

Guidelines on Insurance repositories and electronic issuance of insurance policies

1. Objective and Utilization of Insurance Repository

The objective of creating an insurance repository is to provide policyholders a facility to keep insurance policies in electronic form and to undertake changes, modifications and revisions in the insurance policy with speed and accuracy in order to bring about efficiency, transparency and cost reduction in the issuance and maintenance of insurance policies.

2. Definitions - In these guidelines, unless the context otherwise requires,

- (a) 'Act' means the Insurance Regulatory and Development Authority Act 1999 (41 of 1999);
- (b) "approved person" means an entity appointed by an insurance repository as its agent to perform certain assigned tasks in relation to and incidental to the functions of insurance repository.
- (c) 'Authority' means the Insurance Regulatory and Development Authority established under sub-section (1) of Section 3 of the Act;
- (d) "e-Insurance Account" is the portfolio of insurance policies of a policyholder held in an electronic form with an insurance repository.
- (e) "e-Insurance policy" means a policy document which is an evidence of insurance contract issued in an electronic form through an Insurance repository.
- (f) "Insurance Repository" means a company formed and registered under the Companies Act, 1956 (1 of 1956) and which has been granted a certificate of registration under these Guidelines by Insurance Regulatory and Development Authority for maintaining a data of insurance policies in electronic form on behalf of insurers including the history of transactions during the term of policy.
- (g) Words and expressions used and not defined in these Guidelines but defined in the Insurance Act, 1938 (4 of 1938) or the Life Insurance Corporation Act, 1956 or the General Insurance Business Nationalization Act, 1972 (57 of 1972) or Insurance Regulatory and Development Authority Act,

1999 (41 of 1999) and rules made there under shall have the meanings respectively assigned to them in those Acts or rules as the case may be.

3. Exclusive maintenance with insurance repositories

(1) Where an insurer issues and maintains 'e insurance policies', he shall mandatorily do so by utilizing the services of an insurance repository granted certificate of registration by the Authority under these Guidelines. All such insurance policies in electronic form shall be treated as valid insurance contracts.

(2) Every insurer shall enter into service level agreements with all insurance repositories that have been granted a certificate of registration by the Authority for issuing and maintenance of e insurance policies.

4. Eligibility norms for setting up an Insurance Repository

(1) The Authority shall not consider an application for insurance repository, unless the applicant belongs to one of the following categories, namely:-

- a. a public limited company registered under the Companies Act, 1956 with a minimum share capital of Rs 5 lakhs;
- b. a public financial institution as defined in section 4A of the Companies Act, 1956 (1 of 1956);
- c. a wholly owned subsidiary of an existing depository registered with Securities and Exchange Board of India under the Depositories Act, 1996
- d. a company fully promoted by either life insurance council or general insurance council or by both together or jointly with any of the above.
- e. any other institution permitted by the Authority

(2) One of the main objects of the company shall be to act as an insurance repository of "e insurance policies" issued by insurers and to undertake their changes, modifications and revisions based on such requests by policyholders.

(3) The Net Worth of the applicant, on grant of in-principle approval by the Authority, shall be at least Rs 25 Crores before issuance of certificate of registration to it.

(4) The applicant or its sponsors shall have demonstrable competence and experience of similar activities, volumes and technology.

(5) The applicant or its sponsors shall have proven financial and organizational strength to undertake and execute the project.

(6) The applicant or its sponsors shall have no conflict of interest with insurance business.

- (7) The insurance activities to be undertaken by the applicant shall be under the sole supervision of the Authority with no conflict with the supervisory role of other regulatory bodies.
- (8) The applicant shall have no foreign direct investment.
- (9) Any transfer of shares exceeding 5% of the paid up capital in the applicant company shall require prior approval of the Authority.
- (10) The insurance repository or its approved person shall not be engaged in insurance solicitation or in any of insurance related activities and services. Provided that any IRDA licensed entity may act as approved person.
- (11) To avoid a potential conflict of interest no insurance company shall hold more than 10% of the paid-up capital of the applicant company or hold any managerial position in the applicant company.

5. Application for grant of certificate of registration:

- (1) The Authority shall have power to limit the number of insurance repositories and shall call for “Request for Proposals” as and when deemed necessary.
- (2) On calling for ‘*Request for Proposal*’ an application for the grant of a certificate of registration as an “*insurance repository*” shall be made to the Authority in Form – Insurance Repository -1. It shall be accompanied by a non refundable processing fee of Rs 10,000/- drawn on IRDA, Hyderabad.
- (3) No person shall act as an insurance repository unless it obtains a certificate of registration from the Authority and no insurer shall engage an insurance repository who has not obtained a certification of registration from the Authority.
- (4) The power of the Authority to grant the certificate of registration shall be final.
- (5) The certificate of registration shall be renewed every year on payment of an annual fee of Rs 20,000 in favour of IRDA payable at Hyderabad unless the Authority decides, either to suspend or cancel it, as provided in these Guidelines.

6. Application to conform to the requirements:

- (1) An application in Form – Insurance Repository -1, which is not complete in all respects and does not conform to the instructions specified therein and these guidelines, shall be rejected
- (2) Provided that before rejecting any such application, the applicant shall be given an opportunity of being heard.

7. Furnishing of information, clarification and personal representation:

- (1) The Authority may require the applicant to furnish such further information or clarification regarding matters relevant to the activity of the insurance repository for consideration of the application.
- (2) The applicant shall, if so required, appear before the Authority for personal representation, in connection with the grant of certificate of registration.

8. Consideration of application for grant of certificate of registration

- (1) Every application received by the Authority pursuant to these Guidelines shall be considered by it within a reasonable time and its decision thereon communicated to the applicant.

