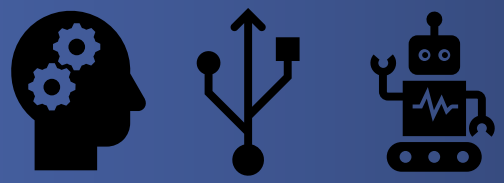
Regulatory Sandbox

- Indian Insurance Sector



14th December, 2023

Background

2018

10 member Committee to study 'Regulatory Sandbox Approach'

2019

- IRDAI (Regulatory Sandbox) Regulations, 2019 notified
- Guidelines on its operations
- 1st cohort of Sandbox

2022

- Amendments to Regulations
- 2nd cohort of Sandbox

2023

- Perpetual process
- Review mechanism
- Open house for InsurTech entities

IRDAI's Regulatory Sandbox - Objectives

- Foster innovation & collaboration in the Indian insurance industry
- Test products in a controlled environment
- Opportunity to find out whether a business model is attractive to consumers
- How a particular technology/innovation works in the market
- Reduced time to market at potentially lower cost
- Consumer protection safeguards that may be built into new products and services

IRDAI (Regulatory Sandbox) Regulations
Key Highlights

Single or Joint Applicant

- Insurer
- Intermediary
- Individual with a minimum networth of Rs. 10 lacs

Categories of Application

- Insurance solicitation or distribution
- Insurance products
- Underwriting
- Policy and claims servicing

Procedure

- Cohort approach – now perpetual
- Conditions for grant of permission
- Experiment period – 36 months
- Conditions for revocation
- Internal monitoring and controls
- Conclusion of proposal
- Data protection provisions
- Single Point of Contact

IRDAI (Regulatory Sandbox) Regulations - Conditions for grant of permission

- Promotes innovation beneficial to insurance in India
- Interest of policyholders
- Conducive for the orderly growth of the industry
- Promotes increase in insurance penetration in the country
- Meets any other requirements specified by the Authority

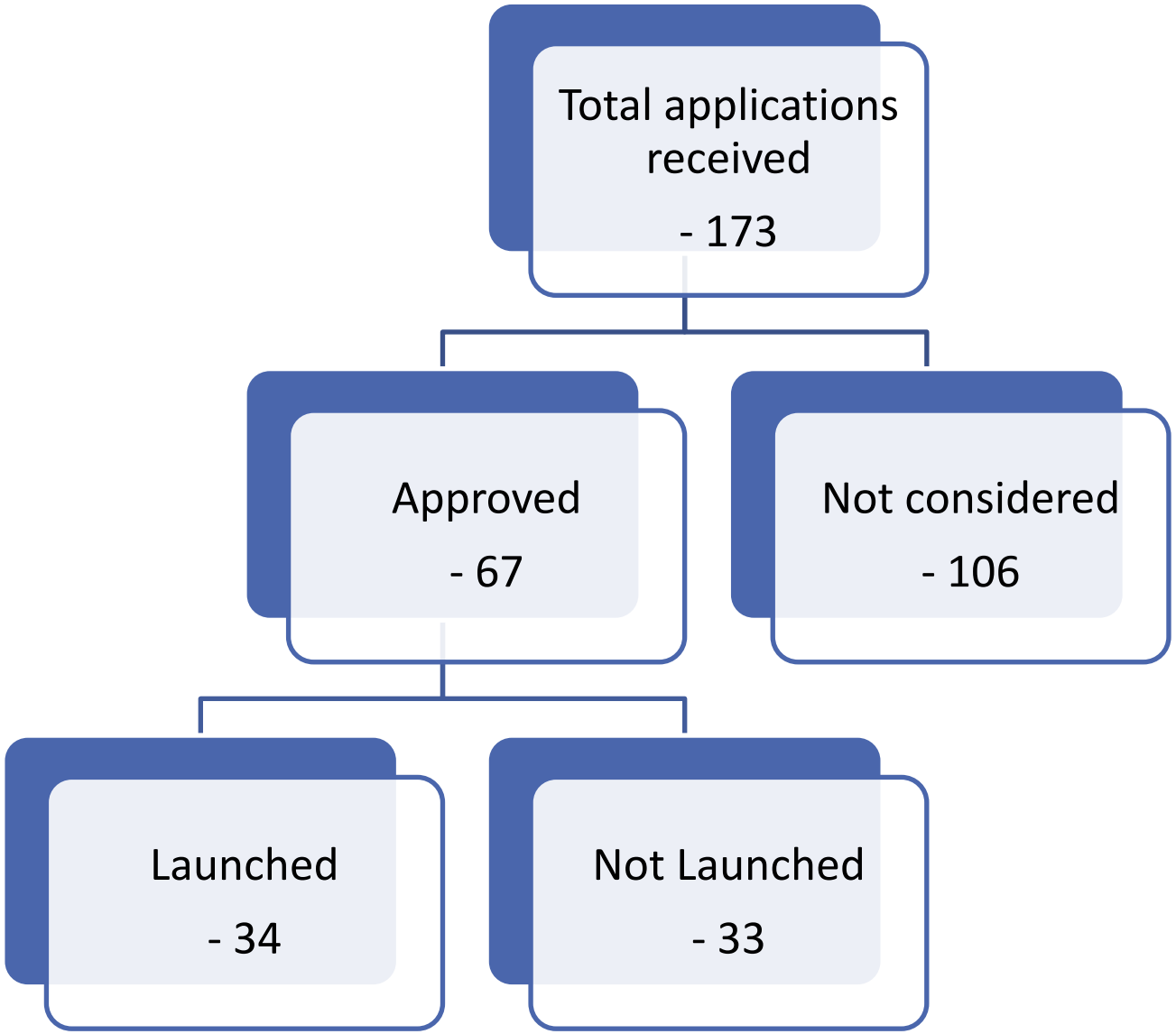
Evaluation Committee - Mandate

- Screening of applications
- Evaluating the test design of the hypothesis
- Recommending applications for experimentation
- Assessment of the progress
- Evaluation of outcomes of the experiments undertaken

