

Insurance Regulatory and Development Authority of India

Press Release

10.06.2022

Insurance product approvals made easy

- Steps towards ease of doing business

In its continuous endeavor towards the reform agenda taken up towards having a fully insured India, Insurance Regulatory and Development Authority of India (IRDAI) has extended the 'Use and File' procedure for most of the Life Insurance products. This means now the life insurance companies can also launch these products without prior approval of IRDAI. This comes after the similar relaxations were extended to all the Health Insurance products and almost all the General Insurance products by IRDAI vide a circular dated 01.06.2022.

Earlier when the industry was in nascent stage, it was made mandatory for the insurance companies to take prior approval before launching any life insurance product; however, with the maturity attained by the industry, it is envisaged that necessary relaxations may be allowed. This move will enable Life Insurers to launch most of the products (except Individual Savings, Individual Pensions and Annuity) in a timely manner according to the dynamic needs of the market. This will result in improving ease of doing business for the insurers and also lead to expansion of the choices available to the policyholders.

The life insurers are expected to have a Board approved product management and pricing policy (BAPMPP). The Board shall also constitute a Product Management Committee (PMC), which shall have Appointed Actuary, Chief Risk Officer, Chief Marketing/Distribution Officer, Chief Technology Officer and Chief Compliance Officer of the insurer as members and also an option to include other members of its Senior Management as Invitees. The PMC shall review and approve the products/riders in line with BAPMPP.

The life insurance industry is expected to use this opportunity to respond faster to the emerging market needs, in terms of designing and pricing of insurance products resulting in more choices for the policyholders, which will further help in increasing the insurance penetration in India.