

Taking the E- Way

INSURANCE

TAKING THE E-WAY

With an insurance repositories system in place, you can now convert your policies into electronic form without any cost

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ALL existing and new insurance policies will now be in a dematerialised format and held with an insurance repository. The repositories will enable policyholders to make changes in nominee or address details, or make any other modification, and also act as a single-stop shop for all policy-related servicing.

In 2011, the Insurance Regulatory and Development Authority (Irdi) came out with guidelines to form an insurance repository on the lines of the National Securities Depository or the Central Securities Depository. Irdi granted certificate of registration for repositories to five entities — NSDL Database Management, Central Insurance Repository, SHCIL Projects, Karvy Insurance Repository and CAMS Repository Services.

Last week, finance minister P Chidambaram inaugurated the insurance repositories system for individual policyholders as part of efforts to improve services and expand insurance reach.

One of the major advantages of keeping insurance policies in electronic form is safety as there is no risk of loss or damage. Since all insurance policies can be electronically held under a single insurance account, the policyholder can access the policy and get details from anywhere and even download a copy of the policy.

A single change-of-address request made to the insurance repository can update policies issued by multiple insurers, thus reducing paperwork.

Moreover, an e-insurance account holder will be spared the trouble of submitting KYC details each time a new policy is taken. Every year, the repository will send a statement of account to the e-insurance account holder with the details of the policies.

Insurance firms will send an insurance information sheet, which will contain basic details of the policy when a new electronic policy is issued. Repositories will enable a platform where policy-

holders can get the facility of online payment of premiums and online claim settlement by insurers. The e-insurance account holder will have an option to shift from one repository to another.

Irdi has said repositories will not sell or solicit policies. They will be authorised only to maintain policies in electronic form and provide service record. Each e-insurance account will have a unique account number and each account holder will be granted a login ID and password to access his policies online.

IndiaFirst Life MD & CEO P Nandagopal said life insurance policies are the only major retail financial product still issued and maintained in paper form. "India may probably be the first country to embark on and implement

such a pathbreaking initiative by transforming physical insurance policy certificates into electronic form," he said. Bajaj Allianz Life Insurance technical head P Ravi Kutumbrao said the repositories will help insurance companies ensure compliance with and uniformity of KYC details.

Importantly, an individual cannot open multiple e-insurance accounts. An e-insurance account holder or a policyholder will have to fill in the e-insurance form, submit a photo identity, address proof, a recent passport-size photograph and a cancelled cheque for ECS/NEFT services for insurance premium payment.

Even an individual who does not have an insurance policy can open an e-insurance account. After buying a policy, he can submit a request for dematerialisation to the insurer or the insurance repository.

Irdi has given a list of KYC documents like PAN card and UID card for identity proof and ration card, passport, Aadhar card, voter ID card, driving licence, etc., for address proof. An e-insurance account will be opened within seven days from the date of submission of the complete application. If the insurance repository fails to issue the policy in electronic form within the time specified, it will be liable to fine. Once an account is open, the repository will send a welcome kit, giving details of how to operate the account.

If you want buy a new policy in electronic form, all you have to do is quote the e-insurance account number in your proposal form and make a request for a policy in electronic form. The repository will send an email and SMS on your registered email id and mobile number, respectively, to confirm that the policy has been successfully credited into your e-insurance account.

Analysts say that over a period of time, the insurance repositories will be able to provide a number of convenient services to policyholders.

WHY ONLINE



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- Since all policies can be electronically held under a single e-insurance account, the policyholder can access the policy and get details from anywhere and even download a copy of the policy
- A single change-of-address request made to the insurance repository can update policies issued by multiple insurers, thus reducing paperwork
- An e-insurance account holder will be spared the trouble of submitting KYC details each time a new policy is taken
- Every year, the repository will send a statement of account to the e-insurance account holder with the details of the policies
- Single view of all policies will be made available to an authorised person in case of death of the e-insurance account holder, which will help in faster claim settlement
- With e-insurance, the management cost is likely to come down to ₹20 per policy per annum from ₹120 a policy
- The e-insurance account and servicing will be offered without any charges to the policyholder.
- The repositories will not sell or solicit policies. They will be authorised only to maintain policies in electronic form and provide service record
- Each e-insurance account will have a unique account number and each account holder will be granted a login ID and password to access his policies online