

Ref: IRDAI/NL/ORD/MISC/005/01/2022

Date: 6<sup>th</sup> January 2022

**ORDER**

**Re: Constitution of Advisory Committee on Loss Prevention and Loss Minimization in General Insurance Industry**

The Authority had set up a working group to make recommendations on Loss Prevention and Minimisation in the general insurance industry vide order ref. IRDAI/NL/ORD/MISC/223/12/2019 dated 12<sup>th</sup> December 2019.

2. The Working Group in its report had recommended setting up an exclusive organisation having objective as promotion of safety and loss prevention.
3. In this regard, before examining setting up of a separate organisation, it has been decided to form a hub on Property Insurance at 'National Insurance Academy (NIA)' and one on Motor Insurance at 'Institute of Insurance and Risk Management (IIRM)'.
4. Further, an advisory committee under the chairmanship of Director, NIA is hereby formed, along with the members from the following entities/organisations, to incubate and develop the idea on an industry level.

<b>Sr. No.</b>	<b>Members</b>
1	Chief Manager, Fire & Engineering Department, United India Insurance Co. Ltd
2	Senior Vice President - Corporate Underwriting, HDFC Ergo General Insurance Co. Ltd.
3	Head Commercial Claims, Chola MS General Insurance Co. Ltd.
4	Deputy General Manager, GIC Re
5	Head – Other Lines of Business, Insurance Information Bureau of India (IIBI)
6	Representative, Insurance Brokers Association of India (IBAI)
7	Representative, Indian Institute of Insurance Surveyors and Loss Assessors (IIISLA)
8	Faculty Member, National Insurance Academy (NIA)
9	Chief Manager, Motor, New India Assurance Co. Ltd.

10	Vice President , Auto Claims, TATA AIG General Insurance Co. Ltd.
11	Vice President, Actuarial, Go Digit General Insurance Ltd.
12	Senior Claims Specialist, Munich Re- India Branch
13	In charge-Motor, Insurance Information Bureau of India (IIBI)
14	Representative, Indian Institute of Insurance Surveyors and Loss Assessors (IIISLA)
15	Faculty Member, Insurance Institute of India (III)
16	Faculty Member, Institute of Insurance and Risk Management (IIRM)

5. There will be two sub-committees within the Advisory Committee, one on Property Insurance with members mentioned at sr. no. 1 to 8 and other on Motor Insurance with members mentioned at sr. no. 9 to 16 above, to take forward the idea of Loss Prevention and Minimisation at the industry level in the areas specified.

6. The Advisory Committee, to start with, shall work on the activities listed under **Annexure I** attached. The Authority may review and modify the activities as and when felt necessary.

7. The Advisory Committee shall submit work progress report to the Authority on monthly basis.

8. The Advisory Committee shall have a term of two years.

**Chief General Manager(Non-Life)**

## **Annexure I**

## **Activities to be Performed by Advisory Committee**

### **A) On Property Insurance:**

- i. Creating repository of past risk inspection reports and developing standard survey/inspection report formats.
- ii. Setting and reviewing codes and benchmarks in collaboration with various industry participants.
- iii. Creation and analysis of database of industrial property risks in the country where total value at risk is above Rs. 50 Crores, using geo code/unique property ID as the location-wise, occupancy-wise property identifier in collaboration with IIBI.
- iv. Collect and build segment-wise/ occupancy-wise loss data with geo code, analyse and publish pattern of losses including severity, root cause analysis and suggestions on loss prevention and minimisation techniques in collaboration with IIBI.
- v. Issue advisories on packaging and transportation of cargo.
- vi. Publish technical literature on fire hazards, fire safety.

### **B) On Motor Insurance:**

- i. Develop guidelines on inspection of vehicles and standard operating processes to be followed by vehicle owners in the event of loss.
- ii. Mapping high exposure accident spots across the country.
- iii. Develop standard matrix (score) to incorporate safety features for each make and model of vehicles.
- iv. Lay down guidelines on repair charges for parts for each model of vehicle to bring standardization across the industry. Creation of garage network master for providing average repair cost in terms of repair of each part, average painting cost and turnaround times for different types of repair.
- v. Develop guidelines on adoption of technology such as Block Chain, Telematics for loss prevention and minimisation and highlight best practices in the world in this regard.

### **C) Activities common for both segments**

- i) Creating awareness about Loss Prevention and Minimisation and circulate best practices adopted internationally.
- ii) Co-ordinating with various government agencies/authorities, institutions, insurers and international organizations/bodies etc. on the matters of loss prevention and minimization.
- iii) Any other activity deemed fit by the Chairperson of the Authority and in the absence of Chairperson, senior most Member of the Authority.