



Revised Guidelines on Insurance Repositories and electronic issuance of Insurance policies

Background

The Authority had issued guidelines on Insurance Repositories and electronic issuance of insurance policies vide guidelines ref: IRDA/ADMN/GDL/GLD/080/04/2011 dated 29th April, 2011. Procedure for appointment of 'Approved Persons' were issued under circular ref: IRDA/NL/IR-AP/11-12 dated 13th December, 2011, In addition, the Authority had issued circular ref: IRDA/NL/CIR/MISC/138/07/2013 dated 18th July, 2013 making certain modifications in the guidelines. Under the provisions of these guidelines stated above, five entities have been granted certificates of registration to function as "Insurance Repositories". The Insurance Repository system was formally launched on 16th September 2013. However, due to various reasons, the full benefit of this electronic platform was not realised.

In order to leverage this electronic platform to the benefit of all stakeholders more particularly to the Inclusive segments, the participation of multiple regulated entities would be necessary. At the same time the platform should lend itself to bring in efficiencies and avoid duplication of efforts. Therefore, vide guidelines ref: IRDA/NL/GDL/MISC/137/06/2014 dated 10th June, 2014, certain directions were issued for Pilot implementation Scheme wherein all Life Insurers and Insurance Repositories were asked to participate in e-insurance platform in a two month timeframe starting from 1st July 2014. Thereafter, this pilot was extended by a month to 30th September vide Circular ref: IRDA/NL/IR/B/12-13 dated 3rd September, 2014. Based on the experience during the pilot period, feedback from Insurers and Insurance Repositories (IRs), subsequent interactions with some key stakeholders and further consideration of the matter within the Authority, the guidelines are revised as below.

1. Objective and Utilization of Insurance Repository System

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) "Applicant" means an entity making an application to the Authority for grant of certificate of registration to act as an Insurance Repository.
- (c) "approved person" or "AP" 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.
- (d) "Authority" means the Insurance Regulatory and Development Authority of India established under sub-section (1) of Section 3 of the Act;
- (e) "e-Insurance Account" or "eIA" is an electronic account opened by a person with an insurance repository wherein the portfolios of insurance policies of a policyholder are held in an electronic form.
- (f) "e-insurance policy" shall mean a policy document which is an evidence of insurance contract issued by an insurer digitally signed in accordance with the applicable provision prescribed by law and issued in an electronic form either directly to the policyholder or through the platform of registered Insurance repository.
- (g) "KYC originator" means an entity who originally completes the Know Your Customer (KYC) validation and is responsible for the KYC data which is stored in the iTrex.
- (h) "KYC consumer" means an entity who conducts its operations using the KYC data supplied by iTrex.
- (i) "Insurance Repository" or "IR" means a company formed and registered under the Companies Act, 2013 or other entity and which has been granted a certificate of registration under these Guidelines by the Authority.
- (j) "Insurance Transactions Exchange or "iTrex" is a central index server that offers de-duplication services and acts as a messaging hub between entities creating eIAs, electronic policies and their servicing.
- (k) "Shell-Insurance Account" or "s-IA" is an electronic account wherein the brief portfolio of insurance policies of policyholders (including prospective) like Name, Date of Birth, address and policy number is held in an electronic form with iTrex.





- (l) Words and expressions used and not defined in these Guidelines but defined in the Insurance Act, 1938 (4 of 1938) or the Rules made there under, or the Life Insurance Corporation Act, 1956 (31 of 1956) or the General Insurance Business Nationalization Act, 1972 (57 of 1972) or Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) and the Regulations made there under shall have the meanings respectively assigned to them in those Acts or rules or Regulations, as the case may be.

3. Exclusive maintenance with insurance repositories

- (a) Where an insurer issues and maintains 'e-insurance policies', he shall mandatorily do so by utilizing the services of an insurance repository. All such insurance policies in electronic form shall be treated as valid insurance contracts.
- (b) Every insurer who desires to issue e-insurance policies shall enter into service level agreements with one or more insurance repositories.

4. Eligibility norms for setting up an Insurance Repository

- (a) The Authority shall not consider an application for insurance repository, unless the applicant belongs to one of the following categories, namely:-
- i) a public limited company registered under the Companies Act, 2013 with a minimum share capital of Rs 5 lakhs;
 - ii) a public financial institution as defined in section 4A of the Companies Act, 2013;
 - iii) a wholly owned subsidiary of an existing depository registered with Securities and Exchange Board of India under the Depositories Act, 1996
 - iv) a company fully promoted by either life insurance council or general insurance council or by both together or jointly with any of the above.
 - v) A Strategic Business Unit (SBU) of the eligible institutions listed (i) to (iv) above shall also be eligible to make an application for registration. However, within a period of two months from the grant of registration, the applicant shall convert itself into a company registered under Companies Act, 2013.

Further, an Insurance Repository that is granted "Certificate of Registration" and is still an SBU at the time of notification of these guidelines shall be required to convert itself into a Company registered under Companies Act, 2013 within two





months from the date of these guidelines to continue as an "Insurance Repository".

- vi) The applicant as above shall have the words "insurance repository" in its name to reflect the line of activity it shall undertake.

Further, an Insurance Repository that is granted "Certificate of Registration" and still does not have the words "insurance repository" in its name shall be required to incorporate them within two months from the date of these guidelines to continue as an "Insurance Repository".

- vii) any other institution as may be permitted by the Authority

- (b) 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 changes, modifications and revisions in such e-insurance policies as may be authorised by the Insurers based on requests by the policyholders.
- (c) The Net Worth of the applicant, on grant of in-principle approval by the Authority, shall be at least Rs 25 Crores.
- (d) The applicant or its promoters shall have demonstrable competence and experience of similar activities, volumes and technology.
- (e) The applicant or its promoters shall have proven financial and organizational strength to undertake and execute the project.
- (f) The applicant shall have no foreign direct investment.
- (g) The applicant or its promoters shall have no conflict of interest with insurance business at the time of the registration and at all times thereafter. No insurance company shall hold more than 10% of the paid-up capital of the applicant company/IR or hold managerial, executive, directorial, advisory or any other position whether permanent or temporary in the IR. An IR already granted "Certificate of Registration" shall take necessary steps to comply with this requirement within two months from the date of these guidelines.

