

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2149
ANSWERED ON:05.12.2014
DIGITISATION OF LIC POLICIES
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Life Insurance Corporation (LIC) has any proposal to digitise /dematerialise the insurance policies in the country;
- (b) if so, the details thereof;
- (c) whether the Insurance Regulatory and Development Authority (IRDA) has issued any guidelines to insurance companies in this regard: and
- (d) if so, the details thereof and the steps taken by the IRDA to protect interest of the customers in this regard?

Answer

Hon`ble Minister of Finance (Shri Arun Jaitley)

(a) and (b): Life Insurance Corporation of India (LIC) has informed that LIC has been digitizing all its policy records and as on date all of LIC policy records have been digitized.

(c): The insurance Regulatory and Development Authority (IRDA) vide Circular ref: 1RDA/ADMN/GDL/GLD/ 080/04/2011 dated 29th April, 2011 has issued Guidelines on Insurance repositories and electronic issuance of insurance policies followed by a clarification circular vide ref: IRDA/NL/CIR/MISC/ 138/07/2013 dated 18th July, 2013.

(d): The guidelines provide for dematerialization of both existing and new insurance policies. Five Insurance Repositories (IRs) have been granted certificate of registration to maintain such electronic policies. The said guidelines provide for various means to protect the interests of the customers by having strict norms for licensing, fit and proper criteria for the CLOs of the repositories and a two stage licensing process. Explicit norms for policyholders servicing, issuance of electronic policies, services, norms for opening and maintenance of electronic insurance accounts and operation of minor's accounts have been provided in the guidelines. The guidelines also stipulate a number of policyholder protection measures such as grievance redressal mechanism, rights of policyholders to opt out, obligations of insurers, inter repository transfers, etc.