

IRDAI allows launch of insurance products without prior approval

‘Move will help improve ease of doing business in the sector’

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In a significant move, the Insurance Regulatory and Development Authority of India (IRDAI) has permitted general and standalone health insurers to launch products without prior approval.

“The IRDAI has extended the use and file procedure for all health insurance products and almost all general insurance products, in line with the reforms agenda taken up towards having a fully insured India,” said the regulator in a release on Wednesday.

“This is a stepping stone towards improving ease of doing business in the insurance sector by moving from the current regime requiring prior approval for launching the products, to a regime where products



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could be launched without prior approval,” said the release.

The initiatives will enable the insurance industry launch suitable products in a timely manner.

Innovative products

The insurance industry, according to the regulator, is expected to use this opportunity for the introduction of customised and innovative products, and expansion of the choices available for

policyholders to address the dynamic needs of the market.

According to the circular sent to insurers, they are required to put in place the board-approved policy of products that are to be offered or modified/revised.

The board-approved policy should also comply with certain norms specified in the circular, and the same should be complied at the time of launching the products or their modification/revision.

The Product Management Committee of the insurer must ensure compliance to the policy of the board while signing of the new products or modification of products, said the circular.

Commenting on the initiative, Tapan Singhel, MD and CEO, Bajaj Allianz General Insurance, said: “The proactive initiative by the IRDAI will provide some necessary mechanisms to insurance companies that wish to bring out more innovative products in the market at a faster frequency.”