5. Application for grant of certificate of registration:

- (a) The Authority shall have power to limit the number of insurance repositories and shall call for "Request for Proposals" as and when deemed necessary.
- (b) 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 –

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Insurance Repository -1(Annexure-1). It shall be accompanied by a non refundable processing fee of Rs 10,000/- (Rs. Ten Thousand) drawn on IRDA, Hyderabad.

- (c) No person shall act as an insurance repository unless it obtains a certificate of registration from the Authority.

6. Application to conform to the requirements:

- (a) An application in Form – Insurance Repository -1 (Annexure – 1), which is not complete in all respects and does not conform to the instructions specified therein and these guidelines, shall be rejected

Provided that before rejection, the applicant shall be given an opportunity of being heard.

7. Furnishing of information, clarification and personal representation:

- (a) 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.
- (b) The applicant shall, if 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

Every application received by the Authority pursuant to these Guidelines shall be considered by it within a period of 60 days from its receipt by which time the Authority shall either provide an In-principle approval as stated in Clause (9) of these guidelines or communicate its decision to the applicant.

9. In Principle approval

- (a) On considering the application under Clause 6, with reference to the eligibility norms specified in Clause 4, the Authority may accord an in-principle approval to the applicant 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;



- i) the automatic data processing systems of the insurance repository have been protected against unauthorised access, alteration, destruction, disclosure or dissemination of records and data;
- ii) the network through which electronic means of communications are established amongst the insurance repository, its approved persons, insurers, iTrex and policyholders is secure against unauthorized entry or access;
- iii) 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, iTrex, insurers and policyholders;
- iv) 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, iTrex and policyholders is controlled, monitored and recorded;
- v) 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, iTrex and policyholders;
- vi) 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;
- vii) the procedures are in place to maintain electronic means of communication with all its insurers, its approved persons, iTrex, policyholders and with other insurance repositories.
- viii) 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;
- ix) any access by an insurer to e-insurance account of a policyholder shall show the list of only those e-insurance policies that were issued by it.
- x) 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.





- (b) Further the Authority may seek such additional information, documentation, evidence or prescribe such other process(es) to be followed by the applicant as may be appropriate to substantiate the claims made by the applicant as a part of the affidavit stated above.
- (c) the applicant shall pay the registration fee of Rs 1,00,000/- (Rs. One lakh) drawn in favour of IRDA, Hyderabad within fifteen days of receipt of intimation from the Authority.

10. 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 promoters as stated at Clause (9) above.

11. Conditions for Grant of certificate of registration

- (a) After considering the application under Clause 6, with reference to the eligibility norms specified in Clause 4, examining the report on physical verification under clause 10 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 valid for a period of 3 years in Form – Insurance Repository - 2 (Annexure- 2) subject to the following, namely: -
- i) The insurance activities that are permitted under these guidelines which are undertaken by the applicant shall be under the sole supervision of the Authority with no conflict with the supervisory role of other regulatory bodies.
 - ii) Any transfer of shares exceeding 5% of the paid up capital in the applicant company shall require prior approval of the Authority.
 - iii) The insurance repository or its approved person shall not engage in insurance solicitation or in any of insurance related activities and services.
Provided that any IRDAI registered entity may act as approved person and continue to perform the activities as permitted in such registration.
 - iv) The IR shall engage only in the activities specifically allowed under these guidelines

- v) 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 the Authority from time to time;

12. Procedure where certificate of registration is not granted

- (a) Where an application for the grant of certificate of registration does not satisfy the requirements specified in Clause (6) and (10), the Authority shall reject the application after giving the applicant an opportunity of being heard.
- (b) 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. Renewal of Certificate of Registration-

- (a) The application for renewal shall be made at least 60 days prior to expiry of the certificate of registration in Form –Insurance Repository-1 (Annexure-1) attached to these guideline.
- (b) The application for renewal of certificate of registration shall be accompanied with a payment of Rs 50,000/- (Rs. Fifty thousand) in favour of "Insurance Regulatory and Development Authority of India", payable at Hyderabad.
- (c) The application for renewal shall confirm continued fulfilment of eligibility criteria required for registration. The application for renewal shall also confirm the manner and extent of compliance to the various provisions of these guidelines.
- (d) The application for renewal shall also include statements on business volumes and profitability.
- (e) The application for renewal shall also contain process and security audit reports for the preceding three years.
- (f) The IR that conforms to the renewal requirements listed above may be granted a renewal for a period of three years from the date of its previous expiry.

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

- (a) An insurance repository granted certification of registration shall ensure:
- i) 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.

- ii) adequate internal mechanisms for reviewing, monitoring and evaluating its controls, systems, procedures and safeguards.
- iii) Such mechanism shall be filed before the Authority for its record provided further that the Authority reserves its right to prescribe the mechanism to be followed in this regard.

15. Review of operations of the insurance repository

- (a) A review of the controls, systems, procedures and safeguards put in place by the insurance repository stated in Clause 14, shall be carried out, atleast once a year, by an external system audit firm approved by the Authority. The fees of the external audit firm shall be borne by the insurance repository.
- (b) The scope of such external audit shall be as prescribed by the Authority from time to time. The current scope is prescribed under Annexure to these guidelines, "External Audit Scope"(Annexure-3)
- (c) The report of the external audit firm shall be submitted to the Authority and shared with the concerned insurers within 15 days of conclusion of the audit.
- (d) Where any insurer finds inadequacies in respect of the above, the same shall be notified to the Authority immediately.
- (e) After the receipt of the report, the IR shall require the external auditor to confirm within two months from the date of audit that the IR has rectified the issues observed. This compliance report as confirmed by the external auditor shall be filed with the Authority within 15 days of the compliance report. Such compliance report will be shared with the concerned insurers.

16. Fit and Proper Criteria

- (a) The Chief Executive Officer of the insurance repository shall be appointed / re-appointed with prior approval of the Authority.
- (b) 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.

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- (c) Where in the interest of policyholders or insurance business, the Authority, considers necessary directing any of senior employees, directors or CEO of IR to vacate their office, it may do so, which shall be binding on the insurance repository.
Provided, the Authority may give an opportunity of being heard before giving such directions.
- (d) 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.
- (e) The Chief Executive Officer shall possess a degree in arts or science or commerce or management or any other degree specified by the Authority.
- (f) The Chief Executive Officer shall also possess experience in the area of IT or Insurance.

