

Cir No. IRDAI/ACTL/CIR/PRO/166/08/2023

Date: 31.08.2023

परिपत्र

Circular

To,

All Life Insurers

Subject: Modifications permitted to withdrawn Products of Life Insurers

1. This circular is issued in exercise of powers conferred by Section 14 (2) (e) of the Insurance Regulatory and Development Authority Act, 1999.
2. **Applicability:** This circular shall be applicable for withdrawn products which were closed for new business and have existing policies in insurer's books.
3. **Objective:**
 - (i) To provide additional options/benefits to existing policyholders.
 - (ii) To provide enhanced flexibility while ensuring that policyholders benefits are not adversely impacted.
4. After careful examination of the representation from Life Insurance Council and keeping in view the objectives stated above, it has been decided to allow the following options in respect of withdrawn products of Life Insurers.
 - (i) Addition of existing riders which are open for sale.
 - (ii) Addition of premium payment modes (frequencies).
 - (iii) Reduction in interest rate for revivals/policy loans.
 - (iv) Addition of one or more payment frequencies to income benefits payable to policyholders.

5. Conditions to be satisfied while allowing the above mentioned options:

The insurer shall ensure that;

- (i) withdrawn File and Use applications shall not be altered/amended while offering the above options to the existing policyholders.
- (ii) an addendum listing the changes in chronological order as per format prescribed in Annexure I, is maintained in respect of the withdrawn File and Use application, on ongoing basis incorporating all the changes made till the date.
- (iii) the policyholders are suitably informed about the options and a specific request has been obtained from policyholders in respect of point 4(i), 4(ii) & 4(iv).
- (iv) changes are appropriately documented in the respective policy document.
- (v) offering the above options is not detrimental to the interests of the policyholders.
- (vi) extant norms while offering the options as allowed under the circular are complied with.
- (vii) proper system and processes are in place such that the policyholders are appropriately informed of the options available and take a well informed decision.
- (viii) the term of rider does not exceed outstanding policy term under the base policy.

6. The Product Management Committee (PMC) constituted as per para 5 of section A of chapter I of circular IRDAI/ACTL/CIR/PRO/207/10/2022 dated 04th October 2022 shall review and approve the changes to be introduced as allowed under para 4 of this circular.
7. Statement of changes to withdrawn products mentioned in Annexure I shall be submitted on annual basis along with Appointed Actuary's Annual Report.
8. Insurer shall ensure that entire set of documents is maintained and the same shall be submitted immediately to IRDAI in respect of the products identified whenever called for.
9. This circular comes into force with immediate effect.

Chief General Manager (Actuarial)

Annexure I

Statement of changes to withdrawn products

S. No	Date of Approval of change by PMC	Name of the product	UIN of the product	Option introduced	Brief description of Changes*	Any other Information /Remarks	Number of policies as on date of change	Number of policies opting the change as on date of submission

**For Revival and Policy loans, please indicate existing interest rate vis a vis revised interest rate.*

Signature of Appointed Actuary

Signature of CEO/Principal Officer