

IRDAI carrying out series of reforms for ease of doing business: Minister

26th July, 2022, [Business Standard](#)

The insurance regulator is carrying out a series of efficiency reforms to promote ease of doing business among insurance companies, Minister of State for Finance Bhagwat Karad has said in a written reply in the Lok Sabha.

This was in response to a question on whether the Insurance Regulatory and Development Authority of India (Irdai) is rationalising the existing framework and reducing compliance burden on regulated entities to support their growth.

The minister said Irdai had formed several working groups that had been tasked with making a comprehensive review of the existing regulations under the aegis of Life Insurance Council and General Insurance Council, respectively.

Irdai has also developed a mechanism to process applications filed for registration of new insurers and for grant of certificate of registration to commence the insurance business in India.

As a result of the new mechanism, many entities, including Canadian billionaire Prem Watsa's Fairfax group and Kamlesh Goyal, who are the promoters of general insurance company Go Digit General Insurance, have applied for licence to set up new insurance companies.

The regulator has permitted "use&file" procedure for a number of product segments across the life and non-life industry. Earlier, the insurers would follow the "file&use" procedure, which would invariably result in delays in product approvals.

They have also introduced new motor insurance add-on covers namely "pay as you drive" and "pay how you drive", which is expected to make own damage covers cheaper and drive more penetration.

Irdai has relaxed the solvency capital requirement to promote the Pradhan Mantri Jeevan Jyoti Bima Yojana, the flagship government scheme to expand life insurance coverage to the poor and underprivileged.