17. Appointment of compliance officer

- (a) 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 in so far as they are applicable to it.
- (b) The particulars of the compliance officers should be filed with the Authority.
- (c) The compliance officer shall immediately and independently report to the Board any non-compliance observed by him.

18. Maintenance of Records by Insurance Repositories

- (a) Every insurance repository shall maintain the following electronic records and documents, insurer wise, namely: -
- i) Records of e-insurance accounts with an unique number;
 - ii) records of list of e-insurance policies issued and records of list of e insurance policies converted back into physical form;
 - iii) the date of assignment along with particulars of endorsement in insurance policies issued in electronic form;

- iv) a register and an index of policyholders and their nominees / assignees / beneficiaries in the respective e- insurance policies;
 - v) record of instructions received from and sent to policyholders and insurers;
 - vi) History of claim data and record of transactions handled;
 - vii) such other records as may be specified by the Authority from time to time for carrying on the activities as an insurance repository.
- (b) Every insurance repository shall intimate the Authority the place where the records, documents and their back up facilities are maintained as on 31st March, every year.
- (c) 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 cancelation of contract. Further, any policy that has an outstanding claim or is under litigation shall be held ten years from the date of settlement/closure of litigation.

19. Systems to maintain privacy of data

- (a) 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. The safeguards put in place shall be reviewed on a continuous basis and the manner in which the review shall take place may be specified by the Authority.
- (b) The IR shall submit half yearly reports in such form and measure as specified by the Authority regarding steps taken by it to maintain privacy of data.

20. Insurance Policies eligible to be held in electronic form

- (a) The following classes of insurance policies are eligible to be held in the electronic form;
- i) All life insurance policies including health and pension policies including those issued to groups issued by registered life insurers with IRDAI
 - ii) All general insurance policies issued by registered general insurers with IRDAI.
 - iii) All health insurance policies issued by registered health insurers with IRDAI.
 - iv) Notwithstanding any of the above, the Authority may mandate from time to time that certain categories of policies shall also be issued and maintained in electronic form. The current provisions with regard to the same are covered under 'Mandatory Electronic Policies' annexed to these guidelines (Annexure-4).





21. Shell Insurance Accounts (s-IAs)

(a) Creation of Shell Insurance Account (s-IA):

- i) There shall be a database, maintained at iTrex, of Shell Insurance Accounts (s-IAs) that shall be used for creation of e-IAs.
- ii) Wherever available such database shall include name, date of birth, address and wherever available policy number, name of Insurer, mobile number (wherever available), PAN card and Aadhaar details.
- iii) This database shall be updated with additional Shell Insurance accounts in case of addition of new policy holders and new eIA holders.
- iv) This database can also be updated with data from other sources that the Authority may prescribe from time to time.
- v) Every Shell Insurance Account shall be mapped with an e-IA as and when the latter is created.

(b) Procedure for creation and sharing of Shell Insurance accounts for existing policyholders -

- i) All Insurers shall upload on iTrex the details of Name, Date of Birth, address and Policy number, name of Insurer, mobile number, PAN card and Aadhaar details of all the policyholders where ever available.
- ii) Prior to such upload, the Insurers shall undertake de-duplication checks to facilitate that all policies of an individual are tagged to a single shell-IA account.
- iii) The policies issued may or may not be KYC compliant. However, those issued subsequently are expected to be KYC compliant. Hence, the Insurers shall also clearly indicate the KYC Compliance status of the policyholder and date of KYC compliance.
- iv) iTrex shall also undertake de-duplication checks in order to create single shell-IA account of policyholder holding policies across different insurers.
- v) Based on the above details, a Shell Insurance account shall be created in iTrex of the existing policy holders. Such account number shall be intimated to the Insurers.
- vi) The relevant date applicable for uploading on iTrex shall be notified by the Authority separately.



(c) Procedure for creation and sharing of Shell Insurance accounts for existing eIA accounts–

- i) All existing eIAs created by the Insurance Repositories are expected to be KYC compliant and date of KYC compliance.
- ii) All Insurance Repositories shall upload on iTrex the details of Name, Date of Birth, address and wherever available Policy number, name of Insurer, mobile number (wherever available), PAN card and Aadhaar details of all the eIA holders which are in existence in such manner as prescribed by the Authority.
- iii) Wherever the policy number is available, the same shall be mapped to the existing sIAs.
- iv) In all other cases, new sIAs will be created in the iTrex that will be shared with the Insurance Repository.
- v) The relevant date applicable for uploading on iTrex shall be notified by the Authority separately.

(d) Procedure for creation and sharing of Shell Insurance accounts for other than existing eIA account/policy holders –

- i) The manner in which the creation & sharing of Shell Insurance accounts for those not having existing eIA account/Insurance policies but desire to have an eIA shall be as prescribed in clause 19b(vi to ix) and clause 19c(v & vi).
- ii) The manner in which the creation & sharing of Shell Insurance accounts in case an Insurer issues fresh policies to a new customer shall be as prescribed in SOP (Annexure-5).

22. Norms for opening of e Insurance Account:

- (a) In order to hold insurance policies in electronic form, a separate and distinct e-insurance account shall be opened with any of the licensed Insurance repositories in the following manner.
- i) An eIA can be opened by a person who has Insurance policies on his own or who proposes to take Insurance policies.
 - ii) An eIA can also be opened for a minor by his legal and natural guardian, who proposes the life of minor for taking an insurance policy.
 - iii) A request for opening of eIA can be made to the IR directly or through authorised Approved Persons or through Insurers.