9. In Principle approval

- (1) On considering the application under Clause 6, with reference to the eligibility norms specified in Clause 4, the Authority shall accord an in-principle approval for acting as insurance repository. On receiving in-principle approval the insurance repository shall put in place the following and submit a written affidavit in support of the same that;
 - (a) the automatic data processing systems of the insurance repository have been protected against unauthorised access, alteration, destruction, disclosure or dissemination of records and data;
 - (b) the network through which electronic means of communications are established amongst the insurance repository, its approved persons, insurers and policyholders is secure against unauthorized entry or access;
 - (c) the insurance repository has established standard transmission and encryption formats and non-repudiation safe guards for electronic communications of data amongst the insurance repository, its approved persons, insurers and policyholders;
 - (d) the physical or electronic access to the premises, facilities, automatic data processing systems, data storage sites and facilities including back up sites and facilities and to the electronic data communication network connecting the insurance repository, its approved persons, insurers and policyholders is controlled, monitored and recorded;
 - (e) the insurance repository has a detailed operations manual explaining all aspects of its functioning, including the interface and method of transmission of information amongst the insurance repository, its approved persons, insurers and policyholders;

- (f) the insurance repository has established adequate procedures and facilities to ensure that its records are protected against loss or destruction and arrangements have been made for maintaining back up facilities at a location different from the existing place;
- (g) the insurance repository has made adequate arrangements including insurance for indemnifying the policyholders and insurers for any loss that may be caused by the wrongful act, negligence or default of the insurance repository or its approved person or of any employee of the insurance repository or its approved persons;
- (h) the procedures are in place to maintain electronic means of communication with all its insurers, its approved persons, policyholders and with other insurance repositories.
- (i) any access by an insurer to e-insurance account of a policyholder shall show the list of only those individual insurance policies that were issued by it.
- (j) it has a mechanism in place to ensure that the interests of the persons buying insurance policies held in the insurance repository are adequately protected.

10. Grant of certificate of registration

(1) After considering the application under Clause 6, with reference to the eligibility norms specified in Clause 4 and affidavit filed under Clause 9, the Authority if it is satisfied that the company is eligible to act as an insurance repository, may grant it a certificate of registration in Form – Insurance Repository - 2 subject to the following, namely: -

- (a) the insurance repository shall pay the registration fee of Rs 50,000 drawn in favour of IRDA, Hyderabad within fifteen days of receipt of intimation from the Authority.
- (b) the insurance repository shall comply with the provisions of the Insurance Act, 1938, the IRDA Act, 1999, the Regulations made there under, guidelines and circulars issued by IRDA from time to time;
- (c) the insurance repository shall carry on insurance activity as given in the main objects of the company.

11. Physical verification

The Authority shall, before granting a certificate of registration under these Guidelines make a physical verification of the infrastructure facilities and systems established by the insurance repository or those of its sponsors as stated at Clause 9 above.

12. Procedure where certificate of registration is not granted

(1) Where an application for the grant of certificate of registration does not satisfy the requirements specified in Clause 6, the Authority shall reject the application after giving the applicant an opportunity of being heard.

(2) The decision of the Authority to reject the application shall be communicated to the applicant in writing within thirty days of such decision, stating therein the grounds on which the application has been rejected.

13. Internal monitoring, review and evaluation of systems and controls

(1) An insurance repository granted certification of registration shall ensure:

(a) adequate internal mechanisms for reviewing, monitoring and evaluating its controls, systems, procedures and safeguards.

(b) that the integrity of the automatic data processing systems is maintained at all times and take all precautions necessary to ensure that the records are not lost, destroyed or tampered with and ensure that sufficient back up of records is available at all times at a different place.

14. Review of operations of the insurance repository

(1) A review of the controls, systems, procedures and safeguards put in place by the insurance repository stated in Clause 15, shall be carried out, atleast once a year, by an external audit firm approved by the Authority. The fees of the external audit firm shall be borne by the insurance repository.

(2) The report of the external audit firm shall be submitted to the Authority and shared with the insurers within 15 days of conclusion of the audit.

(3) Where any insurer finds inadequacies in respect of the above, the same shall be notified to the Authority immediately.

15. Fit and Proper Criteria

(1) The Chief Executive Officer of the insurance repository shall be appointed / re-appointed with prior approval of the Authority. Provided that in case of an existing company where the insurance repository

activity is conducted through the SBU (Strategic Business Unit) or separate line of business , the head of such unit shall be appointed / re-appointed with the prior approval of the Authority.

(2) The Authority may direct the Insurance Repository to induct a Director into its board.

Provided, the Authority may give an opportunity of being heard before giving such directions.

(3) Where in the interest of policyholders or insurance business, the Authority, considers necessary directing any of its senior employees, directors or CEO to vacate their office, it may do so, which shall be binding on the insurance repository.

(4) The Chief Executive Officer shall not be:

- i. a person of unsound mind;
- ii. an undischarged insolvent;
- iii. a person who had been subjected to a term of imprisonment for a period of three months by a court of competent jurisdiction on grounds of misconduct, misfeasance, forgery etc.

(5) The Chief Executive Officer shall possess a degree in arts or science or commerce or management or any other degree specified by the Authority.

(6) The Chief Executive Officer shall also possess experience in the area of IT or insurance.

(7) In case of an existing company where the insurance repository activity is conducted through the SBU (Strategic Business Unit) or separate line of business, the conditions stipulated above shall be applicable to the head of such unit.

16. Appointment of compliance officer

(1) An insurance repository shall appoint a compliance officer who shall be responsible for monitoring the compliance of the Act, Regulations, guidelines, circulars instructions, etc., issued by the Authority or the Central Government and for redressal of policyholder's grievances.

(2) The compliance officer shall immediately and independently report to the Board any non-compliance observed by him.

