

IRDA to sort out issues related to repository system

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HYDERABAD: The Insurance Regulatory and Development Authority (IRDA) is likely to fix the processes related to the newly-launched repository system after meeting the Life Insurance Council, insurers and the five repositories this month. The KYC (Know Your Customer) norms, free-look period, guidelines and cost of repositories are among the aspects to be approved by the regulator.

"The insurance firms have raised concerns related to the five broad categories. The stakeholders almost have an agreement on free look and cost of repositories. The other aspects are expected to be approved by the IRDA after the December meeting," said S. V. Ramanan, Chief Executive Officer, Cams Repository.

The industry and the IRDA were mulling a uniform cost structure, he said.

The insurance repository system lets policy-holders keep policies in electronic form, and undertakes changes and revisions in the policy with accuracy and security. The IRDA has licensed Karvy, NSDL Database, Central Insurance Repository, SHCIL Projects, and CAMS Repository Services as repositories.

The Life Insurance Council has appointed Snehil Gambhir, COO, Aviva Life Insurance, to get feedback from insurers and the industry on the process and other aspects.

Uniform repository cost

The industry is concerned over the variation in the insurance maintenance cost structure of the five repositories. At present, the maintenance cost varies from Rs.50 to over Rs.100.

The insurance firms, as well as the repositories, are hoping for a uniform cost structure soon.

"The cost may further come down with more number of policies brought into the online structure. Right now, the cost is based on negotiation with the repository and the bulk of policies to be converted," said P. Nandago-

pal, Managing Director and CEO of IndiaFirst Life Insurance Company.

"The present cost itself is a major saving compared to the estimated Rs.600 incurred by the insurance firms in the pre-repository era. This apart, going by IRDA's direction, the repository system may be made mandatory by December, 2014, which will accommodate the critical number and bring down cost," Mr. Ramanan said.

Total insurance policies in the country are close to 40 crore, and each month about four crore policies are added, according to an industry estimate. Most new policies are brought into the repository system despite no such obligation as of now.

The mandatory e-insurance system will bring in clarity on several aspects, including cost, according to the industry.

BULLION RATES

December 02 rates in rupees with previous rates in brackets

Chennai		
Bar Silver (1 kg)	44,180	(45,015)
Retail (1 g)	47.30	(48.20)
24 ct gold (10 g)	30,215	(30,345)
22 ct gold (1 g)	2,853	(2,865)
Mumbai		
Silver	45,125	(45,600)
Standard gold	30,505	(30,690)
Delhi		
Silver	43,800	(44,075)
Standard gold	31,015	(31,525)
Sovereign	25,200	(25,200)

EXCHANGE RATES

Indicative direct rates in rupees a unit except yen at 4 p.m. on December 02

Currencies	TT	
	Buying	Selling
U.S. Dollar	62.12	62.44
Euro	84.04	84.48
Pound Sterling	101.75	102.28
Jap Yen (100 Units)	61.42	60.74
Swiss Franc	68.20	68.57
Singapore Dollar	49.50	49.77
Australian Dollar	56.75	57.05
Canadian Dollar	58.33	58.64
Swedish Kroner	9.46	9.52
Danish Kroner	11.26	11.32
New Zealand Dollar	50.87	51.15
Hongkong Dollar	8.01	8.05
Malaysian Ringgit	18.81	19.61
Kuwaiti Dinar	219.15	220.79
UAE Dirham	16.91	17.00
Bahraini Dinar	164.47	165.93
Qatari Riyal	17.10	17.13
Saudi Riyal	16.61	16.66
Omani Riyal	160.87	162.63

Source: Indian Bank