

#### Item No. 4

##### **Policy and supervisory measures taken by IRDAI in response to situation arising out of Covid-19 pandemic in India**

The ongoing Covid-19 pandemic and the closure of public and private establishments due to implementation of the country-wide lockdown had wide-ranging impact on the Indian economy and the insurance industry is no exception.

2. With a view to ensure business continuity of insurers and other related entities and to protect the interest of the policyholders, IRDAI has taken a number of measures and issued appropriate directions on the following issues:

- (i) improving operational resilience including safer working environment, facilitating work-from-home, online transactions and operationalisation of Business Continuity Plans;
- (ii) providing operational relief in terms of extension of deadlines for submission of returns, replacing on-site inspection with online inspection etc.;
- (iii) maintaining prudential measures including capital conservation, solvency, expenses and liquidity;
- (iv) maintaining market conduct discipline in policy issue and servicing, claim settlement and grievance redressal;
- (v) providing additional concessions and relief to customers including extension of grace period, continuity of health and motor policies, free cancellation of travel policies etc.; and
- (vi) developing a sound communication strategy for policyholders, distribution channel and the public.

3. A list of circulars and other communications issued by the Authority on key policy measures and their implementation is annexed as **Annexure -1**.

4. Chairman, IRDAI held video-based meetings during last week of May and first week of June with all stakeholders of the insurance industry to review the situation. The meetings were held with life, non-life & standalone health insurers, reinsurer including foreign reinsurance branches and Lloyds, brokers, Third Party Administrators, Insurance Repositories, Web Aggregators and Common Service Centre. The steps taken by the stakeholders in response to directions issued by the Authority were reviewed and they were sensitised on the need to remain well prepared to meet the challenges posed by the pandemic.

5. IRDAI is continuously assessing the impact of Covid-19 on the insurance industry and would proactively take measures to mitigate the hardship and to restore normal functioning of the insurance industry.

Submitted for information of the Authority.