17. Maintenance of Records by Insurance Repositories

(1) Every insurance repository shall maintain the following electronic records and documents, insurer wise, namely: -

- (a) Records of e-insurance accounts with an unique number;

- (b) records of e insurance policies issued and records of e insurance policies converted back into physical form;
- (c) the date of assignment in insurance policies issued in electronic form;
- (d) a register and an index of policyholders and their nominees / assignees / beneficiaries in the respective life insurance policies;
- (e) record of instructions received from and sent to policyholders and insurers;
- (f) History of claim data;
- (g) such other records as may be specified by the Authority from time to time for carrying on the activities as an insurance repository.

(2) Every insurance repository shall intimate the Authority the place where the records, documents and their back up facilities are maintained.

(3) Subject to the provisions of any other law, the insurance repository shall preserve records and documents for a minimum period of ten years from the date of termination or assignment of insurance policies from its records.

18. Systems to maintain privacy of data

The insurance repository before commencing the operations shall put in place measures to safeguard the privacy of the data maintained and adequate systems to prevent manipulation of records and transactions.

19. Insurance Policies eligible to hold in electronic form

(1) The following classes of insurance policies are eligible to be held in the electronic form;

- (a) All individual life insurance policies including health and pension policies including those issued to groups issued by registered life insurance companies with IRDA
- (b) All general insurance policies held by individuals including groups policies
- (c) Any other class of insurance policies that may be notified by IRDA under these Guidelines from time to time

20. Norms for opening of e Insurance Account:

(1) In order to hold e insurance policies a separate and distinct e-insurance account shall be opened with insurance repositories for keeping insurance policies in electronic form.

(a) A eIA shall be opened by a person who has insurance policies on his own or who proposes to take insurance policies

(b) A eIA can be opened for a minor by his legal and natural guardian, who proposes the life of minor for taking a life insurance policy

(2) Where an e-Insurance Account is opened directly by the insurance repository or through its approved person, the insurance repository shall be responsible for carrying out the KYC and due diligence before opening an e-Insurance Account. The insurance repository shall inform the particulars of e-insurance account and modus operandi of its operation to the applicant within 7 days from the date of receipt of the application. Where an insurance repository calls for any further information for considering the application the same shall be forwarded to the applicant within 3 working days from the date of receipt of the application.

(i) KYC Norms:

(c) ID Proof: Aadhaar card or Permanent Account Number (PAN) card shall be the basis on which an e Insurance Account can be opened irrespective of the amount of premium. Number of Aadhaar or PAN card along with photograph of the applicant may be accepted as Proof of Identity. In this regard, repositories shall:-

- I. Put necessary systems in place so that the databases of the policyholders and their transactions are linked to the Aadhaar details of the policyholder.
- II. Build necessary infrastructure to enable accessibility and query based on PAN / Aadhaar thereby enabling retrieval of all the details of the policyholders.
- III. Cross-check the aforesaid details collected from the policyholders with the details on the relevant websites of the UIDAI or Income Tax Department as the case may be.
- IV. Where a cross checking with respective websites could not be carried out, Collect copies of Aadhaar details or PAN cards of all policyholders.

(d) Address Proof: A copy of any one of the following documents shall be accepted as proof of address:

- I. Ration Card
- II. Passport
- III. Aadhar letter
- IV. Voter ID Card
- V. Driving license

VI. Bank Passbook (not more than 6 months old)

VII. Verified copies of

- a) Electricity bills (not more than 6 months old),
- b) Residence Telephone bills (not more than 6 months old) and
- c) Registered Lease and License agreement / Agreement for sale.

VIII. Self-declaration by High Court and Supreme Court judges, giving the new address in respect of their own accounts.

IX. Identity card/document with address, issued by

- a) Central/State Government and its Departments,
- b) Statutory/Regulatory Authorities,
- c) Public Sector Undertakings,
- d) Scheduled Commercial Banks,
- e) Public Financial Institutions,
- f) Colleges affiliated to universities; and
- g) Professional Bodies such as ICAI, ICWAI, Bar Council etc. to their Members.

(e) An insurance repository shall ensure that all documents pertaining to proof of identity and proof of address are collected from all the policyholders before opening e-Insurance Account. Submission of the aforesaid documents is the minimum requirement for opening an e-Insurance Account. Insurance Repositories shall verify the copy of the Address Proof with the original before accepting the same as valid. While opening an e-Insurance Account, an insurance repository shall exercise due diligence while establishing the identity of the person to ensure the safety and integrity of the insurance repository system.

(2) Where an e-Insurance Account is opened through an Insurer, it shall be done only on the request of the policyholder:

- (a) An insurance repository shall open an e-Insurance Account on the request of the policyholder and recommendations of an insurer who obtains the desired KYC documents in respect thereof. The copy of the ID proof and address proof shall nevertheless be documented by the insurance repository as aforesaid.
- (b) Opening up of an e Insurance Account for its policyholder with a particular Insurance Repository shall be the prerogative of the policyholder.

(c) Every proposal for e insurance policy or an application for e-Insurance Account will carry a declaration *“I would like to receive my insurance policy and all the information related to the proposed insurance policy through insurance repository”* in English and /or the local language to be signed by the e-insurance account holder.

(3) No KYC need be carried out in respect of Id proof and address proof for the same individual for the purpose of issuing a new insurance policy where e-Insurance Account is in existence.

(4) KYC for change of address in respect of e-Insurance Account

(a) A policyholder can inform either the insurer or the insurance repository about the change of address and the same shall be applicable to all policies issued to that particular policyholder.

(b) While effecting a change of address at the request of a policyholder an insurance repository shall document the KYC requirements stated at Clause 20 and shall carry out the required due diligence detailed therein.

i. The change of address affected to the e-Insurance Account shall be made applicable to all insurance policies held in respect of that particular e-Insurance Account.

ii. The insurance repository upon effecting the change of address shall inform the same, within 3 working days, to the respective insurance companies for updating its record.

iii. The insurance repository shall inform the policyholder and insurer about the change in address within 3 working days of receipt of request.