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(b) Procedure for opening of e insurance account through Insurers

- i) A prospect wishing to open an eIA account will specify the IR with whom he desires to open an account. To enable this, the Insurer shall make available the list of IRs specifying the detailed arrangements that he has with each one of them.
- ii) He will also provide an existing Insurance policy number if available.
- iii) The Insurers shall query the iTrex against that policy number which shall map the same to the applicant's sIA.
- iv) In case there is already an eIA mapped to that sIA, iTrex shall intimate the Insurer accordingly who shall further inform the policyholder. No new eIA account will be opened.
- v) If there is no eIA account mapped to the sIA, the iTrex shall provide sIA to the IR that shall in turn create an eIA and intimate to the Insurer and to the iTrex.
- vi) If the prospect does not have any policy or is unable to provide the same, he shall provide Name, Date of Birth and address that will be used to map against an existing Shell Insurance account.
- vii) If no such mapping is found, the Insurer shall be required to undertake a fresh KYC.
- viii) The details of the fresh KYC in the form of name, DOB and address shall be provided to the iTrex which shall then create a Shell Insurance Account. An eIA also shall be opened in the manner specified in (v) above.
- ix) If the Insurer issues a new policy, he shall also provide the policy number to the iTrex.
- x) The form and/or manner in which the prospect applies to the Insurer may be specified by the Authority when necessary.

(c) Procedure for opening of e insurance account through Insurance Repositories

- i) A prospect wishing to open an eIA account will provide an existing Insurance policy number if available.
- ii) The IR shall make available the list of the Insurers and the detailed arrangement he has with each one of them.

- iii) The Insurance Repository shall query the iTrex against that policy number which shall map and provide the applicant's shell-IA to the IR that shall in turn provide an eIA to the Insurer and to the iTrex.
- iv) In case there is already an eIA mapped to the policy number, iTrex shall intimate the Insurance Repository accordingly. No new eIA account will be opened.
- v) If the prospect does not have any policy or is unable to provide the same, he shall provide Name, Date of Birth and address that will be used to map against an existing Shell Insurance account.
- vi) If no such mapping is found, the Insurance Repository shall be required to undertake a fresh KYC.
- vii) The details of the fresh KYC with name, DOB and address shall be provided to the iTrex which shall then create a Shell Insurance Account. Such sIA created shall be passed on to the IR which shall in turn create an eIA.
- viii) The form and/or manner in which the prospect applies to the Insurance Repository may be prescribed by the Authority.

(d) KYC Norms

- i) For the purpose of KYC norms, the Insurers/ IRs shall be governed by the AML guidelines issued by the Authority vide its circular no. IRDA/SDD/GDL/020/02/2013 dated 7th February, 2013 and the master circular ref no- IRDA/F&I/CIR/AML/158/09/2010 on AML/CFT guidelines dated 24th September, 2010 along with other directions issued from time to time.
- ii) The responsibility of the KYC shall be on the entity that has conducted the KYC either originally or through way of change as mentioned in sub clause (f) below.
- iii) In case of existing Shell Insurance Accounts of Insurance policyholders with KYC compliance, no fresh KYC shall be necessary for opening an eIA account or issuance of a policy. In all other cases, the requirement of completing the KYC, as per the norm mentioned in (i) above shall be followed.
- iv) In case of a prospect who does not have a Shell Insurance Account , the Insurers/ IR shall undertake to do the KYC as per the AML guidelines referred in (i) above.



(e) Change of KYC details

- i) A policyholder can inform either the Insurer or the Insurance repository about the change of KYC details and the same shall be applicable to all policies issued to that particular policyholder.
- ii) While effecting a change of details at the request of a policyholder an insurance repository or an insurer shall comply with the circulars referred in clause 22(d)(i).
- iii) The change of details shall be intimated to the iTrex which shall in turn pass on the same to the Insurers or the Insurance Repository as the case may be.
- iv) When necessary the Insurer or Insurance Repository may on its own verify the change in KYC following due procedure enunciated in the circular referred at (ii) above or (iii) above as applicable.

(f) Revenue Sharing:-

- i) For every query made to the iTrex, the "KYC – consumers" shall be required to pay a transaction fee.
- ii) Within such transaction fee, the iTrex shall retain only a portion of it for its own sustenance and pass the rest to the "KYC – originator".
- iii) If there is more than one "KYC – originator" as may arise in case the data is taken from more than one Insurer/Insurance Repository or where a change has occurred subsequent to initial KYC upload, in which case, sharing will be on proportionate basis.
- iv) The manner in which the sharing processes and transaction fees are to be regulated may be prescribed by the Authority separately.
- v) The prescription of the Authority on such processes and transaction fees shall be binding on all the entities in the industry.

(g) Communication to the policyholder

- i) Every eIA shall be identified by a unique eIA number and every insurance policy held in e-Insurance Account shall be identified with a unique policy number as allotted by the insurer.
- ii) Particulars of e-Insurance Account and modus operandi of its operation, the login ID and the password shall be forwarded as per the procedure prescribed in the 'SOP' which are Annexed to these guidelines (Annexure-5).
- iii) The policyholder shall be informed to quote the unique eIA account number in all proposals for insurance.





- iv) 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. The Insurer to his extent, may have it suitably incorporated in the Agreement with the Insurance Repository.

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

- i) An IR shall require an eIA holder to appoint an Authorised Representative who shall be entitled to access the account in the event of the demise of the eIA holder or his incapacity to operate the e-Insurance account. (A SMS alert system would be build whenever Authorised Representative accessing his/her e-Insurance Account).
- ii) Only a person aged more than 21 years shall be eligible to be appointed as an Authorised Representative.
- iii) The appointment of Authorised Representatives shall be mandatory for opening of an eIA.
- iv) The eIA holder shall be informed that Authorised Representative appointed would be entitled to access the account in the event of demise of the eIA holder or in his incapacity to operate the eIA.
- v) The eIA holder shall in the event of the Authorised Representative appointed pre-deceasing the eIA holder, have the right to appoint another Authorised Representative in the place of deceased Authorised Representative.
- vi) The eIA holder shall have right to change the Authorised Representative on the eIA.
- vii) The Authorised Representative appointed by the eIA holder is entitled only to access the e Insurance Account to know the portfolio of insurance policies. The nominee/ assignee of the respective life / general 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 eIA holder, the IR may inform the Authorised Representative about his/her appointment as an Authorised Representative of the eIA.
- viii) The incapacity referred in (i) & (iv) above is the incapacity due to mentally unsound means or terminally ill as certified by a medical practitioner.





