

Mandatory non-life KYC irks small-town agents

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Mumbai: Insurance agents in smaller towns are facing new challenges after anti-money laundering guidelines became applicable to health and non-life companies with effect from January 1 this year.

According to distributors, many smaller buyers of motor covers do not have the mandatory PAN and are not able to buy or renew their policies. Agents are also complaining that all companies' systems have not been updated and there are issues in processing insurance proposals.

Jasbir Singh Uppal, an insurance distributor in Ajmer, said that he had faced multiple issues. Problems include rural customers not ha-

ving the mandatory PAN card. Also, there are many instances in rural areas of the vehicle owner name not matching with the name in the PAN card. "The IT system of the insurance companies does not accept the proposal without the PAN card or if there is a name mismatch," said Uppal. Irdai rules allow for acceptance of form 60 in

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lieu of PAN card. However, most insurance companies onboard customers digitally and have not made any provision for accepting proposals without PAN.

"The regulation should have been limited to Aadhaar without insisting on PAN," said Uppal. He added

that if rural vehicle owners are not allowed to buy vehicle insurance without PAN, the number of uninsured vehicles on Indian roads would rise. It is estimated that around half of the vehicles on Indian roads are uninsured.

Sandeep Jangir, an insurance agent in Rajgarh, said, "There was a problem. This has been sorted now."

Insurance companies are supporting the move to gather more data for ensuring KYC. "The mandate is a positive and critical move by Irdai," said Bajaj Allianz General Insurance MD & CEO Tapan Singhel. "This will bring in more transparency, help develop a better understanding of customers and, at the same time, fine-tune product offerings for them in the short and long run."