

Ref: IRDAI/NL/CIR/MISC/96/05/2022

Dated: 12th May, 2022

ALL GENERAL INSURERS (Other than Stand Alone Health Insurers and Specialised Insurers)

Re: Filing of fire insurance products for Dwellings, Micro and Small Businesses

1. The Authority, vide notification F.No.IRDAI/Non-life Insurance/5/171/2020 de-notified erstwhile All India Fire Tariff (AIFT) for certain risks. Further, it was notified that with effect from 1st April, 2021, Fire and allied perils covers for the specified risks shall be subject to regulations and/or guidelines enunciated in this regard by the Authority.
2. Accordingly, the Authority issued guidelines for standard products for Fire and allied perils for dwellings, micro and small businesses, namely Bharat Griha Raksha, Bharat Sookshma Udyam Suraksha and Bharat Laghu Udyam Suraksha vide Guidelines Ref. IRDA/NL/GDL/MISC/004/01/2021 and IRDA/NL/GDL/MISC/005/01/2021 dated 4th January, 2021. These standard products replaced the Standard Fire and Special Perils (SFSP) policy for the named risks and no product other than the standard products was permitted for Fire and allied risks.
3. After considering the increasing demand for new covers in the fire line of business, the Authority, in exercise of powers under Section 14(2)(i) of IRDA Act, 1999 hereby permits general insurers to design and file alternative products covering Fire and allied perils for the risks de-notified vide notification referred in para 1 above. Such alternative products may be variations of the standard product and may include already approved add-ons as part of the base product or may delete an existing provision. However, the definitions and wordings of terms used in the standard product shall be the

reference point for those terms when used in the alternative products as well. Needless to add, the pricing of the products shall be commensurate to the risks involved.

4. Insurers shall follow the extant product filing guidelines for the new alternative products.
5. Permitting alternative products seeks to achieve the following objectives:
 - a) insure evolving fire insurance risks of Dwellings, Micro and Small Businesses to increase insurance penetration.
 - b) identify protection gaps in the existing fire insurance products and address the changing needs of market with due consideration to the policyholders' interests in terms of suitability and affordability.
 - c) promote healthy and sustainable development of fire insurance market with new and alternative products that provides wide options to policyholders in addition to standard products.
6. This circular shall come into effect from 1st June, 2022.
7. The standard policies in force shall not be cancelled for the purpose of offering new covers.

Please acknowledge and confirm having noted the contents of this circular.

(Yegnapriya Bharath)

Chief General Manager (Non-life)