware

Categories of unclaimed insurance funds

Life insurance companies have the largest chunk of unclaimed funds due to their long tenures and multiple categories of payouts and benefits. Here's what these mean and when they are disbursed.

Life insurance

Maturity proceeds: It's the lump sum paid by insurer at the end of the policy term if the policyholder survives.



Surrender value: The amount paid if policyholder cancels the policy before maturity.



Survival benefits: Periodic payments at pre-defined intervals while the policy is still active, mostly in money-back plans.

Premium refunds: Refund issued to policyholder due to policy cancellation, duplicate payment, proposal rejection, etc.

Death claim/benefit: Sum assured paid to nominee/beneficiary on the death of the policyholder.

Reduced paid-up sum assured: Truncated maturity/death benefit paid when the premiums are stopped by the policyholder, but the policy remains active.



Health/general insurance

Premium refunds: Refund issued due to cancellation of policy, premium adjustment, etc.

Claim payments: Settlement amount or proceeds after a claim.

that even if a policy lapses after acquiring a surrender value, the policy may continue with a reduced paid-up sum assured. “In the event of the policyholder’s death, nominees may still be entitled to receive a proportionate death benefit, but due to lack of awareness, many families never claim these benefits,” says Arora.

Group life insurance can also contribute to unclaimed amounts, as employees are not always aware of the coverage provided by their employer or the benefits available to their beneficiaries.

The biggest challenge, however, remains the inability of policyholders to share policy details with their family members, as in the case of Goswami. “One of the biggest reasons for unclaimed funds is lack of communication about the insurance plans by the policyholder to his family and nominees. The second reason is the failure to appoint nominees, which makes it difficult to transfer funds,” agrees Parashuram Hallur, Founder and Chief Product Officer/Chief Growth Officer, Vealthx, a company that helps people discover and recover unclaimed funds.

How to access unclaimed funds

The first step is to identify all insurance policies linked to you or your family members. “A common reason insurance benefits go unclaimed is that policy details are scattered across different insurers, employers, e-mails, or physical documents, making these difficult to track over time,” says Vijayvergia. It is also advisable to review old policy documents, e-mails, premium payment records, and bank statements, as these can provide useful clues about past insurance purchases.

Agrees Kabra: “Tracing is rarely a technology problem; it’s a record-keeping problem. Families often know insurance existed, but not which insurer, or where the

documents are. Insurance is usually just one part of a larger search that includes bank deposits, mutual funds, etc.”

The next step is to access the insurance company website or the Irdai’s Bima Bharosa portal (www.bimabharosa.irdai.gov.in), which enables individuals to trace unclaimed insurance policy proceeds by providing links to the enquiry pages of insurers.

“To help customers identify and claim pending funds, the Insurance Regulatory and Development Authority of India (Irdai) has mandated all insurance companies to disclose details of unclaimed amounts of ₹1,000 or more on their websites,” says Krishnan. Even after the transfer to SCWF, policyholders, nominees or legal heirs can approach the insurers to initiate claims without paying any fee.

On the insurer website or Bima Bharosa portal, you can navigate to the ‘Unclaimed Amount’ section, and enter the mandatory fields such as policy number, policyholder’s name, PAN details, and date of birth. If the record exists, the system will instantly fetch any unclaimed records. The beneficiary can then get in touch with insurance company and fulfil the necessary documentation for claiming the amount.

Remember, however, that legal heirs or nominees may not always get the entire insurance proceeds or they may even let go of the funds. “If the nominee dies before the policyholder, legal heirs may not always want to obtain a succession certificate or heirship certificate due to the prolonged court procedures and high costs. Since the efforts may not justify the amount of claim, the funds can remain unclaimed,” says Dutta.

Be proactive, take initiative

The government has taken initiatives to help people reclaim insurance funds, the most

How to get back your money

Step 1: Locate the policy, insurer

Find out how much amount is due from which insurance company by going through deceased policyholder’s mails, messages, premium receipts, and original policy documents.



Step 2: Check insurer website

Check insurer website under the ‘Unclaimed Amount’ search option. You will typically need the policy number, insured’s name, date of birth, PAN, and/or e-mail/phone number.



Step 3: Check Bima Bharosa portal

Go to Irdai’s Bima Bharosa portal (<https://bimabharosa.irdai.gov.in>), which provides direct links to enquiry pages of all registered life and non-life insurance companies.



Step 4: Make a claim with insurer

If you find the details, submit KYC documents, bank details, and proof of ownership directly to the insurer.



recent being the ‘Your Money, Your Right’ campaign between October and December last year, wherein ₹5,777 crore relating to 22.95 lakh claims, across various financial sectors, including insurance, was restituted to their rightful owners.

“Irdai, too, has worked on three fronts: visibility, traceability, and recovery. Insurers must maintain searchable unclaimed amount databases; KYC and nominee requirements have been tightened; and centralised platforms like Bima Bharosa make discovery easier,” says Kabra.

Insurers are also mandated to collect details of the proposer and nominee at the proposal stage, and are required to conduct periodic reviews of unclaimed accounts, besides proactively reaching out to policyhold-

ers and nominees.

The real initiative, however, must come from the policyholders and beneficiaries. Family members should be aware of key policy and nominee details so that benefits can be claimed when required.

Policyholders should also consolidate insurance policies in one place to make it easier for nominees to trace them. It’s also important to update any changes in phone numbers, e-mails, addresses, and bank accounts with the insurers. Linking the policies to PAN and Aadhaar also makes it easier to locate them.