(c) In case the address in the e-insurance account is different from the address mentioned in the policy application form, the insurer shall initiate a change in the address in the e-insurance account by carrying out the KYC as per the aforesaid norms.

(5) Communication to the policyholder

(a) Particulars of e-Insurance Account and modus operandi of its operation, the login ID and the password shall be forwarded in hard copy.

(b) The policyholder shall be informed to quote the unique eIA account number in all proposals for insurance.

(c) The statement of account giving the details of all policies held whenever additional insurance is taken or a policy matures/ surrendered/ lapses shall be provided to the e-insurance account holder.

(d) If any loss occurs to the policyholder due to the default by either the insurer or the insurance repository, the same shall be borne by the insurers. However the insurance repository shall be liable to compensate the insurer for any loss attributable to them.

(6) Authorised Representative of e Insurance Account (eIA)

(a) A repository shall require a policyholder who is opening an eIA to appoint an Authorised Representative who shall be entitled to access the account in the event of his demise. The policyholder shall be informed that Authorised Representative appointed would be entitled to access the account in the event of demise of the policyholder or in his incapacity to operate the e Insurance Account. The policyholder shall be advised that in the event of the Authorised Representative appointed pre-deceasing the policyholder, the policyholder shall appoint another Authorised Representative in the place of deceased Authorised Representative. The policyholder shall also be informed that he/she will have right to change the Authorised Representative during the term of e Insurance Account. The repository shall inform the policyholder that the Authorised Representative appointed by him/her is entitled only to access the e Insurance Account to know the portfolio of insurance policies and the nominee of the respective life / insurance policies of the e Insurance Account are entitled to the underlying benefits in accordance to the extant legal provisions. At the option of the policyholder, the repository may inform the Authorised Representative about his/her appointment as an Authorised Representative of the eIA.

(i) the incapacity referred herein is the incapacity due to mentally unsound means or terminally ill as certified by a medical practitioner.

(ii) where an Authorised Representative seeks to operate the eIA on the grounds of incapacity of the policyholder when the policyholder is alive, the repository shall carry out the due diligence either independently or through any of the participating insurers of that particular eIA before submitting the enabling information to the Authorised Representative.

(iii) where an Authorised Representative seeks to operate the eIA on the demise of a policyholder, the repository shall inform the enabling information to the Authorised Representative within 1 working day after obtaining the proof of death of the policyholder. Where a repository reserves the right to examine the veracity of the documentary evidence submitted by the Authorised Representative, the same shall be completed within 7 working days before that the Authorised Representative shall be forwarded an acknowledgement of the receipt of the information regarding the same.

(iv) while recording the information of Authorised Representative the repository shall also obtain the address of the Authorised Representative for future correspondence.

(v) On receipt of request from the Authorised Representative to operate an eIA, the repository shall immediately inform all the participating insurers of that particular eIA.

(vi) Where an eIA is allowed to be operated by an Authorized Representative of a policyholder, the repository shall block the eIA for any further transactions. Every transaction shall be routed through the respective insurers.

(7) Avoidance of Multiple e Insurance Account

(i) Every insurer or an insurance repository shall put in place measures to avoid opening of multiple e-Insurance account by the same policyholders. Before opening the e-insurance account every repository shall carry out checks to avoid the duplication by the same policyholder.

(ii) Insurers shall also carry out the checks in their systems, before forwarding the application for opening the e-insurance account to the insurance repository to avoid the multiplicity of an e-insurance account to the same policyholder. No separate eIA shall be opened either with the same repository or with a different repository when an eIA is already in existence.

21. Operation of minor's e Insurance account

The e Insurance Account can be operated by a natural guardian or the legal guardian or an appointee appointed in accordance to the provisions of Insurance Act.

22. Agreement between Insurers and Insurance Repository

(1) An Insurer shall enter into an agreement with one or more insurance repositories for maintaining the electronic insurance policies of their respective policyholders.

(2) An agreement referred herein shall be in such form as may be specified by the Authority, if any, from time to time.

(3) A copy of the agreement entered into between the insurance repository and the insurer or any modification thereof, shall be filed, within 15 days of its execution or modification, as the case may be, with the Authority.

(4) The parties to the agreement shall agree between themselves on the scope of the contract and the facilities that have to be provided. Such an agreement shall also prescribe the remuneration that may be payable to the insurance repository by the insurance company.

23. Approved Persons of Insurance Repositories

- (1) In order to discharge the services and obligations, an insurance repository may appoint any number of approved persons to represent it before policyholders, subject to prior permission of IRDA. In its application for permission to appoint approved persons, the insurance repository shall specifically spell out the duties and obligations of these approved persons.
- (2) The insurance repository shall remain liable to the omissions and commissions of its approved persons while attending to the request of the policyholders.
- (3) An approved person shall not be allowed to access the e Insurance Accounts.
- (4) The insurance repository may also appoint corporate agents and insurance brokers licensed under the IRDA's (Corporate Agents) Regulations, 2002 and IRDA's (Insurance Brokers) Regulations, 2002 respectively as their approved persons.
- (5) To avoid a possible conflict of interest, the insurance repository shall restrict the services of corporate agents and insurance brokers so appointed as approved persons to only those policies that are procured by them.

24. Services of Insurance Repositories

- (1) A policyholder who opens an e Insurance Account may avail the services of any insurance repositories to which Certificate of Registration is issued by Authority. An insurance repository shall give an undertaking to the policyholder regarding its duties and responsibilities regarding the e Insurance Account and the insurance policies held under the e Insurance Account.
- (2) An insurance repository shall make available provision in its systems to enable the policyholder to pay the premiums online through the portal of the insurance repository. Wherever possible, systems shall allow crediting directly the designated account of the insurer for this purpose. If otherwise, the premiums collected shall be transferred to the designated bank account of the insurer in accordance to the provisions of Section 64 VB of the Act.
- (3) Every insurance policy held in e-Insurance Account shall be identified with a unique policy number as allotted by the insurer.
- (4) In addition to the offices of insurance companies, an insurance repository shall also be a servicing center to the extent of insurance repository related services in respect of e Insurance Policies held in the

eIA. An insurer, at its option, may delegate certain pre determined policy services subject to these Guidelines.

