

“Impact of Insurance Repository: A Step toward e- word”

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Abstract

India is the second most populous country in the world, whose rapidly developing economy, is widening the gap between rich and poor. Insurance & Microfinance allows the poor to get the loans; they need to save, invest, and create a sustainable profitability & lifestyle of financial independence and growth.

An Insurance Repository is a facility to help policy holders buy and keep insurance policies in electronic form, rather than as a paper document. Insurance Repositories, like Share Depositories or Mutual Fund Transfer Agencies, will hold electronic records of insurance policies issued to individuals and such policies are called “electronic policies” or “e Policies”. Union Finance Minister Launched Insurance Repository System (IRS) on 16th September 2013. This is unique system in the world.

Keywords:

1. Introduction

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Insurance Repository means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration by Insurance Regulation and Development Authority of India (IRDAI) for maintaining data of Insurance policies in electronic form on behalf of Insurers. To implement the insurance Repository System, IRDAI has granted certificate of Registration to the five entities to act as Insurance Repositories. They are Central Insurance Repository Limited- www.cirl.co.in, SHCIL Project Limited- www.shcilir.com, Karvy Insurance Repository Limited- www.kinrep.com, NSDL Database Management Limited- www.nir.ndml.in, CAMS Repository Service Limited- www.camsrepository.com.

A policy holder can buy and keep all the policies under an electronic Insurance Account (eIA) with any one of the Insurance Repository of his choice. The existing policies in physical mode

too can dematerialize and held in the eIA. The access to all the policies is then available at a click of a button. The Insurance Repository System not only provides policy holders a facility to keep insurance policies in electronic form but also enable them to undertake changes, modifications and revisions in the insurance policies with speed and accuracy. In addition the repository acts as ‘Single Stop Shop’ for policy servicing.

2. Objective

The objective of creating an insurance repository is to provide policyholders a facility to keep insurance policies in electronic form and to undertake changes, modifications and revisions in the insurance policy with speed and accuracy. The Insurance Repository System also brings about efficiency and transparency in the issuance and maintenance of insurance policies.

3. Benefits of holding Insurance Policies in electronic form

There are multiple benefits in holding insurance policies in electronic form under a single e-Insurance Account (e IA). These benefits include:

3.1. Single Point of Service

All service requests in respect of e IA or any of the electronic policies held under the e IA can be submitted at any of the Insurance Repository service points – there is no need to go to the offices of individual insurance companies for service.

3.2. Less Paper work

When you want to buy a new electronic insurance policy under an existing e IA, you don’t need to go through KYC verification all over again, if there are no changes to your KYC details already recorded in your e IA. Further, if you want to make any changes to your personal details like address or contact no, it is enough to change the details in your e IA with the Insurance Repository by submitting a single request – the Insurance Repository, in turn, will inform all the insurance companies with whom you hold electronic policies, about the changes.

3.3. Convenience

All insurance policies, be it life, pension, health or general, can be electronically held under a single e IA. This means all details of all policies are available in a single account (place). The details of any of the policies can be accessed at any time by logging on to the online portal of Insurance Repository. Premium for all the policies can be paid online and many service requests or complaints can be logged at this website.

3.4. Safety

There is no risk of loss or damage of a policy as may happen with paper policies; the electronic form ensures that the policies are in safe custody and can be easily accessed when needed.

4. Benefit of Insurance Repository in Nut Shell:

- Convenience: Single Point of Contact
- Aggregation and Single View
- Safety: Elimination of paper and Storage risks
- Service on demand
- Efficiency and Transparency
- Ease of Maintenance
- Potentially Reduced Premium

5. The Repository Eco-System

- Insurance Repositories enter in to an agreement with the insurance who share the electronic data pertaining to the insurance policies with the Repositories.
- The Insurance Repository does a KYC to open an e- Insurance Account and provides a welcome kit and helps with the details of how to use the account.
- The policyholders at the time of taking a policy or any time later can make a request for an e-Insurance account with the Insurance Repositories and have policies credited to the account.
- Upon receipt of a service request, the Insurance Repository would handle areas that fall within scope of their services directly and would forward the others to the Insurer.
- The e-Insurance Account and all servicing would be offered ‘free of cost ‘ to the policy holder.
- Both new and existing Life, Annuities, Health and General Insurance policies can all be credited to his account. However, during the initial phase, the Life insurance policies would be credited to this account. The General Insurance and Group Insurance policies would be credited subsequently.
- The Insurers would be sending an insurance information sheet containing the basic details of insurance policy when a new electronic policy is issued.
- The Insurance Repositories provide facility for online payment of premium by the policyholder’s and payouts claims by the Insurers and handle several other servicing needs.
- The policyholder can appoint an Authorized Representation who can access the e-Insurance Account on the demise/disability of the policy holder to facilitate the nominees in the claim processing.
- The e-Insurance Account holder will have an option to shift from one repository to the other.
- A statement of account giving the details of all policies held electronically shall be provided annually by the Insurance Repository.

Here we can say definitely Insurance Repository System play very vital role in Insurance Sector.

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