- ix) 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.
- x) Where an Authorised Representative seeks to operate the eIA on the demise of a policyholder, the repository shall provide the enabling information for grant of access to the Authorised Representative within TAT's defined in these guidelines(Annexure-6).
- xi) While recording the information of Authorised Representative the repository shall also obtain the address of the Authorised Representative for future correspondence.
- xii) 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.
- xiii) 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.

(i) Avoidance of Multiple e Insurance Account/ shell Insurance account

- i) For an individual, there should be only one eIA that should be mapped to one sIA. The same eIA/sIA will be mapped to multiple insurance policies.
- ii) No separate eIA should be opened either with the same IR or another IR when an eIA is already in existence.
- iii) Every insurer and every insurance repository shall put in place measures to avoid duplication of account by the same policyholders. Before upload of existing policies or eIAs, adequate de-duplication measures need to be undertaken by the Insurers or IRs. Similarly, whenever a prospect approaches for opening an eIA or for issue of a new policy necessary measures for correlating with existing eIA/sIA needs to be undertaken.
- iv) In case, the insurer/IR finds some duplication, matter shall forthwith be reported to the iTrex for necessary rectification and follow communication to the concerned entity.

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- v) Adequate de-duplication measure shall be undertaken to ensure that multiple accounts will not be created for single user.
- vi) Every eIA shall offer a facility wherein the policyholder can verify the policies mapped to his eIA account and intimate discrepancies if any. It should also have a facility to enable him to provide details of policy numbers that have not been mapped.
- vii) Such details of changes as indicated by the eIA holder shall be passed on to the iTrex which shall communicate with the respective insurers for necessary cross check before incorporating the same under the iTrex database.

23. Classification of services of eIAs:

The following are the broad classes of services that can be offered in the IR system.

(a) Portfolio services eIA:

- i) Every eIA holder shall be entitled to receive a portfolio of insurance policies to be communicated by the IR. Portfolio would comprise Insurance Policy No., Name of Insurer and the personal details of the eIA holder.
- ii) Such portfolio shall be facilitated by the information provided by the iTrex to the IR in respect of eIA holders. Such portfolio services shall be provided by the IR to the eIA holder irrespective of subsisting agreement that the IR may have with any of the insurers.
- iii) Such portfolio services shall be provided free of cost to the policyholder.

(b) Basic Services eIA:

- i) An IR shall offer the following minimum basic services to the eIA holder:
 - Policy Status (including premium status, NAV status, Bonus status, Loan status, Claims status, Nominee/Assignment Status, etc)
 - Printing facility of copy of the policy (including the proposal, terms and conditions , policy schedule, benefit illustration etc)
 - Annual statements in electronic form.
 - A mini statement showing the basic details like name, contact details, policy plan, nominee details, payment terms, sum assured, premium payable, etc as provided in the policy schedule but excluding full terms and conditions shall be provided to the eIA holder.

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- ii) The list of basic services may be revised by the Authority from time to time depending on cost of providing such services, their use and the commercial aspects relating to the same.
- iii) These basic services shall be provided only in electronic form with an option to print or download wherever necessary.
- iv) Due authentication shall be ensured by the IR to ensure that these basic services are accessed by only those authorized to access eIA accounts.
- v) Insurers intends to issue an e-insurance policy shall provide this information to one or more IRs through an arrangement backed by underlying agreement to be decided on mutually acceptable terms between the IR and the Insurer.
- vi) The IRs shall indicate in their website the list of such insurers for whose policyholders such basic services can be provided.

(c) Premier Services eIA:

- i) Premier Services eIA can be offered to eIA holders wishing to avail extended services from the IR system. In addition to the features enlisted under the Basic Service eIA, the Premier Services eIA may offer additional services
- ii) Premier services can be charged and rates to be market determined. Premier service charges could be offered either on 'Annual' or 'Per service' basis.
- iii) The list of premier services shall not include any of the services indicated under the portfolio services and basic services.
- iv) The cost of premier services shall be informed to the prospective eIA holders at the time of opening of eIA.
- v) It is the choice of the prospect whether to subscribe to the premier services or not.
- vi) The list of premier services and the manner in which they are being provided and the cost for the same shall all be upfront informed to the prospective eIA holder.
- vii) The indicative list of premier services is annexed to these guidelines (Annexure-7).
- viii) The IRs could expand the same as per arrangement with the Insurers but within the overall ambit of these guidelines and the 'outsourcing guidelines' issued by the Authority vide Ref: IRDA/LIFE/CIR/GDL/013/02/2011 dated

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1st February, 2011 and clarification vide Ref: IRDA/LIFE/CIR/ MISC/ 103/ 05/ 2011 dated 18th May, 2011 & IRDA/LIFE/CIR/GLD/219/09/2011 dated 21st September, 2011 and as amended from time to time.

(d) Other services :

- i) The IRs may provide other services on behalf of the Insurers
- ii) These services may be provided to the eIA holders either free of cost or may be charged subject to the regulatory provisions pertaining to the same.
- iii) The responsibility of ensuring that these provisions are met will be on the Insurers who may formalize this through a subsisting agreement with the IRs.
- iv) The scope of these services is prescribed in Clause 34.

24. Policies sourced via electronic route:

- a) All Insurance policies sold online or through Web-Aggregators or Common Service Centers through electronic mode shall also be made available in electronic form.
- b) In all such cases, the provision to open an eIA account shall be made available by the Insurer. Where such eIA account is opened by the policyholder, Insurer shall provide Basic services through the IR.
- c) The Insurer shall clearly indicate in his website the IRs with whom, he has an arrangement for opening such eIA accounts.
- d) Even if the Insurer does not have any arrangement with any of the IRs, he shall provide all the services as enunciated at sub clause (a) above through his own arrangement.
- e) However no cost can be charged by the insurers on the policyholder for providing any of these services.
- f) No wet signature is needed for crediting of policies through this route.
- g) The SOP relating to the process adopted here is annexed (Annexure-5) to these guidelines.

25. Standard Operating Procedures:

- a) The Authority may prescribe such SOP for IT and non-IT processes as may be needed for the implementation of the IR system.
- b) The current levels of SOPs are annexed (Annexure-5) to these guidelines.
- c) The prescriptions of the Authority shall be binding on all parties concerned.





26. 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.

