

# IRDA may ask life insurers to tie up with repositories

**DEEPA NAIR**

Mumbai, March 20

The Insurance Regulatory and Development Authority (IRDA) is likely to make it mandatory for life insurance companies to tie up with all five insurance repositories by July.

The insurance repository system lets policyholders keep policies in electronic form, and make changes and revisions in the policy.

IRDA has licensed Karvy, NSDL Database, Central Insurance Repository, SHCIL Projects, and CAMS Repository Services as repositories.

The insurance regulator's top brass met senior life insurance industry officials and representatives from the repositories a couple of days back to iron out issues related to the newly-launched repository system. The benefit of

holding policies electronically for policyholders is that there is no risk of losing the physical document, while for insurers, it is supposed to bring down costs. Also, policyholders can pay their premiums online and renew policies through the portals.

While the initiative was launched in September 2013, only some private life insurers have tied up with the repositories. Others, including state-owned Life Insurance Corporation of India, have not yet tied up.

According to industry estimates, while the total number of life insurance policies in the country is around 40 crore, only 65,000 e-insurance accounts have been created so far.

Sandeep Ghosh, CEO of Bharti Axa Life insurance, said one of the main reasons why

many insurers are hesitant to tie up with repositories is the costs involved in transferring the policies to the repository system.

According to industry officials, while the facility is free for the policyholder, repositories typically charge the insurer around ₹60 a policy.

SV Ramanan, CEO of CAMS repository, said the regulator has formed two committees to ensure a smooth transition of policies into the repository system.

The first committee, chaired by P Nandagopal, Managing Director and CEO of IndiaFirst Life Insurance Co, will look at streamlining the processes to reduce costs involved for insurers. The second committee, chaired by Srinivasan Iyengar, COO of Reliance Life Insurance, will look at IT security issues.