(5) An insurance repository shall acknowledge all the servicing requests received from the policyholder.

(6) Policy Services that are delegated by an insurance company shall be effectively rendered by the insurance repository within the specified time line. A communication shall be sent to the policyholder soon after the policy service.

(7) In respect of policy services that are to be discharged by insurance company, the insurance repository shall transfer the requests to the respective insurers on a real time basis.

(8) Where a policy service warrants a change in the particulars of eIA, like change of address, change of name etc. the insurance repository shall inform all the respective insurers, with reference to the respective policy numbers, which are participating in that particular eIA.

(9) Every insurance repository shall submit a statement of insurance policies held in the electronic form to every policyholder to his address at least once in a year. The statement at minimum shall contain the insurance policy number, the type / nature of insurance policy and the insurer by whom the policy is issued. The same shall be forwarded at least once in a year to the postal address submitted by the policyholder.

(10) The insurance repository shall provide a link to the detailed terms and conditions the policy contract in respect of insurance policy holdings of e Insurance Account.

25. Insurance Repositories to indemnify loss in certain cases

(1) Without prejudice to the provisions of any other law for the time being in force, any loss caused to the policyholders due to the negligence of the insurance repository or its approved person, the insurance repository shall indemnify such policyholder

(2) Every insurance repository shall take out and maintain and continue to maintain a professional indemnity insurance cover for an adequate amount throughout the validity period of Certificate of Registration.

(3) The insurance cover shall indemnify an insurance repository against

(a) any error, omission and negligence on its part or on the part of its approved persons and / or their respective employees and directors;

(b) any loss caused to a policyholder for which the insurance repository is responsible in consequence of any financial or fraudulent act or omission;

- (c) any loss caused to a policyholder or to a an insurer as a consequence of breakdown of systems.

26. Grievances Redressal Cell of Insurance Repositories

(1) An Insurance Repository shall have in place a policyholders' grievances cell for resolution of the policyholders' grievances related to insurance repository services. The policyholders' grievances cell of the insurance repository shall address the grievances of policyholders in accordance with the time frame specified by Authority from time to time.

(2) The grievances registered with the insurance repositories shall be managed through the Integrated Grievance Management System of the Authority for enabling sharing of grievances that get registered by the insurance repository for the respective insurers.

27. Insurance Repositories to return the electronic insurance policy data under certain circumstances

(1) Where an insurance repository surrenders its registration either on its own or by an order of the Authority, or where the Authority suspends the registration of the insurance repository in accordance with the provisions of these Guidelines, the insurance repository upon such surrender or suspension as the case may be shall handover the entire data of insurance policy records another insurance repository appointed by the Authority either by means of electronic mode or by delivery of floppies or discs. No copy of the data or replication of the records shall be maintained by the insurance repository thereafter.

(2) In discharge of the obligation laid here above, an insurance repository shall obtain a discharge summary from the respective insurer in support of having handed over the insurance policy data to such insurance repository appointed by the Authority.

(3) Where by order of Authority or otherwise, an insurance repository, hands over the insurance policy data, the appointed insurance repository shall carry out or cause the audit in to the electronic data of the transferor insurance repository and shall completely satisfy the full and complete handover of the data before submitting the discharge summary to that insurance repository.

28. Obligations of Insurers

- (1) Every Insurer shall mention in the policy records and claim records maintained in accordance to Section 14 of the Act, the form of the policy document and the name of the insurance repository who is keeping the same.
- (2) In order to comply with the provisions of Section (14) of Insurance Act, 1938, the policies maintained in the data of insurance repository shall simultaneously form part of the record of policies / claims maintained by insurers.
- (3) Every insurer shall, at least, once in a quarter shall reconcile the data of insurance policies held by the insurance repository with those maintained in its policy records.
- (4) The Insurer may delegate certain policy services to the insurance repository and where delegated shall forward the framework of the policy services including the specific timelines, to the insurance repositories for effective policy servicing.
- (5) In respect of policy services that are not permitted to be delegated, the insurers shall on affecting the policy service shall inform the insurance repository to carry out the changes or for updating the records, if any.
- (6) It shall be the duty of the insurer to update information in the insurance repository within reasonable time for the transaction processed by them.
- (8) The Insurer shall forward the terms and conditions that form part of an insurance product and policy to the insurance repository for uploading the same in its portal.

29. Issuance of electronic Insurance Policies

- (1) At the option of a policyholder, either as part of proposal form or through online request, an insurance company shall issue the insurance policies in the electronic form.
 - (a) Where a proposal is submitted for an e Insurance policy;
 - i. The insurer shall expeditiously process the same in accordance to its underwriting policy and in compliance with regulations and guidelines of the Authority.
 - ii. The contents of the policy contracts shall be forwarded to the concerned insurance repository within 2 working days from the date of acceptance of the risk.
 - iii. Soon after the acceptance of the risk, the policyholder shall be communicated about the status of the proposal / policy and that the policy would be updated in the relevant portal of the insurance repository within two working days.

- iv. The policyholder shall also be informed that for all contractual obligations with regard to the underlying insurance policy the said communication is conclusive proof in support of the insurance contract and that the uploading requirement of insurance policy in electronic form is only a procedural formality.
- v. On receipt of the policy contents in the electronic form from the insurance company the insurance repository shall upload the same within 2 working days.
- vi. Immediately after uploading the e Insurance Policy, the insurance repository shall communicate the policyholder about the same.
- vii. While forwarding the communication, the policyholder shall be informed of option to exercise free look within 15 days in accordance to Regulation 6 of IRDA (Protection of Policyholders' Interests) Regulations, 2002 for life insurance policies and for general insurance policies, if applicable.

