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# Insurers can change rates by up to 15% without IRDAI nod

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**Bengaluru:** Regulator IRDAI has permitted insurance companies more freedom in revising rates. Insurers can now increase or decrease premiums by 15% depending on their claims experience in a certain sector. So, if an insurer faces higher claims and higher loss ratios in health or motor going forward, it will be easier for them to increase premiums without having to file with the regulator.

Industry insiders said that the reverse could also happen. "If we face a better than expected experience in a certain category, then it is possible that we might pass on the benefits of underwriting profits in the form of lower premiums," sa-

id Rashmi Nandargi, head (retail health, PA and travel underwriting), Bajaj Allianz General Insurance.

IRDAI also announced other measures to bring in more transparency. Among the changes are allowing insurers to alter the mode of premium

## NEW RULES FOR TRANSPARENCY

payment to an instalment basis without having to file the product afresh with IRDAI. Likewise, omnichannel distribution of products would be now possible without insurers having to refile if they want to extend a bank-specific or online-specific product to a wider audience. Insurers will now also be allowed to

increase the age band of products without having to file afresh with the regulator.

Usually, the option to pay premium on an instalment basis was available only for life insurance companies. "Bringing this mode of payment to health might prove an incentive for people to buy covers," said Sanjay Dutta, chief (underwriting and claims), ICICI Lombard General Insurance. IRDAI has also permitted insurance companies to add approved standalone riders or add-ons to approved individual health insurance products without having to file the product again. It also permitted insurers to change the sum insured made available to a policyholder if it is within the range filed for the original policy.