

## INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA

### NOTIFICATION

Hyderabad, the 13th June, 2016

(as Updated on 2<sup>nd</sup> Dec 2016)

### Insurance Regulatory and Development Authority of India (Issuance of e-Insurance Policies) Regulations, 2016



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### Insurance Regulatory and Development Authority of India (Issuance of e-Insurance Policies) Regulations, 2016

**F.No. IRDAI/Reg/16/128/2016** - In exercise of the powers conferred by section 14 (2) read with clause (gb) of-sub section 2 of section 114A of "The Insurance Act, 1938" and subsection (1) of Section 26 of the Insurance-Regulatory and Development Authority Act, 1999 (41 of 1999), the Insurance Regulatory and Development Authority of-India, in consultation with the Insurance Advisory Committee, hereby makes the following Regulations for Issuance of-electronic policy and submission of electronic proposal form of insurance policies:

#### CHAPTER I

#### Preliminary

##### 1. Short title and commencement

- (i) These Regulations may be called the Insurance Regulatory and Development Authority of India (Issuance of-e-Insurance Policies) Regulations, 2016.
- (ii) They shall come into force from 1st October, 2016.

##### 2. Definitions

In these regulations, unless the context otherwise requires:-

- (i) "Act" means the Insurance Act, 1938 (4 of 1938) as amended from time to time;
- (ii) "Authority" means the Insurance Regulatory and Development Authority of India established under the-provisions of Section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
- (iii) "e-Insurance Account" or "eIA" is an electronic account opened by a person with an insurance repository-wherein the portfolios of insurance policies of a policyholder are held in an electronic form.
- (iv) "e-signature or electronic signature" shall have the same meaning as specified in the IT (Information-Technology) Act, 2000 as amended from time to time.
- (v) "Digital Signature" shall have the same meaning as specified in the IT Act, 2000 as amended from time to-time.
- (vi) "e-proposal" or "electronic proposal" means a proposal form for an insurance policy filed in electronic-form by the prospect with his electronic signature [or be validated by One Time Password.]

- (vii) “e-insurance policy” or electronic insurance policy” shall mean a policy document which is an evidence of-insurance contract issued by an insurer and digitally signed in accordance with the applicable provisions-prescribed by law and issued in an electronic form either directly to the policyholder by the insurer or through-the platform of registered Insurance repository.
- (viii) All words and expressions used herein and not defined in these Regulations but defined in the Insurance Act,-1938(4 of 1938), or in the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) or Rules-or Regulations made thereunder shall have the same meanings respectively assigned to them in those Acts,-Rules or Regulations.

## CHAPTER II

### e- Proposal Form & Issuance of e-Insurance Policy

#### 3. e-proposal form

- (i) Every insurer soliciting insurance business through electronic mode shall create an e-proposal form similar-to the physical proposal form approved by the Authority. Such form should enable capture of information in-electronic form that would enable easy processing and servicing.
- (ii) The e-Proposal form shall also have a provision to capture the electronic Insurance Account (eIA) number-which shall be filled by prospect wherever available.
- (iii) Every such insurer shall also make available physical version of e-proposal form as mentioned at (i) & (ii)-above. Where the information is captured in physical form, then the insurer shall make necessary-arrangements to convert the information furnished by prospects into electronic version.
- (iv) In case the prospect does not have an eIA number, the insurer shall facilitate the creation of eIA number-wherever the electronic insurance policy is proposed to be issued through the Insurance Repository System.
- (v) When the prospect furnishes the details in e-proposal form, it shall carry his electronic signature [or be validated by One Time Password.]

#### 4. Issuance of electronic Insurance Policies:

- (i) Every insurer shall issue electronic insurance policies that fulfill the criteria given in Schedule I in terms of-Sum Assured or Premium.
- (ii) Electronic insurance policies may be issued by the Insurers either directly to the policyholders or through the-registered Insurance Repositories.
- (iii) All policies issued in electronic form by the Insurer directly to the policyholder shall also be issued in-physical form. In all such cases, copies of the proposal form, etc shall also be sent in physical form :

Provided that the Authority, on being satisfied that it is in the interests of policyholders and for orderly-growth of Insurance Industry, exempts such issuance in physical form:

Provided further that such exemptions may stipulate conditions specified to be fulfilled by the Insurer.

- (iv) Physical version of the electronic insurance policies need not be issued when electronic insurance policies-are issued through the platform of registered Insurance Repositories.

Similarly, copies of the proposal form-etc. may also be sent in electronic form to the insured along-with electronic insurance policies.

- (v) The electronic insurance policies not exempt by the Authority as stipulated at (iii) above shall, if issued only-in electronic form, be only through the registered Insurance repositories.
- (vi) Electronic Insurance Policies shall be deemed compliant only when issued with digital signature in-accordance with applicable provisions prescribed by law.
- (vii) The physical form of the electronic Insurance Policy referred in (iii) above shall be a replica of the electronic-form.
- (viii) For the issue of electronic insurance policies, the operational framework would be as specified by the-Authority under the guidelines on Insurance repositories and electronic issuance of insurance policies issued-in this behalf.
- (ix) For the issue of electronic insurance policies that are outside the ambit of the stipulations prescribed in-Schedule-I, the guidelines referred in (viii) above shall also apply.

#### 5. Miscellaneous

- i. **Discount on electronic insurance policies** – An insurer may offer discount in the premium rates to the-policyholders for such electronic insurance policies exempt from issuance in physical form. Such discount shall-be in accordance with the discount rates filed under the Product Approval or the File & Use guidelines or as-specified by the Authority.
- ii. **Existing policies** – The policyholders who wish to avail the facility of electronic insurance policy may register-their choice with the insurer.
- iii. **Mandatory issuance of e-insurance policies in disaster prone and other vulnerable areas** – Every insurer-shall mandatorily issue electronic insurance policies in disaster prone and vulnerable areas as specified by the Authority.

#### 6. Power of the Authority to issue clarifications etc:

In order to remove any difficulties in application or interpretation of any of the provisions of these Regulations, the-Chairperson of the Authority may issue clarifications, directions and guidelines in the form of circulars/guidelines.

#### SCHEDULE I

(in Rs.)

Line of Business	Sum Insured* (equal to or-exceeding)	Single/Annual Premium* (equal to or exceeding)
Pure term (excluding term with ROP)**	10,00,000/-	10,000/-
Other than Pure term (including term with ROP)**	1,00,000/-	10,000/-
Pension policies	NA	10,000/-
Immediate Annuities (Pension p.a.)	NA	10,000/-
All retail General Insurance policies except Motor	10,00,000/-	5,000/-

Individual Health		5,00,000/-	10,000/-
Motor Retail		All policies	All policies
Miscellaneous	Individual Personal Accident & Domestic Travel	10,00,000/-	5,000/-
	Individual Travel Insurance (Overseas)	All Policies	

\* Electronic policy shall be issued if either the Sum Insured or Single/Annual Premium criteria is met.

\*\* Micro-insurance policies are exempted :

T .S. VIJAYAN, Chairman

[ADVT. III /4/Exty./161/16]

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