



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

**Title:**Exposure Draft

**Reference No.:**--

**Date:**29/05/2015

IRDAI (Maintenance of Insurance Records) Regulations, 2015)

IRDAI is placing the following exposure draft for comments, if any, of the stake holders which may be forwarded to Sri Suresh Mathur, Sr. Joint Director, IRDAI, 5<sup>th</sup> floor , Parishrama bhavan, Basheerbagh , Hyderabad-500004 (Telangana) [Email:suresh \[at\] irda \[dot\] gov \[dot\] in](mailto:suresh@irda.gov.in) by 10<sup>th</sup> June, 2015

**Suresh Mathur**  
Sr. Joint Director( Non-Life Insurance)

**Exposure draft on IRDAI (Maintenance of Insurance Records) Regulations, 2015).**

#### **INTRODUCTION:**

The description of the section 14 of the Insurance Act, 1938 has been amended by the Insurance Laws (Amendment) Act, 2015 as follows:

~14(1). Every insurer, in respect of all business transacted by him, shall maintain—

- (a) a record of policies, in which shall be entered, in respect of every policy issued by the insurer, the name and address of the policy-holder, the date when the policy was effected and a record of any transfer, assignment or nomination of which the insurer has notice,
- (b) a record of claims, every claim made together with the date-of the claim, the name and address of the claimant and the date on which the claim was discharged, or, in the case of a claim which is rejected, the date of rejection and the grounds thereof; and
- (c) a record of policies and claims in accordance with clauses (a) and (b) may be maintained in any such form, including electronic mode, as may be specified by the regulations made under this Act.”

**Electronic Maintenance of Policy and Claims records:** While the insurers have been maintaining the register of the policies and claims in compliance with the provisions of the Insurance Act, 1938, the amendments to the Insurance Act have facilitated maintenance of the same in electronic form also. With the advancement in technology, the maintenance of records in electronic forms has become both easy and cost effective. The electronic maintenance of records also facilitates easy retrieval, round the clock accessibility and supports the commitment of the insurers to service the policy holders in the best possible manner.

In view of the benefits described above, the Authority intends to support the electronic maintenance of policy and claims records. While, these records are maintained in an electronic manner, it is important that issues like accessibility, security, archival, disaster recovery and business continuity are addressed in a comprehensive manner. And, to effectively ensure the same, a board approved policy dealing with all similar issues should be devised and implemented.

Keeping in view the points stated above, the Authority proposes to issue the following regulations:

## **DRAFT OF MAINTENANCE OF INSURANCE RECORDS REGULATIONS, 2015**

*In exercise of the powers conferred by section 14 (1) read with clause (ga) of section 114A of “The Insurance Act, 1938” as modified from time to time 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 maintenance of records:*

### **1. Short title and commencement**

- (1) These Regulations may be called the Insurance Regulatory and Development Authority of India (Maintenance of Insurance Records) Regulations, 2015.
- (2) They shall come into force from the date of their publication in the Official Gazette.

### **2. Definitions**

In these regulations, unless the context otherwise requires:-

- (a) “Act” means the Insurance Act, 1938 (4 of 1938) as amended from time to time;
- (b) “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;

### **3. Maintenance of Policy and Claims records**

- (1) Every insurer shall maintain a record of every policy issued and a record of every claim made as per section 14 (1) (a) and 14 (1) (b) of the Act.
- (2) Record of such policies and claims can be either in physical form or electronic form or in both.
- (3) The system of maintenance and storage of the records referred in sub-regulation (2) and (3) of regulation 3 shall be as per policy framed by the insurers and approved by their board.
- (4) With regard to the storage of records in electronic form, the policy referred in sub-regulation (3) of regulation 3 shall inter alia deal with
  - i. Processing and electronic maintenance of records
  - ii. Privacy and security of policyholder data
  - iii. Handling Virus, Vulnerability issues
  - iv. Security of Hardware and Software
  - v. Backups, Disaster Recovery and Business Continuity
  - vi. Data Archival

vii. Matters related to regulatory compliance and day to day business requirements of the insurer.

- (5) Such policy of the Board referred in sub-regulation (3) and (4) of regulation 3 shall also include a detailed plan to review the implementation of the maintenance and storage of records. Such review will be overseen by the Risk Management Committee of the Board of the Insurers.
- (6) Every policy of the Board referred in sub-regulation (3) and (4) of regulation 3 shall be reviewed once in a year but not later than 90 days from the expiry of the financial year.
- (7) The records including that held in electronic mode pertaining to all the policies issued in India shall be held in centres located and maintained in India only.
- (8) Every insurer shall ensure that the records held are organized in such a manner as may be required for business use and easy retrieval so as to support policyholder service and compliance with the various laws, regulations, circulars, guidelines and such other regulatory framework in force from time to time.

#### **4. Filing of policy on maintenance and storage of electronic records:**

- (1) Every insurer shall within 90 days from the date of notification of these regulations, file with the Authority, their board approved policy on maintenance and storage of such records.
- (2) Where such a policy undergoes change, the same shall be filed with the Authority, within 30 days from the date of such revision by the board.

#### **5. Power of the Authority to issue clarifications etc:**

- (1) 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.