(b) Conversion of existing policies into electronic form

- i. Where any person who voluntarily consents to avail the services of insurance repositories as mentioned above shall submit a request letter and all necessary documents which the insurance company may seek including Aadhaar letter/PAN card details.
- ii. The insurer, on receipt of the request from the policyholder as referred above shall substitute in its policy records the name of the insurance repository as a keeper in respect of that insurance policy in the electronic form.
- iii. Within 3 working days, the insurer shall forward the application form along with other required documents for opening an e Insurance Account to the concerned insurance repository.
- iv. An insurance repository shall, on receipt of the above process the same and shall open an e Insurance Account within 7 working days and shall communicate the same to the Insurer. Where an insurance repository cannot open an e insurance account for want of any additional information / document, it shall communicate the same to the insurer within 5 working days from the date of receipt of the application form.
- v. Where an insurance repository opens an e-insurance account in accordance to the above, shall inform the fact of the same to the insurer within 2 working days from the date of opening the same.
- vi. Insurer soon after receipt of information of opening of eIA shall, within 2 working days forward the contents of insurance policy document to the insurance repository.
- vii. Within 2 working days from the date of receipt of the above information, the insurance repository shall register the same in its record and communicate to the policy holder.

(2) Insurance companies shall send the hard copy of insurance information sheet containing the basic details of insurance policy to the address stated therein to the policyholder.

(3) Insurance Repositories shall also communicate the particulars of insurance contract that is uploaded to their e insurance account by e-mail.

(4) By taking prior consent of the policyholder, the insurance repositories may voluntarily send messages by SMS.

(5) Insurers shall specify the procedures available for converting the e Insurance Policies into the physical policy documents and the applicable charges, if any.

30. Inter Insurance Repository Transfers:

(1) In case of inter insurance repository transfers of insurance policies the same shall be affected through the respective insurers at the option of policyholder.

(2) On issuance of notice by an insurance company an insurance repository shall transfer the data of respective insurance policies and the transaction history data of that particular policy to the insurance company within one working day.

(3) On receipt of the data the insurer shall forward the same to the other insurance repository to whom the same is desired to be transferred within one working day.

(4) However, in order to reduce the overhead costs, insurers shall minimize the need for opening up of e Insurance Account with more than one insurance repository, if an eIA is already in existence.

31. Assignment of Life Insurance Policies held in an insurance repository:

(1) Subject to the provisions of insurance act and such Regulations, guidelines as may be made in this behalf from time to time, a policyholder may assign a policy of life insurance through an insurance repository.

(2) An Insurer on receipt of intimation of Assignment from the policyholder shall register the same in its record and intimate it to the insurance repository and such insurance repository shall thereupon make a note of such assignment in its records accordingly.

(3) Any entry in the records of a repository under Guidelines (2) above shall be an evidence of fact of assignment.

(4) Where an assignment is the conditional assignment the insurance policy shall be allowed to be operated as directed by the insurer.

(5) In case of any absolute assignment, at the option of an assignee, an insurer may issue a physical policy document or transfer the policy to the electronic insurance account of the assignee subject to such terms and conditions and applicable charges as the case may be.

(6) In order to comply with the requirements of the provisions of Insurance Act the policyholder the insurance repositories shall put in place procedures for obtaining the e-endorsement by a policyholder before registering the assignment.

32. Payment of policy benefits

The Insurer shall remain liable for settlement of policy benefits in respect of the underlying e Insurance policies. However, on receipt of the required documents, the insurer may delegate the payment of policy benefits to the insurance repositories.

33. Electronic facility

Insurance Repositories / Insurers shall mandatorily use electronic facility for payment of cash benefits to the policyholders wherever the system is available. If electronic facility is not available, insurance repositories / Insurers may use crossed cheques for this purpose. In order to avoid fraudulent encashment of cash benefits, all repositories / Insurers shall print the bank account details, furnished by the policyholders, on the payment instruments

34. Rights of a policyholder to opt out of insurance repository in respect of any insurance policy

(1) If a policyholder seeks to opt out of an insurance repository in respect of any insurance policy he shall inform the respective insurer accordingly who in turn shall intimate the same to the insurance repository.

(2) The insurance repository on receipt of the above intimation shall make necessary changes in its records and shall inform the insurer.

(3) Every insurer shall, within 5 days of the receipt of intimation from the insurance repository and on fulfillment of such conditions and on payment of such fees as agreed, issue the hard copy of the policy document to the policyholder.

Every absolute assignee registered by the insurer and recorded by the insurance repository shall have the same rights as that of a policyholder for this purpose.

35. Powers of Authority to call for information, carry out inspection and enquiry

(1) The Authority, on being satisfied that it is necessary in the public interest or in the interest of policyholders so to do, may, by order in writing,-

(i) call upon the insurance repository to furnish in writing such information relating to the insurance policies held as it may require; or

(ii) authorise any person to make an enquiry or inspection in relation to the affairs of the insurance repository or its approved persons, who shall submit a report of such enquiry or inspection to it within such period as may be specified in the order

(2) The Authority may appoint one or more persons as inspecting officer to undertake inspection of the books of accounts, records, documents and infrastructure, systems and procedures, or to investigate the affairs of a insurance repository or its approved person

(3) Before ordering an inspection or investigation under these Guidelines the Authority shall give not less than 10 days notice to the insurance repository or its approved person.

(4) Notwithstanding anything contained in sub-clause (3) above, where the Authority is satisfied that in the interest of the policyholders no such notice should be given, it may, by an order direct that such inspection be taken up without such notice.

(5) During the course of an inspection or investigation, the insurance repository or its approved person against whom the inspection or investigation is being carried out shall be bound to discharge his obligation as provided in these Guidelines

(i) Every director, manager, partner, secretary, officer or employee of the insurance repository or its approved persons shall on demand produce before the person making the enquiry or inspection all information or such records and other documents in his custody having a bearing on the subject matter of such enquiry or inspection.

