

Covid-19: IRDAI permits life, general insurers to conduct video-based KYC

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Regulator Irdai on Monday permitted life and general insurers to conduct KYC of prospective customers through Video Based Identification Process (VBIP), a move that will help company officials to complete mandatory requirement online during the pandemic.

The objective of the VBIP, Insurance Regulatory and Development Authority of India (Irdai) said, is to leverage various electronic platforms to simplify know your customer (KYC) process and make it customer-friendly.

Insurers may undertake live VBIP by developing an application, which will facilitate the KYC process either online or face-to-face in-person verification through video, the regulator said.

"This may be used for establishment/continuation/verification of an account based relationship or for any other services with an individual customer/beneficiary, as the case may be, after obtaining his/her informed consent..." Irdai said in a circular.

It further said all accounts opened or any service provided based on VBIP should be activated only after being subject to proper verification by the insurer to ensure that integrity of the process is maintained and is beyond doubt.

Also to ensure security, robustness and end-to-end encryption, the insurers shall carry out software and security audit and validation of the VBIP application as per extant norms before rolling it out and thereafter from time to time.

Irdai also stressed that insurers should take the assistance of latest available technology - including Artificial Intelligence (AI) and face matching technologies - to strengthen and ensure the integrity of the process as well as the confidentiality of the information furnished by the customer/beneficiary.

However, the responsibility of identification will rest with the insurer, it added.

The Reserve Bank of India has already amended the know your customer

(KYC) norms, allowing banks and other lending institutions regulated by it to use video-based customer identification process.