

Ref No: IRDAI/NL/ORD/MISC/242/12/2022

Date: 7<sup>th</sup> December, 2022

**ORDER**

**Re: Constitution of Working Group for suggesting the regulatory framework post de-notification of the existing tariffs**

- A.** Pursuant to the withdrawal of the tariffs to rates, terms, conditions and regulations applicable to Fire, Engineering, Motor, Workmen's Compensation and other classes of business by the Tariff Advisory Committee vide its circular ref. TAC/7/06 dated 4<sup>th</sup> December 2006 effective from 1 January 2007, the Authority, vide notification dated 4<sup>th</sup> December, 2006 stipulated that the Tariff general regulations (other than those relating to rating), terms, conditions, clauses, warranties, policy and endorsement wordings applicable to the above mentioned classes of business as well as Marine Hull insurance business shall continue to be followed until further orders and that the rates of premium may be varied subject to compliance with the Guidelines on 'File and Use' of General Insurance Products.
- B.** The Authority vide Notification ref No. F. No. IRDAI/Non-Life Insurance/5/171/2020 dated 28<sup>th</sup> December, 2020 de-notified the tariff general regulations, terms and conditions etc in respect of the following risks within Fire and Allied Perils insurance business governed by the erstwhile All India Fire Tariff, 2001 with effect from 1st April, 2021:
- a) Dwellings: Any Sum Insured
  - b) Offices, Hotels, Shops, Industrial/Manufacturing risks etc., where the total value at risk does not exceed Rs.50 Crores across all asset classes at any one location.
- C.** In order to put in place an effective Regulatory framework post de-notification of the existing tariffs viz. Fire, Engineering and Motor (Own Damage), it is proposed to constitute a Working Group with the following members.
- i) Shri Bhargav Dasgupta, MD& CEO, ICICI Lombard General Insurance Co. Ltd – Chairman of the Working Group.
  - ii) Shri Neelesh Garg, MD&CEO, TATA AIG General Insurance Co. Ltd.
  - iii) Ms Jasleen Kohli, CEO, Go Digit General Insurance Ltd.
  - iv) Shri Jitender Mehndiratta, General Manager, New India Assurance Co. Ltd – Member
  - v) Ms C S Radhika, General Manager, United India Insurance Co. Ltd – Member
  - vi) Ms. Arti Bhushan Mulik GM - Commercial Underwriting- Universal Sompo

- vii) Ms. R Annam - Head Commercial Underwriting - Cholamandalam
- viii) Shri Parag Gupta, CEO, SCOR Re
- ix) Shri N Rama Swamy, General Manager, GIC Re. - Member
- x) Shri Hitesh Kotak, CEO, Munich Re – Member
- xi) Dr Sandeep Dadia, CEO, Aditya Birla Insurance Brokers Ltd
- xii) Shri Sanjay Kedia, CEO, Marsh India Insurance Brokers (India) Ltd.
- xiii) Shri D V S Ramesh, CGM (Non-Life), IRDAI
- xiv) Shri Pradeep Kumar Singh, Manager, IRDAI
- xv) Shri Hiten Kothari, Appointed Actuary, HDFC ERGO General Ins Co Ltd, Member - Convener

**D. The Terms of Reference of the Working Group are as under:**

- a. To suggest ways forward following discontinuation of tariffs in Fire, Engineering and Motor(OD) lines of business.
- b. To suggest requisite Regulatory framework for Insurers to deploy of optional product structures (such as First Loss, Excess of Loss, Agreed Value) in Property and Engineering lines of business as also to permit short-term and long-term policies for all commercial lines of business;
- c. To examine the relevance of continuing the existing standard products in fire line of business viz Standard Fire & Allied Perils form, Bharat Griha Raksha, Bharat Laghu Udyam Suraksha and Bharat Sookshma Udyam Suraksha.
- d. To suggest a suitable business model for freedom of / increased choice in Motor Insurance products especially with regard to purchase of new motor vehicles and to review the case for discontinuance of MISP.
- e. To examine the scope for new Commercial Lines products for small, medium and large risks.
- f. To recommend the draft Regulatory framework keeping in mind the protection of policyholders' interest post discontinuation of tariffs;
- g. Any other matter which the Working Group feels relevant.

The Working group is advised to undertake extensive consultations with the stakeholders during the course deliberations and before finalising the recommendations. The Working Group shall submit its report in three weeks' time from the date of this order.

-Sd/-  
(D S Murthy)  
General Manager(NL)