

Article Date	Headline / Summary	Publication
13 Jun 2024	Understanding IRDAI's Master Circular: Industry leaders weigh in	ET BFSI

[Understanding IRDAI's Master Circular: Industry leaders weigh in](#)



In a significant move to streamline and enhance the general insurance sector, the Insurance Regulatory and Development Authority of India (IRDAI) issued a Master Circular consolidating and replacing thirteen existing circulars.

The new guidelines aim to simplify and personalize insurance solutions, ensuring a seamless customer experience and operational ease for insurers in a de-tariffed regime. We spoke to industry leaders to get their take on these reforms and their impact on the insurance landscape.

Highlighting the circular's focus on customer-centricity, Tapan Singhel, MD & CEO of Bajaj Allianz General Insurance said, "The IRDAI's master circular represents a comprehensive framework prioritizing customer needs and regulatory compliance. It encourages insurers to design innovative products, improve insurance penetration, and streamline processes using end-to-end technology solutions."

The introduction of the Customer Information Sheet (CIS) aims to enhance transparency and customer understanding by providing clear and concise policy details, including coverage scope, exclusions, warranties, and claim settlement processes.

Enhancing Trust and Transparency

Also emphasizing the pro-customer nature of the reforms, Ritesh Kumar, MD & CEO of HDFC ERGO General Insurance added, "The recent reforms by IRDAI are a step in the right direction for the insurance industry. With the emphasis on stronger governance and compliance measures, policyholder protection is ensured while simpler document submission and new customer information sheets will increase transparency." The circular emphasizes robust governance and compliance, with strengthened board oversight across product development, sales, and policy servicing stages. The reforms also introduce a no contribution clause for multiple policies and ensure that claims cannot be rejected due to document deficiencies.

Simplification and Tech Integration

The introduction of a wider range of products and add-ons, along with the possibility of customization, will empower customers to tailor policies to their specific needs, Shanai Ghosh, MD & CEO of Zuno General Insurance said.

Simplified claim procedures and safeguards against claim rejection due to missing documents are pivotal for fostering trust. Particularly noteworthy are the "pay as you drive" and "pay as you go" options in motor insurance, offering customers more flexibility and alignment with actual usage, she added.

On a similar line, highlighting the importance of technology in the new reforms, Rakesh Jain, CEO of Reliance General Insurance added, "By leveraging technology for seamless onboarding, policy servicing, renewal, claim settlement, and grievance redressal, we can provide superior service. These measures align with our commitment to offering tailored, comprehensive coverage that meets our customers' unique needs while maintaining high standards of integrity and efficiency in our operations."

Streamlined Claims Settlement

"Simplified claim documentation processes with strict timelines, easy policy cancellation, end-to-end technology-based solutions, and providing better coverage through innovative products are significant steps towards a seamless insurance journey for both insured and insurers," Ajay Shah, Head of Distribution at Care Health Insurance said appreciating the reforms in claims settlement processes.

The circular mandates strict timelines for appointing surveyors and obtaining their reports, ensuring timely claim settlements and reducing customer grievances.

Comprehensive Risk Management and Simplified Processes

Shashi Kant Dahuja, Chief Underwriting Officer of Shriram General Insurance, emphasized the guideline's focus on risk management and simplified processes.

"The new guideline encourages simplifying processes while ensuring a personalized touch, making the insurance journey smooth and effortless for users. The newly introduced customer information sheet will cover all the basic features of the policy in simple words at one place for the policyholder and will prove a milestone in educating the masses," Dahuja explained.

The reforms advocate for tech-enabled processes to ensure seamless operations and fair work allocation for surveyors and loss assessors.

Moving Towards a More Inclusive Insurance Sector

The IRDAI's Master Circular marks a significant step towards a more inclusive, transparent, and efficient insurance sector in India. By empowering policyholders and stakeholders with enhanced transparency, fair treatment, and operational ease, these reforms promise to adapt quickly to changing market dynamics, driving the sector towards sustainable growth and innovation.

Overall, industry leaders view the IRDAI's master circular as a transformative initiative that will enhance customer satisfaction, foster innovation, and streamline operations across the general insurance landscape. These reforms are expected to create a more user-friendly experience for consumers while ensuring operational efficiency and fairness for insurers.