



IRDA/NL/GDL/F&U/115/07/2018

31st July, 2018

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

**Re: Automatic Allotment of Unique Identification Number for
`Use and File` Products/Add-on covers through BAP**

The Guidelines on Product Filing Procedures for General Insurance Products (hereinafter referred to as `Guidelines`) vide IRDAI/NL/GDL/F&U/030/02/2016 dated 18th February, 2016 provides the regulatory framework for the `Use and File` apart from `File and Use` procedure for general insurance products. As far as the `Use and File` procedure is concerned, the responsibility has been placed on the Product Management Committee (PMC) and senior management of insurers to ensure proper due diligence when it comes to product design and protection of the policy holders' interests.

Para 7.2 (III) of the said Guidelines describes `Use and File` procedure to be followed subject to the conditions listed therein and information to be provided in the filing. The Authority, based on the PMC recommendations and CEO/Appointed Actuary/Lawyer certifications about the regulatory compliance, has been assigning Unique Identification Number (UIN) to the said products.

The BAP General Insurance Product Module is now enabled to generate UIN by Insurers upon filling the information in Form A and uploading the required documents. This additional feature in BAP is being made accessible with effect from 1st August, 2018.

The UIN allotment is subject to the conditions specified in the Annexure. It is reiterated that the Authority reserves the right to examine the `Use and File` filings in detail at any time subsequent to obtaining of UIN by Insurers from the BAP Product Module. If it is found that the product is not in the interests of the policyholders or not in conformity with the extant regulations and guiding principles, the Authority may advise the Insurer to suspend or withdraw the product or mandate re-filing it even under `File and Use` Procedure. Where the product filing does not conform to the requirements under the said

Guidelines, Insurer would be subjected to regulatory action as deemed appropriate which may include withdrawing the facility of `Use and File` procedure.

All other procedures set out in the said Guidelines and Circular issued thereafter will continue to apply.

 31/7/18

(Yegnapriya Bharath)
Chief General Manager (Non-Life)

Annexure:

- I. **PRODUCTS**: The allotment of Unique Identification Number (UIN) for the product filed under Use & File procedure of Guidelines on Product Filing Procedures for General Insurance Products is subject to the following conditions.
 - a. The Annual product performance report to be submitted to Authority by AA latest by 30th June in respect of the preceding year. The Product Management committee shall also review the performance of the product annually
 - b. The product shall be offered to only commercial customers with initial Policy Sum Insured exceeding RS. 5 Crores strictly in accordance with the terms and conditions and other features of the product as filed with the Authority.
 - c. The product shall comply with IRDAI (Protection of Policyholders' Interests) Regulations 2017.
 - d. The Company shall strictly adhere to the provisions in the Insurance Act 1938, IRDA Act 1999, Regulations and Circulars/Guidelines issued from time to time
 - e. The policy wordings of the product as filed with the Authority shall be immediately displayed in Company's website.

UIN allotted for the product shall be used in the all the product related documents which include sales material and policy schedule / contract.

- II. **ADD ON** Covers: The allotment of Unique Identification Number (UIN) for the Add On covers filed under Use & File procedure of Guidelines on Product Filing Procedures for General Insurance Products is subject to the following conditions.
 - a. The Annual Add On performance report to be submitted to Authority by AA latest by 30th June in respect of the preceding year. The Product Management committee shall also review the performance of the Add On covers annually.
 - b. The Add Ons shall be offered together with the product that is given only to commercial customers with initial Policy Sum Insured exceeding RS. 5 Crores strictly in accordance with the terms and conditions and other features of the product as filed with the Authority

- c. The Insurer shall account all Add On premiums separately in premium computation table provided to insured.
- d. There shall be clear distinction in the prospectus/Brochure, Wordings about the conditions, exclusions necessarily using bold letters.
- e. There shall be clear demonstration in the prospectus and other policy literature that the Add Ons are optional.
- f. The Sum Insured covered under the Add Ons should be mentioned in the policy schedule under the respective section.
- g. The Add Ons shall comply with IRDAI (Protection of Policyholder's Interest) Regulations,2017.
- h. The Company shall strictly adhere to the provisions in the Insurance Act 1938, IRDA Act 1999, Regulations and Circulars/guidelines issued from time to time.
- i. The wordings of Add-Ons as filed with the Authority shall be immediately displayed on Company's website.

UIN allotted for the above Add-Ons shall be used in all the product related documents which include sales material and policy schedule / contract.

Y. Prasad
31/7/18