

Item No. 14

Regulatory facilitations/relaxations announced regarding: **Obtaining consent through mobile phone One Time Password(OTP) dispensing with wet signature of the proposer and physical proposal form**

Background & Rationale

The onset of Covid-19 pandemic in March 2020 brought in its wake severe restrictions on mobility of individuals and consequent disruption to face-to-face solicitation activities of insurance agents and intermediaries. In order to mitigate its adverse impact on insurance sales activities, the Authority had permitted insurers to obtain the consent for proposals through OTP validation process, in lieu of wet signatures, in respect of sales made by Insurance Agents and Intermediaries.

The said dispensation was granted under regulation 18, read together with regulation 8 (1) of IRDAI (Protection of Policyholders' Interests) Regulations, 2017, vide circulars mentioned in Annexure I, up to 31st March, 2022.

During the period since granting of this dispensation, its working was monitored on a regular basis and it is found that in addition to meeting the intended objective, the initiative had enhanced the ease of doing business and, together with other digital initiatives implemented by the insurers, contributed to paperless new business acquisition. It has also resulted in creation of digital trail for the entire point of sale activity to reduce the scope for mis-selling. Further, it provided the Insurers with an opportunity to build authentic database of mobile numbers / e-mail ids of their proposers, which would facilitate greater customer contact and engagement.

Current Proposal:

Considering the beneficial impact of the dispensation and its long-lasting benefits, the following approvals are sought:

- The Authority may approve extension of the dispensation for a further period of six months, i.e., till 30th September 2022.
- The Authority may also accord in principle approval for offering this dispensation on a permanent basis so that necessary amendments be initiated to the extant regulatory framework in respect of digital solicitation by different distribution channels harmoniously.

Placed before the Authority for approval.