(ii) The insurance repository or its approved person shall allow the inspecting officer to have reasonable access to the premises occupied by him or by any other person on his behalf and also extend reasonable facility for examining any books, records, documents and computer data in the possession of the insurance repository or its approved person or such other person and also provide copies of documents or other materials which, in the opinion of the inspecting officer are relevant for the purposes of the inspection.

(iii) The inspecting officer, in the course of inspection or investigation, shall be entitled to examine or to record the statements of any director, officer or employee of the insurance repository or its approved person.

36. Power of Authority to appoint an auditor

(1) The Authority shall have the power to appoint an auditor to inspect or investigate, into the books of accounts, records, documents, infrastructures, systems and procedures or affairs of a insurance repository or its approved person:

Provided that the auditor so appointed shall have the same powers of the inspecting or investigating officer, and the obligation of the insurance repository or its approved person and their respective directors, officers and employees, as the case may be, shall be applicable to the inspection or investigation under these Guidelines.

37. Authority to recover the expenses

(1) The Authority shall be entitled to recover from the insurance repository, such expenses including fees paid to the auditors as may be incurred by it for the purposes of inspecting or investigating the books of accounts, records, documents, infrastructures, systems and procedures of the insurance repository or its approved person as the case may be.

38. Power of Authority to give directions in certain cases

(1) If after making or causing to be made an enquiry or inspection, the Authority is satisfied that it is necessary-

(i) in the interest of policyholders, or orderly development of insurance business; or

(ii) to prevent the affairs of any repository or its approved person being conducted in the manner detrimental to the interests of policyholders or insurance business, it may issue such directions;

(a) to any repository or direct the repository to direct its approved person, as may be appropriate in the interest of policyholders or the insurance business.

(b) The directions issued in this regard shall be binding on insurance repositories.

39. Penalty for failure to furnish information, return, etc.

(1) Any insurance repository, who is required under these Guidelines or any guidelines, circulars issued there under,-

(a) to furnish any information, document, books, returns or report to the Authority, fails to furnish the same, it shall be liable to a penalty upto one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less for each such failure;

(b) to file any return or furnish any information, books or other documents within the time specified there for, fails to file return or furnish the same within the time specified there for, it shall be liable to a penalty upto one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less;

(c) to maintain books of account or records, fails to maintain the same, it shall be liable to a penalty upto one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.

40. Penalty for failure to enter into an agreement

(1) If an insurance repository is required to enter into an agreement with the insurer or renew such agreement, fails to enter into or renew such agreement, such insurance repository shall be liable to a penalty upto one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less for every such failure.

Provided if the delay in executing the agreement is attributable to an insurer, insurance repository shall not be liable for penalty. No Insurer shall delay the execution of agreement.

(2) The Insurance repository shall report all such delayed cases immediately to the Authority.

41. Penalty for failure to redress policyholders' grievances

(1) If an insurance repository after having been called upon by the Authority, to redress the grievances of the policyholders, fails to redress such grievances pertaining to the operations of the insurance repository within the time specified by the Authority, such insurance repository or its approved person shall be liable to a penalty upto one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.

42. Penalty for delay in issue of electronic issuance of insurance policies

(1) If an insurance repository fails to issue the insurance policies in the electronic form, within the time specified under these Guidelines or by any guideline, circular issued there under or abets in delaying the process of issuance of hard copy of policy document on opting out of a repository of insurance policies,

such insurance repository shall be liable to a penalty upto one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.

43. Penalty for failure to reconcile records

(1) If an insurance repository fails to reconcile the records of electronic insurance policies with insurance policies notified by the insurer as required in these Guidelines, such insurance repository and insurer shall be liable to a penalty upto one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.

44. Penalty for failure to comply with directions issued by Authority under these Guidelines

(1) If an insurance repository or its approved person or an insurer fails to comply with the directions issued by the Authority, within the time specified, he shall be liable to a penalty upto one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.

45. Cancellation or suspension of Certificate of Registration

The Certificate of Registration of the insurance repository may be cancelled or suspended after due notice and after giving the insurance repository a reasonable opportunity of being heard if the insurance repository:—

- (a) violates the provisions of the Insurance Act, 1938 (4 of 1938), Insurance Regulatory And Development Authority Act, 1999 (41 of 1999) or rules or Regulations, guidelines, circulars, directions, etc. made there under;
- (b) fails to furnish any information relating to its activities under these Guidelines ;
- (c) furnishes wrong or false information; or conceals or fails to disclose material facts in the application submitted for obtaining a Certification of Registration;
- (d) does not co-operate with any inspection or enquiry conducted by the Authority;
- (e) fails to resolve the complaints of the policy holders or fails to give a satisfactory reply to the Authority in this behalf;
- (f) does not carry out its obligations as specified in the Guidelines;
- (g) the insurance repository staff solicits insurance business

46. Reports to the Authority

- (1) The insurance repository shall submit periodical reports to the Authority as specified hereunder
 - a. The insurance repository shall furnish to the insurance company and the Authority an annual report and any other return, as may be, required by the Authority on its activities.
 - b. The Annual Report, duly certified by the directors of insurance repository and the Chief Executive Officer shall be submitted within a period of sixty days of the end of its financial year or within such extended time as the Authority may grant.
 - c. The insurance repository shall submit to the Authority information, statistics and other MIS reports in the forms as the Authority may specify from time to time.

47 Costs of e- Insurance Account

- (1) No costs of e-Insurance Account shall be collected from account holders of eIA either by an Insurance Repository or by an insurer.