27. Operation of eIA by visually challenged

A visually challenged individual may designate a representative who shall take the responsibility of acting on behalf of the eIA holder. This representative shall make a declaration confirming maintenance of confidentiality of information, of having explained the consequences with respect to the actions being executed and the status/other updates to the eIA holder with respect to the eIA. The IRs shall be required to obtain the name, relationship and communication details of such a representative prior to opening of the eIA.

28. Agreement between Insurers and Insurance Repository

- (a) An Insurer shall enter into an agreement with one or more Insurance Repositories for maintaining the electronic insurance policies of their respective policyholders.
- (b) Such agreement shall provide the scope of services to be covered by the IR.
- (c) The contents of the agreements should therefore include sections on
 - i) scope of services such as Basic, Premium and others,
 - ii) role of various parties,
 - iii) non-disclosure provisions,
 - iv) cost of additional/optional services provided on behalf of Insurers,
 - v) inspection/audit of the IR systems by the insurers,
 - vi) Turn Around Times,
 - vii) Tenure of the agreement,
 - viii) Limitation of liability etc.
- (d) An agreement referred herein shall be in such form as may be specified by the Authority, if any, from time to time.
- (e) 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.
- (f) 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

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prescribe the remuneration that may be payable to the Insurance Repository by the Insurer.

- (g) Any change in the agreements owing to the new guidelines will have to be affected within a period of three months from the date of issuance of these guidelines and same shall be filed with the Authority.

29. Issuance of electronic Insurance Policies

- (a) At the option of a policyholder, either as part of proposal form or through online request, an insurer shall issue the insurance policies in an electronic form.
- (b) It will be mandatory for the prospect policy holder to have an eIA account for making such request. Provided that the prospect as per (a) above can simultaneously apply for eIA and electronic policy.
- (c) The Insurer on such request from the prospect shall issue an electronic policy for all such cases for which it is mandatory as specified in clause 20(a)(iv) of these guidelines.
- (d) The Insurer, subject to F & U guidelines, may offer discount in premium in respect of those policies maintained only in electronic form.
- (e) Where policies are issued only in electronic form, it shall be mandatory that they shall be maintained by an Insurance Repository. Insurers who are providing electronic policies on their own platform shall also issue physical copy.

Provided that the Authority may exempt, certain classes of policies to be issued in electronic form without routing through the IR system.

- (f) In all cases where an insurer has difficulty owing to the prevailing law/regulatory regime or for other reasons such as lack of subsisting arrangement with an IR in issuing only electronic policies, any request for electronic policy may be addressed by issuing policies in both the electronic and physical modes.
- (g) The manner in which an electronic policy will be issued is annexed (Annexure-5) to these guidelines

30. Conversion of existing policies into electronic form

- (a) An eIA holder or a prospect eIA holder may request either the Insurer or the IR to convert his existing policies into electronic form.
- (b) Such request may be made either in electronic or physical form

- (c) Details of his policy number and eIA number if any shall be supplied
- (d) To facilitate the process of his request, the IR/Insurer shall display on their website the arrangements that they have between them.
- (e) It will be the endeavor of every Insurer to have arrangements with every IR so that such requests from policyholders can be catered to.
- (f) The manner in which a physical policy will be converted to an electronic policy is annexed (Annexure-5) to these guidelines.

31. Rematerialization of electronic policies

- (a) The policyholders shall have the right to re-materialize or maintain both physical and electronic policies. The following procedure shall be followed in this regard:
 - i) If a policyholder seeks to opt out of an IR in respect of any insurance policy he shall inform the respective insurer accordingly who in turn shall intimate the same to the IR.
 - ii) The IR on receipt of the above intimation shall make necessary changes in its records and shall inform the insurer.
 - iii) Every insurer shall, within the TAT's prescribed under these guidelines and upon fulfillment of such conditions and on receipt of such fees as prescribed, issue the hard copy of the policy document to the policyholder.
 - iv) Every absolute assignee registered by the insurer and recorded by the IR shall have the same rights as that of a policyholder for this purpose.
 - v) Insurers shall specify the procedures available for converting the e Insurance Policies into the physical policy documents and the applicable charges, if any prominently including their website.
 - vi) Similarly, insurers may prescribe procedure for a policyholder who holds the insurance policies in electronic form and seeks to maintain both physical and electronic policy.

32. Approved Persons of Insurance Repositories

- (a) 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.





- (b) The insurance repository shall remain liable to the omissions and commissions of its approved persons while attending to the request of the policyholders.
- (c) An AP shall be granted access to IT systems of the IR for the purpose of data entry and uploading of scanned documents pertaining to the eIAs, policy conversion requests and policy servicing requests only. The APs shall not be allowed access to the eIAs, electronic policies or for purposes not stated as a part of these guidelines.
- (d) The Procedures for appointment, Renewal and SOPs pertaining to APs are Annexed (Annexure-8) to these guidelines.

33. Services of Insurance Repositories

- (a) A prospect may open an e Insurance Account with any of the insurance repositories to which Certificate of Registration is issued by Authority.
- (b) Each Insurance Repository shall clearly indicate the class of services that he can provide in respect of the policies of the Insurers that he has an agreement with. The details of these are at clause 23.
- (c) The services shall also be broadly categorized into two levels as indicated below:
 - i) **Level 1:** These are the set of services that the IR can handle on their own without the need for referring to the insurer. Level 1 services include changes to a policyholder's address and identity details which are typically uniform across all policies issued by all insurance companies.
 - ii) **Level 2:** These relate to the policy level changes that are not identity related in nature. Typically, these are to be effected only by the insurer. The IR shall take the responsibility of communicating such requests to the insurers. Once, these changes are affected, the insurers shall provide a confirmation of the same to the IR who updates their own databases. These services shall be handled as per an underlying agreement if outsourced to the IRs and shall be as per the prevailing regulatory framework.
- (d) In addition to the offices of insurers, an insurance repository shall also have 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 regulatory framework being prescribed by the Authority from time to time.
- (e) An insurance repository shall acknowledge all the servicing requests received from the policyholder.

