



**CIRCULAR**

IRDA/ BRK/ CIR/ INSRE/ 211/ 09/ 2017

7<sup>th</sup> September, 2017

To

CEO's of all insurers, insurance intermediaries and Insurance Repositories

**Re: Clarifications on**

- a) **revised guidelines on Insurance Repositories and electronic issuance of insurance policies dated 29.05.2015**
- b) **Guidelines on insurance e-commerce dated 9<sup>th</sup> March, 2017**

The Authority as part of its developmental mandate and to reach out to the policyholders in a cost efficient manner has taken number of steps. This includes issuing revised guidelines on insurance repositories, insurance e-commerce, issuance of electronic insurance policies, maintenance of electronic records, etc.

The Authority has been approached by various stakeholders seeking clarity on some of the issues surrounding these guidelines. Looking into the issues raised by the stakeholders the Authority issues the following clarifications pertaining to *revised guidelines on Insurance Repositories and electronic issuance of insurance policies dated 29.05.2015*.

**I. Revised guidelines on Insurance Repositories and electronic issuance of insurance policies dated 29.05.2015**

**1. Electronic signature** – Clause 60(b) and Annexure 11 of the *revised guidelines on Insurance Repositories and electronic issuance of insurance policies dated 29.05.2015* gives the form for opening of eIA account. This form is to be signed by the applicant at the time of opening of eIA.

As per current practise, an e-signature of the eIA holder on the application form for opening an eIA is considered as a valid authentication. However the IRDAI (issuance of e-Insurance policies) (First Amendment) Regulations, 2016 dated 2<sup>nd</sup> December, 2016 provides an option of validation by 'One Time Password' for electronic signature on e-

proposal form. Therefore in order to facilitate opening of e-insurance account through online/ electronic means, the Authority permits validation by 'One Time Password' for eIA opening as an alternative to e-signature under clause 60(b) and Annexure 11 of the *revised guidelines on Insurance Repositories and electronic issuance of insurance policies dated 29.05.2015*.

**2. One Time Password (OTP) based e-KYC for opening of e-Insurance Account (eIA) -**

Attention is drawn to Guidelines on Insurance e-commerce dated March 9, 2017 which requires insurance policies to be issued in electronic form and credited to e-Insurance Account (eIA) of the policy holder. This requires Insurance Repositories to facilitate online opening of eIA using valid KYC document.

Clause 15(10)(b) of the same guidelines dated March 9, 2017 stipulates compliance to the KYC/ AML guidelines by using any of the options given.

In light of the above stipulation, the Authority substitutes the following for clause 22(d)(i) of the *revised guidelines on Insurance Repositories and electronic issuance of insurance policies dated 29.05.2015* for opening of an eIA:

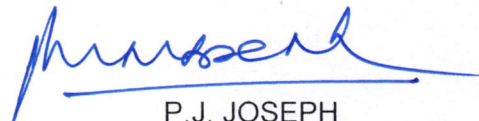
(i) *Compliance to the KYC/ AML guidelines issued by the Authority can be undertaken by any of the following facilities:*

- a) *e-KYC facility offered by UIDAI as given in Authority's circular no. IRDA/ SDD/ CIR/ MISC/ 204/ 08/ 2017 dated 31<sup>st</sup> August, 2017.*
- b) *valid KYC documents permitted under Authority's circular no. IRDA/ SDD/ GDL/ CIR/ 175/ 09/ Oct/ 2015 dated 28<sup>th</sup> September, 2015 or by any other circular issued by the Authority from time to time.*
- c) *any other facility recognised by the Authority.*

**3. Email Id / Mobile Number –** Clause 15(11) (b) of the Guidelines on Insurance e-commerce dated March 9, 2017 requires creation of eIA and gives option to customer to provide either an email id or mobile number. As per Annexure – 5, Clause 4 (b) of *revised guidelines on Insurance Repositories and electronic issuance of insurance policies dated 29.05.2015*, email id and mobile number are both mandatory to open eIA as Insurance Repository is required to send OTP1 on the registered email id and OTP2 on the registered mobile number of the eIA holder. In order to bring consistency between the two guidelines, the Authority allows opening of eIA on the basis of either email id or mobile number with only one OTP being sent to email id/ mobile number.

## **II. Guidelines on insurance e-commerce dated 9<sup>th</sup> March, 2017**

4. Clause 15(10)(b)(ii) recognises e-PAN facility offered by NSDL for compliance to the KYC/ AML guidelines issued by the Authority. The same is deleted as it is not one of the recognised mode for KYC/ AML compliance.
5. Clause 15(11)(a) of the Guidelines on insurance e-commerce dated March 9, 2017 stipulates that creation of an e-insurance account shall be undertaken within 15 days post selling of insurance policies on the applicant's ISNP. There are varied interpretations in the market about the said clause. It is hereby clarified that opening of e-insurance account for all policies that are sold on the ISNP Platform has to be necessarily and compulsorily followed up with opening of an e-insurance account within 15 days post selling of insurance policies. Any non-compliance will be seen as a violation of the aforesaid guidelines.



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