48. Miscellaneous Provisions

- (1) The record of insurance policies maintained with the insurance repository shall be considered final and shall override those of the insurer in case there is difference between the record of the insurance company and that of the insurance repository.
- (2) The Authority shall constitute Committee consisting of members drawn from various sources including the insurers, policyholders, IT professionals, Authority, or any other persons as may be decided by the Authority to look into the proper and efficient performance of the insurance Repository. The committee shall deliberate on all operational and policy matters for the smooth functioning of the insurance repository.
- (3) The insurance repository shall ensure that they improve upon the service standards specified in the IRDA's (Protection of Policyholders Interests) Regulations, 2002 for different services.
- (4) In order to remove any difficulties in respect of the interpretation of any of the provisions of these Guidelines, the Authority may issue appropriate clarifications from time to time.
- (5) No Advertisements shall be published in the web portal of Insurance Repositories.
- (6) The apportionment of related costs shall be upfront agreed amongst insurers and insurance repositories while entering into Agreement.

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J. Harinarayan
Chairman, IRDA

IRDA-FORM-Insurance Repository-1

Application for granting a Certificate of Registration to Act as Insurance Repository

S. No.	Particulars	Details
A	General Information	
1	Full Name of the Applicant Company	
2	Place and Date of Incorporation	
3	Address of Head Office	
4	Registration No. (Issued by registrar of Companies)	
B	Under which of the following category does the applicant fall? Please tick the appropriate box	
1	a public limited company registered under the Companies Act, 1956 with a minimum share capital of Rs 5 lakhs;	
2	a public financial institution as defined in section 4A of the Companies Act, 1956 (1 of 1956);	
3	a wholly owned subsidiary of an existing depository registered with Securities and Exchange Board of India under the Depositories Act, 1996	
4	a company fully promoted by either life insurance council or general insurance council or by both together or jointly with any of the above.	
5	any other institution permitted by the Authority	

C	Ownership & Management	
1	List of names and addresses of directors and their qualifications and principal business	
i)	Name & Address	
ii)	Qualifications	
iii)	Principal Business	
2	Details of shareholders holding 5% or more of voting stock and their principal business	
3 (i)	Organizational chart of applicant	
(ii)	Organizational chart of subsidiaries and associated companies	
(iii)	Whether the Applicant Company has the Authority to carry out the activities of an Insurance Repository (Enclose a copy of Board resolution / AGM of shareholders)	
4 (i)	Name, Address and contact details of Chief Executive Officer of the proposed applicant / Head of SBU of an existing company	
(ii)	Name of Compliance Officer:	
(iii)	Name of any Key Person:	
5 (i)	Status of Applicant (Limited, Private, Public etc.)	
(ii)	Names of Stock Exchanges where the company is listed and the latest share price	
D	Details of existing Offices of the Applicant	
1	Location	
2	Purpose of existence of the office	
3	Activities being undertaken	
4	Particulars of operation of the company in any foreign country	

5	Particulars of other infrastructure like office space, equipment and manpower available with the applicant	
6	Particulars of Information Technology expertise available with the applicant	
7	Particulars of Insurance expertise available with the applicant	
8	Write-up on demonstrable competence and experience similar to insurance repositories in terms of volumes and technology	
9	Any other information relevant for considering the application:	
E	Financial Position of the Applicant (for the preceding three financial years):	
1	<p>Details of capital</p> <ul style="list-style-type: none"> i. Authorised Capital and Issued Capital ii. Paid-up capital: iii. Net Worth of the Applicant Company (Attach a Certified Copy from a practising Chartered Accountant) 	
2	Existing business partners contributing Major Sources of Income (more than 20% of Income):	
3	Particulars of pending disputes having a potential impact on the finances of the Applicant:	
F	Has Government of India or any Regulatory body taken any action or imposed any penalty, fine, etc on the applicant company or on its subsidiaries / associates. If so, the details thereof.	
G	Supervisory Arrangements	
1	Details of supervisory jurisdiction of any regulator to which the applicant company is subject to.	
2	<p>Particulars of Subsidiaries of the Applicant (Mention separately for each subsidiary) and their respective supervisory jurisdiction:</p> <ul style="list-style-type: none"> i. Name and principal place of business: 	

	ii. Details of shareholding by the applicant: iii. Principal Business: iv. Number of offices and their locations in India: v. Name of Countries in which the subsidiary operates: vi. Paid up Capital: vii. Net Worth:	
3	Whether the Applicant or its subsidiaries or its shareholders currently hold a valid license to act as Insurance Broker or Corporate Agent or Third Party Administrator. If yes, provide further details	
4	Whether the Applicant or its subsidiaries or its shareholders held a valid license at any time to act as Insurance Broker or Corporate Agent or Third Party Administrator. If yes, provide further details.	
5	Past record of regulatory interventions / restrictive directions issued in respect of promoter companies	
H	Documents to be enclosed	
1	Copies of Memorandum and Articles of Association	
2	Last 3 years Audited financial statements	
3	Affidavit by the applicant that it has no Foreign Direct Investment	
4	Non-refundable processing fee of Rs 10,000/-	

We hereby declare that:

- i) The particulars given above are true and correct to the best of our knowledge and belief;
- ii) We will abide by the terms and conditions that may be stipulated by Insurance Regulatory and Development Authority, if approval is given.

Place: (Signature of Authorised Official of the Applicant Company)
|

Name:

Date:

Designation:

Form – Insurance Repository -2

Insurance Regulatory and Development Authority

Certificate of Registration to Act as Insurance Repository

In exercise of powers conferred by Clause 10 of Guidelines on Insurance repositories and electronic issuance of insurance policies vide Circular No: _____ dated _____ the Authority hereby grants Certificate of Registration to _____ to act as Insurance Repository.

Number of Certificate of Registration for Insurance Repository is _____

This Certificate of Registration is valid from _____

This Certificate of Registration is subject to Insurance Act, 1938; IRDA Act, 1999; Regulations notified by IRDA and Guidelines on Insurance repositories and electronic issuance of insurance policies.

By order

For and on behalf of

Insurance Regulatory and Development Authority