- (f) 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.
- (g) 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.
- (h) 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 the iTrex which shall communicate to the Insurers concerned.
- (i) Every insurance repository shall submit a statement of insurance policies held in the electronic form to every policyholder to his email 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. Such statement shall be issued as a part of Basic services referred in clause 23(b). The IR shall also send the same to the postal address submitted by the policyholder as a part of its premier services.
- (j) Where the policies are held in electronic form, the insurance repository shall also provide a link to the detailed terms and conditions the policy contract in respect of insurance policy holdings of e Insurance Account.

34. Other services

- (a) The IRs are authorized to undertake services in addition to creation/maintenance of electronic policies. The list/scope of these services shall be as per the 'Guidelines on Outsourcing of activities by Insurance Companies'.
- (b) The scope, duties, responsibilities, cost, terms and conditions for these services shall be as per an underlying agreement between the IRs and the insurers.
- (c) In order to enable the IRs discharge these additional services, the insurers may provide requisite authorizations and capability/access to their systems as may be appropriate. However, it shall be the responsibility of the insurers in ensuring these arrangements have enough safeguards in terms of processes and security to ensure data integrity and confidentiality.





35. Insurance Repositories to indemnify loss in certain cases

- (a) 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
- (b) Every IR 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 that inter-alia indemnifies the IR for
- i) any error or omission or negligence on their part or on the part of their employees and directors;
 - ii) any loss of money or other property for which the IR is legally liable in consequence of any financial or fraudulent act or omission;
 - iii) any loss of documents and costs and expenses incurred in replacing or restoring such documents;
 - iv) dishonest or fraudulent acts or omissions by IR's employees or former Employees or their Approved Persons.
 - v) any loss caused to a policyholder or to a an insurer as a consequence of breakdown of systems.
- (c) The indemnity cover—
- i) shall be on a yearly basis for the entire period of licence;
 - ii) shall not contain any terms to the effect that payments of claims depend upon the IR having first met the liability;
 - iii) shall indemnify in respect of all claims made during the period of the insurance regardless of the time at which the event giving rise to the claim may have occurred
- Provided that indemnity insurance cover not fully conforming to the above requirements shall be permitted by the Authority in special cases for reasons to be recorded by it in writing.
- (d) Limit of indemnity for any one claim and in the aggregate for the year in the case of IR shall be three times revenue earned from operations at the end of every financial year subject to a minimum limit of rupees two crores.
- (e) The uninsured excess in respect of each claim shall not exceed five per cent of the capital employed by the IR in the business.



- (f) The insurance policy shall be obtained from any registered insurer in India who has agreed to—
- i) provide the IR with an annual certificate containing the name and address, including the licence number of the IR, the policy number, the limit of indemnity, the excess and the name of the insurer as evidence that the cover meets the requirements of the Authority;
 - ii) inform the insurer immediately of any case of voidance, non-renewal or cancellation of cover mid-term.
- (g) Every IR shall—
- i) inform immediately the Authority should any cover be cancelled or voided or if any policy is not renewed;
 - ii) inform immediately the insurer in writing of any claim made by or against it;
 - iii) advise immediately the insurer of all circumstances or occurrences that may give rise to a claim under the policy; and
 - iv) advise the Authority as soon as an insurer has notified that it intends to decline indemnity in respect of a claim under the policy.

36. Grievances Redressal Cell of Insurance Repositories

- (a) 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.
- (b) 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.

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

- (a) 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 to 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.

- (b) 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.
- (c) 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.

38. Obligations of Insurers

- (a) Every Insurer shall mention in the policy records and claim records maintained in accordance to Section 14 of Insurance Act, 1938, the form of the policy document and the name of the insurance repository who is keeping the same.
- (b) 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.
- (c) 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 as prescribed under the appendix on "Electronic Data Exchange".
- (d) The Insurer may delegate certain policy services as enunciated in clause 34 to the insurance repository and where delegated, it shall forward the framework of the policy services including the specific timelines, to the insurance repositories for effective policy servicing.
- (e) 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.
- (f) It shall be the duty of the insurer to update information in the insurance repository within reasonable time for the transaction processed by them.
- (g) 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.

39. Inter Insurance Repository Transfers:

- (a) An eIA holder may transfer his account from one IR to another IR. Such transfer will be free of cost to the eIA holder.
- (b) Before such transfer, it is expected that the eIA holder shall satisfy himself that the new IR has subsisting agreements with the Insurers where he is a policy holder.
- (c) Where no such subsisting arrangement is there, the electronic records shall be transferred to the Insurer and a physical copy issued.
- (d) Such arrangement of issue of a physical copy would be governed by clause 31.
- (e) The SOP for Inter Insurance Repository transfer is annexed (Annexure-5) to these guidelines

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

- (a) Subject to the provisions of insurance act and such Regulations, guidelines as may be made in this behalf from time to time, a policyholder, holding an electronic policy, may assign a policy of life insurance through an insurance repository.
- (b) 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.
- (c) Any entry in the records of a repository under clause (b) above shall be an evidence of fact of assignment.
- (d) Where an assignment is the conditional assignment the insurance policy shall be allowed to be operated as directed by the insurer.
- (e) 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.
- (f) In order to comply with the requirements of the provisions of Insurance Act, the insurance repositories shall put in place procedures for obtaining the e-endorsement by a policyholder before registering the assignment.



41. Payment of policy benefits

The Insurer shall remain liable for settlement of policy benefits in respect of the underlying e Insurance policies.

42. 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

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

- (a) 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.
- (b) The insurance repository on receipt of the above intimation shall make necessary changes in its records and shall inform the insurer.
- (c) Every insurer shall, within 5 days of the receipt of intimation from the insurance repository and on fulfillment of such conditions as enunciated in Clause 31, issue the hard copy of the policy document to the policyholder.
- (d) 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.

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

- (a) The Authority, on being satisfied that it is necessary in the public interest or in the interest of policyholders so to do, may as per powers vested in it under Section 14 (2) (h) of IRDA Act 1999, 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

- (b) 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
- (c) 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.
- (d) Notwithstanding anything contained in sub-clause (c) 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.
- (e) 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 of 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.

45. Power of Authority to appoint an auditor

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 an 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.

46. Authority to recover the expenses

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.

47. Power of Authority to give directions in certain cases

- (a) 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;
 - 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.
 - The directions issued in this regard shall be binding on insurance repositories.

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

- (a) Any insurance repository, who is required under these Guidelines or any guidelines, circulars issued there under,-
- i) 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;
 - ii) 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;
- iii) 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.