1st Cohort
Sept 2019 to Oct 2019

Category	Insurer	Intermediary	InsurTech	Total
Insurance Product & Underwriting	85	1	1	**87**
Insurance Solicitation & Distribution	46	11	9	**66**
Policy & Claims Servicing	14	2	4	**20**
Total	**145**	**14**	**14**	**173**

1st Cohort
Sept 2019 to Oct 2019



1st Cohort – Proposal Concepts

Usage Based Motor Insurance

Motor Floater

choose the vehicle to be insured, via an app, every time you use it. This will mean lower premiums for policyholders who own more than one vehicle

Insurance Gift Card

Centrally Administered Auto Adjudication

Comprehensive Wellness program with Wearable Device

Eg: Diabetes Mellitus tie-up

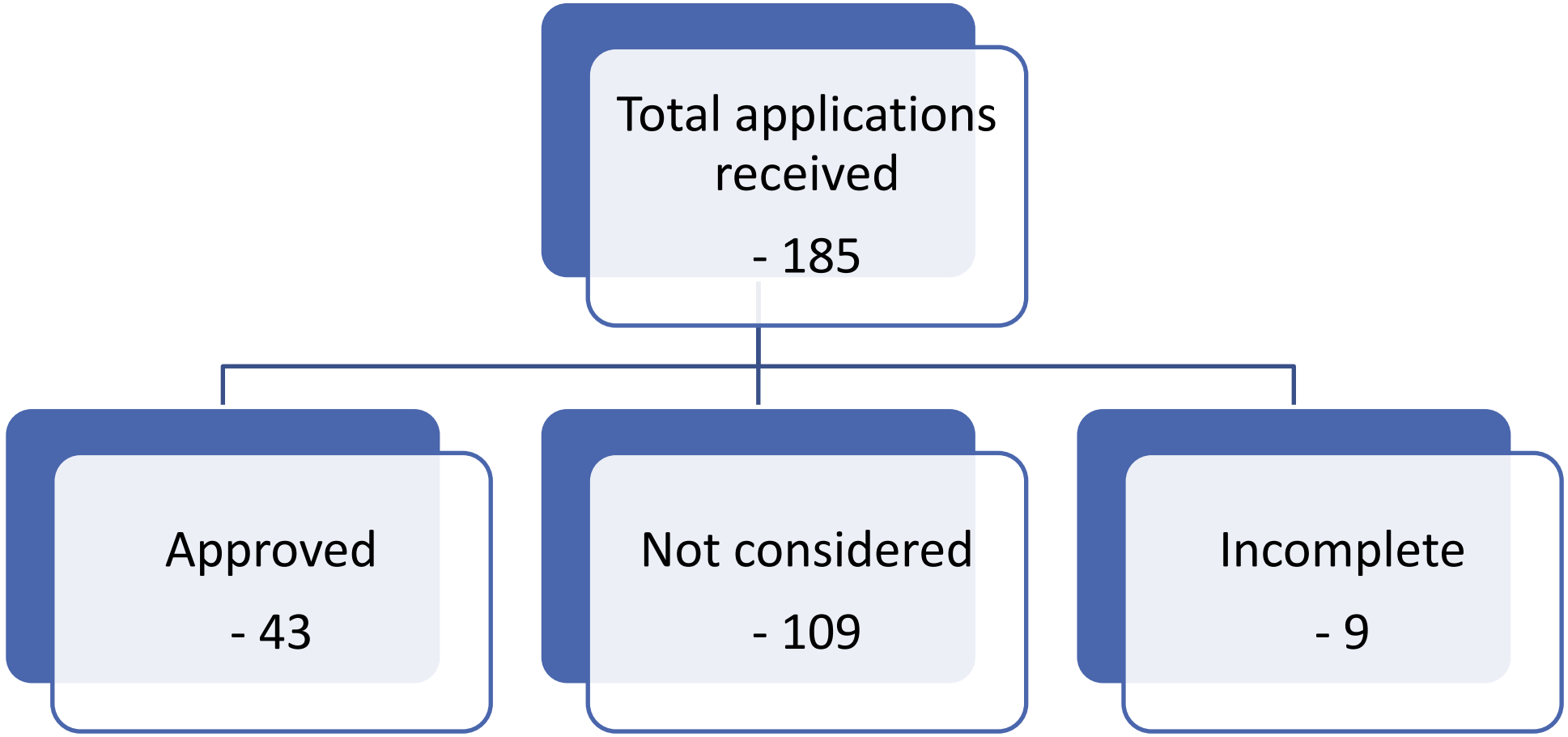
Friend-Assurance

Short Term Health Insurance

E-Motor Assessment

Premium Financing

2nd Cohort
Dec 2021 to May 2022



2nd Cohort – Proposal Concepts

- Friend Assurance
- Home complete care
- Active credit for medical care
- Long term insurance for tractors
- Remote initial loss assessment for claims less than 50,000 rupees
- Wallet reward points for pre policy checks
- New mobility – vehicle to be driven for specified period

Industry Response

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Irdai on a transformational journey to take insurance to masses

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Thank You