



Ref: IRDA/NL/ORD/MISC/119/05/2017

Dated: 19th May, 2017

Order

Re: Working Group on visiting Product Structure for Dwellings, Offices, Hotels, Shops etc and Micro, Small and Medium Enterprises for cover against Fire and Allied perils

Recent catastrophic events such as the Northern India Floods, J&K Floods, Hud Hud Cyclone and Chennai floods have revealed that economic losses are much higher than insured losses. There is a need to increase the penetration of Fire and Allied perils insurance, in particular for Dwellings, Offices, Hotels, Shops etc as well as for Micro, Small and Medium Enterprises. The product structure for cover against Fire and Allied perils that is currently being followed is that of the erstwhile Fire Tariff. The passage of the Micro, Small and Medium Enterprises (MSME) Development Act, 2006 and MSME Development (Amendment) Bill, 2014 have facilitated the promotion and development of small and medium enterprises. In this backdrop, there may be a case to revisit the existing product structure and examine if there is scope for innovation.

2. The Authority has, therefore, decided to constitute a Working Group consisting of the following:

(i). Shri.Anurag Rastogi, Chief Actuary and Head, Retail Underwriting & Claims, HDFC Ergo General Insurance Company Limited, Chairman

(ii). Smt.D.Nagalakshmi, Deputy General Manager, United India Insurance Company Limited, Member

(iii). Shri.Amitabh Gupta, Head, Property Underwriting, Reliance General Insurance Company Limited, Member

(iv). Shri. N.Ravichandran, Chief Technical Officer, Kotak Mahindra General Insurance Company Limited, Member

(v). Shri.V.Devanathan, Head (Technical), General Insurance Council, Member

(vi). Shri.Parmeshwar Shelke, Asst. General Manager, Actuarial Department, IRDAI, Member

(vii). Shri.K.Mahipal Reddy, Deputy General Manager, Non-life Department, IRDAI, Member Convener

3. The Terms of Reference of the Working Group are as under:

- i. To examine the current product structure under Standard Fire and Special Perils Policy (SFSP) for Dwellings, Offices, Hotels, Shops etc rateable under Section III of the erstwhile All India Fire Tariff and products available for Micro Small & Medium Enterprises as defined under Micro Small & Medium Enterprises Development (Amendment) Bill, 2014.
 - ii. To study the need and scope for changes in the current product structure under SFSP of the above categories in keeping with the times and need.
 - iii. To suggest standard and simple policy wordings, add-on covers, clauses, endorsements to be adopted by the General Insurers that adds value to policyholders.
 - iv. To make recommendations with regard to relevant regulatory framework, including assessment of risk, pricing, reserving, accounting etc for both long-term and short-term policies.
 - v. To consider any other aspect relevant to the said subject.
4. The Working Group shall submit its report within 12 weeks of the date of this order.



(P.J. Joseph)
Member (Non-Life)

