



भारतीय बीमा विनियामक और विकास प्राधिकरण
INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY OF INDIA

IRDA/NL/GDL/F&U/109/05/2017

3rd May, 2017

The Chairman-Cum- Managing Directors/
Chief Executive Officers of
General Insurance Companies

Re: Classification of Products

Insurance Regulatory and Development Authority of India (hereinafter referred as the Authority) has issued Guidelines on Product Filing Procedures for General Insurance Products (hereinafter referred as said Guidelines) vide IRDAI/NL/GDL/F&U/030/02/2016 dated 18th February, 2016, advising all General Insurers to classify the existing products as 'Retail' or 'Commercial' products'.

Para 5 of said Guidelines reads as follows.

“For the purpose of these guidelines, the general insurance products shall be classified into two broad classifications, namely Retail products and Commercial products. Both of these classifications are made on the basis of “who buys the product”. All categories of products called in whatever name, for the purpose of filing, irrespective of whether falling under 'File and Use' or 'Use and File' procedures, shall necessarily be classified under 'Retail' or 'Commercial' products. ”

Insurers have classified the products as required by the Guidelines and have submitted the list to the Authority. However, some Insurers while submitting the list of products, have confirmed that most of the products are being marketed to both Retail and Commercial customers.

The Authority has reviewed the basis and objective of classification of products in the said Guidelines vis-à-vis the requirement of Insurers to classify some of them as both Retail and Commercial. After a careful examination of the viewpoints of the insurers on this matter, especially in the context of filing of Add-ons, the Authority under the provisions of Section 14 (2) (i) of the IRDA Act 1999 in partial modification of the para 5 of said Guidelines, issues the following clarifications.

- (a) General insurance products that are classified as both Retail and Commercial need to be distinguished from one another with a suitable name change or pre fix or suffix as the case may be and need to have a separate Unique Identification Number (UIN). All the insurers, therefore, shall resubmit the list of existing products being sold both as Retail and Commercial on or before 1st October, 2017. The required UIN for the product will be allotted by the Authority through BAP.
- (b) Para 13 under Schedule III of the said Guidelines requires the Add-On Cover/s to follow the basic product, its classification, filing and approval procedures.

For the time being, till the reclassification of products is completed, the Add-on covers developed exclusively for commercial customers with a policy Sum Insured of above 5 Crs under the products currently classified as Retail products may be filed as per Use and File procedures.

All other procedures set out in the said Guidelines will continue to apply.


(Yegnapriya Bharath) 3/5/17
Chief General Manager (Non-Life)