49. Penalty for failure to redress policyholders' grievances

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.

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

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.

51. Penalty for failure to reconcile records

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.

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

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.



53. Penalties for non-compliance

- (a) Any IR or an insurer, who is required under these Guidelines or any guidelines, circulars issued there under,-
 - i) to furnish any information, document, books, returns or report to the Authority, fails to furnish the same;
 - ii) 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;
 - iii) to maintain books of account or records, fails to maintain the same;
- (b) Fails to comply partly or fully with the provisions of these guidelines
- (c) Fails to comply with any directions of the Authority
- (d) Acts in a manner that is detrimental to the interest of the policyholders or insurance business;
- (e) Shall be liable for action as per the provisions of the Sections 102 to 105 and 42(D) of the Insurance Act, 1938 as amended from time to time.

54. Cancellation or suspension of Certificate of Registration

- (a) 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:—
 - i) 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;
 - ii) fails to furnish any information relating to its activities under these Guidelines ;
 - iii) furnishes wrong or false information; or conceals or fails to disclose material facts in the application submitted for obtaining a Certification of Registration;
 - iv) does not co-operate with any inspection or enquiry conducted by the Authority;
 - v) fails to resolve the complaints of the policy holders or fails to give a satisfactory reply to the Authority in this behalf;
 - vi) does not carry out its obligations as specified in the Guidelines;
 - vii) the insurance repository staff solicits insurance business

55. Reports to the Authority

- (a) The insurance repository shall submit periodical reports (Annexure-9) to the Authority as specified hereunder
- i) 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.
 - ii) The Annual Report, duly certified by one or more directors of insurance repository, CAO 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.
 - iii) The insurance repository shall submit to the Authority information, statistics and other MIS reports as stated in these guidelines and in the forms as the Authority may specify from time to time.

56. Costs of e- Insurance Account

- (a) No costs of e-Insurance Account shall be collected from account holders of eIA either by an Insurance Repository or by an Insurer for the minimum and basic services offered under the IR system. However, IRs are permitted to charge for the premium services permitted under these guidelines.
- (b) The IRs shall be required to file the charge structure with the Authority within three weeks of these guidelines and shall do so upon every instance of change in the price structure.
- (c) The Authority reserves the right to seek substantiations for the assumptions being made and may issue directions as may be necessary.

57. Miscellaneous Provisions

- (a) The insurer shall take all necessary precautions to ensure that accurate data is being sent to the IR as a part of the electronic policies. Also, on a periodic basis reconciliation as stated in clause 38(c) shall also be performed. In respect of policies maintained only in electronic form, 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.



- (b) 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.
- (c) 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.
- (d) In order to remove any difficulties in respect of the interpretation of any of the provisions of these Guidelines, the Chairman of the Authority may issue appropriate clarifications from time to time.
- (e) No Advertisements shall be published in the web portal of Insurance Repositories.
- (f) The apportionment of related costs shall be upfront agreed amongst insurers and insurance repositories while entering into Agreement.

58. Security

- (a) In order to ensure that the entities in the IR system conduct their operations in a secure manner, the Authority shall devise and prescribe a broad framework that includes the following:
 - i) Security Framework
 - ii) SOP for IT related processes
 - iii) Transition path to completely move from manual, semi-manual methods of handling data transfer to a 'seam-less' and 'real-time' mechanism.
 - iv) Data and record Reconciliation amongst multiple systems.

59. iTrex:

- (a) iTrex, which is a Central Index Server, will be set up and maintained by such organization or person as the Authority may decide. iTrex shall act as a KYC repository, messaging and de-duplication hub.
- (b) Every insurer and every IR shall necessarily use iTrex to transmit messages related to the electronic policy requests/responses. The Insurers and IRs are refrained from using any other external means to electronically communicate electronic insurance account data, policy data and images. Any transaction executed by an IR or an

insurer that bypasses the iTrex shall be deemed as a breach and shall attract punitive action. Similarly any non-compliance to the iTrex processes shall attract punitive action.


- (c) iTrex shall provide electronic log in facility to query, upload/download data as may be relevant for the smooth functioning of the IR system. iTrex shall also provide an electronic contact for the Insurers and IRs to raise issues.
- (d) iTrex shall provide an electronic platform for the insurers and the IRs to reconcile their records on a periodic basis. The reconciliation parameters shall be as per the process defined in the annexure, "Electronic Data Exchange" (Annexure-10).
- (e) iTrex shall provide electronic interface to seamlessly communicate with other entities in insurance space on a real time basis.
- (f) Data shall not be used except as per these guidelines unless specifically allowed by the Authority.
- (g) In order to improve the efficiencies of de-duplication, faster processing and sharing of data, the Authority may expand the scope of database in the iTrex by seeking further information from the Insurers/IRs.
- (h) The Authority may prescribe guidelines, processes or framework that may be appropriate for the smooth and secured functioning of the iTrex. The same shall be binding on all the IRs and insurers.

60. Standards

- (a) In order for the entities to communicate electronically on a seamless basis, the Authority shall prescribe data definitions, message and data standards as may be required for the smooth conduct of electronic transactions on a seam-less basis.
- (b) The Authority shall also prescribe standard forms as may be required for smooth functioning of the IR system. In this regard, the form for opening of e-Insurance account is annexed to these guidelines (Annexure – 11)
- (c) The standards being prescribed by the Authority shall be binding on the entities involved in the IR system.
- (d) With respect to the IR system, the minimum TATs shall be as per the Appendix to these guidelines. The Authority may revise these TATs from time to time and the same shall be binding on all parties concerned.
- (e) In case, the existing insurer-IR agreements provide for TATs that are less stringent than those prescribed in these guidelines, the TATs prescribed under these

guidelines shall prevail. Where the insurer-IR agreements provide for more stringent TATs over those prescribed under these guidelines, the TATs as agreed under the insurer-IR agreements shall prevail.

- (f) The insurers, IRs and iTrex shall together strive towards providing correct and consistent version of electronic policies and transactions. They shall strive towards a faster and more efficient system that shall contribute towards the usage of the electronic system in particular to further the growth of Insurance sector.



T.S.Vijayan
Chairman, IRDAI

