



Circular	
Ref. No:IRDAI/INSP/CIR/MISC/077/03/2020	Date:30-03-2020
Covid-19 related instructions	
Insurance Regulatory and Development Authority of India	
Ref: IRDAI/INSP/CIR/MISC/077/03/2020 Date: 30th March 2020	
To	
<u>All Insurers</u>	
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<u>Sub: Covid-19 related instructions.</u>	
<p>In order to meet the challenges on account of the developing situation owing to COVID-19, the Insurance Regulatory and Development Authority of India issues the following instructions:</p>	
A. Safety measures:	
<p>1. Insurance, being a critical requirement of the population, has been exempted from the lock down. However, insurance companies and other regulated entities are advised to operate their offices with absolutely necessary staff so as to maintain essential insurance services including claims settlement, authorisation for hospitalisation, renewal of insurance policies and such other activities. In all the operating offices, extreme care needs to be taken by all concerned to maintain prescribed hygiene, social distancing etc.</p>	
<p>2. To the extent possible, work from home may be adopted by facilitating the same for the staff of insurers, intermediaries and agents.</p>	
B. Communication to key stakeholders:	
<p>3. Insurers shall prominently display on their website a dedicated help line number for policyholders and another help line number for other stakeholders including agents and intermediaries. Adequate arrangements may be made to service all the policyholders and other stakeholders satisfactorily through these help lines.</p>	

4. Insurers shall also display the contact number of the officer who can be approached, if the concerns of any of the policyholders and other stakeholders are not resolved through the dedicated help line numbers.

5. Insurers may also display FAQs for COVID-19 claims on their websites.

C. Monitoring of the situation:

6. Insurers shall put in place a Business Continuity Plan (BCP) which inter alia deals with processes, transactions, reporting and customer services to be handled in a seamless manner to take care of the present situation. A copy of the same may be submitted to the Authority.

7. Insurers shall set up a Crisis Management Committee, comprising of key personnel to monitor the current situation on real time basis and to take appropriate timely decisions on :

a. Issues pertaining to safety of staff, policyholders, intermediaries and agents;

b. Assessing new challenges that may emerge on a day-to-day basis and measures to mitigate them; and

c. Adopting necessary measures to minimize business disruption.

Further, the Crisis Management Committee should provide regular inputs to the Risk Management Committee of the insurer.

8. The Risk Management Committee, with the support of all the key management personnel, shall evaluate all risks including strategic, operational, insurance, liquidity, credit, reputational, market, foreign exchange, reduction in new business, reduction in renewal business, asset liability mismatch, reduction in yield, capital erosion, claims in the wake of present situation and shall devise necessary mitigation measures. Any severe impact on the operations or capital requirements or solvency margin shall be promptly communicated to the Authority.

9. Cyber risks and data security: Due to enhanced remote working, it is possible that there could be an increase in the number of cyber-attacks on personal computer networks. Therefore, insurers need to take precautionary measures to address such cyber risks and to mitigate such risks as soon as they are identified. Insurers shall also educate their staff, through emails and other modes, of possible cyber risks and the associated safeguards to be taken by the staff while working from home.

D. Products:

10. Insurers are strongly encouraged to devise appropriate insurance products that would provide protection from risks arising out of Covid-19. The Authority is committed to process such product approval applications on a fast track mode.

E. Policy Servicing and Claims:

11. Insurers shall make special efforts to enable the policyholders to pay premium using digital methods by educating them through SMS, emails etc.

12. Claims arising on account of Covid-19 should be processed expeditiously. Insurers are encouraged to adopt simplified / expedited claim procedures for such cases. In addition, other claims should also be processed within the prescribed period by making special efforts.

13. Wherever email addresses of policyholders are available, policy documents may be issued through email within the prescribed period. SMS may also be used to confirm to the policyholders about issue of policy documents. The insurers are encouraged to capture the email and phone number of the prospective customers for intimation of the commencement of the policy and for further policy servicing. As a special case, an additional period of 30 days is allowed for insurers for dispatch of documents for policies issued between 15th March and 30th April 2020.

14. Though the normal response time for policyholder complaint redressal is 15 days, due to the prevailing lockdown situation, an additional 21 days is allowed in respect of all complaints which are received on or after 15th March 2020 and upto 30th April 2020. However, this additional response time is not applicable to complaints pertaining Covid-19 for which the extant timelines will continue to apply.

15. In case insurers have issued travel insurance policies which were/are valid between 22nd March, 2020 and 30th April 2020, an option may be provided to the policyholders to defer the date of travel without any additional charge.

F. Relaxations:

16. Insurers may also take note of the following circulars already issued by the Authority:

- a. IRDAI/HLT/REG/CIR/054/03/2020 dated: 04-03-2020;
- b. IRDAI/Corp Agent/2019-20/03/01 dated: 20-03-2020;
- c. IRDA/F & A/CIR/2019-20/481 dated: 23-03-2020;

d. IRDA/Life/Cir/MISC/072/03/2020 dated: 23-03-2020;

e. Press release dated: 23-03-2020;

f. Press release dated: 27-03-2020;

g. Press release dated: 28-03-2020.

17. The insurers should keep their respective Boards informed of the actions taken by them in dealing with situations arising out of Covid-19.

18. The Authority should be informed immediately in case of any special circumstances affecting the essential business operations of the insurers.

19. The Authority is constantly evaluating emerging impact of COVID-19 on the insurance sector and will issue suitable instructions from time to time as considered necessary.

K Ganesh
Member (Life)

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