

(Draft)

Insurance Regulatory and Development Authority of India (Insurance Information Bureau of India) Regulations, 2021

In exercise of the powers conferred by clauses (e) and (f) of sub section (2) of section 14 of Insurance Regulatory and Development Authority of India Act, 1999, the Authority in consultation with the Insurance Advisory Committee, hereby makes the following regulations namely:

1. Short Title and Commencement

- a. These Regulations may be called the Insurance Regulatory and Development Authority of India (Insurance Information Bureau of India) Regulations, 2021.
- b. They shall come into force on the date of their Publication in the Official Gazette.

2. Objective

- a. To clearly specify the Objectives, Functions and Obligations of Insurance Information Bureau and to this end empower IIB to collect Data from the regulated entities on behalf of the Authority.
- b. To provide the Standards of Compliance requirements for Regulated Entities towards Submission of Data to IIB.

3. Definitions

- a. "IIB" means the Insurance Information Bureau of India established under the A.P. Societies Registration Act, 2001.
- b. "Authority" means the Insurance Regulatory and Development Authority of India established under the provisions of section 3 of the Insurance Regulatory and Development Authority Act, 1999 (4 of 1999).
- c. "Regulated Entities" means all Entities regulated by the Authority and are mandated by the Authority to submit data to IIB.
- d. "Stakeholders" includes Regulated Entities, Government and its Bodies and Agencies, Insurance Councils, Institute of Actuaries of India (IAI) and other entities specified in IIB's MoA.
- e. "MoA" means Memorandum of Association of the Insurance Information Bureau of India.
- f. "AoA" means Articles of Association of the Insurance Information Bureau of India.

4. Constitution of IIB

a. Formation of IIB

- i. The Authority has constituted the IIB as an Advisory Body vide Order dated 15.10.2009 under the power vested with the Authority under clause (e) of sub section (2) of section 14 of Insurance Regulatory and Development Authority Act, 1999, – comprising experts from IT, Domain and Data, under the Chairmanship of Chairman of the Authority. IIB had been registered as a Not-for-Profit Society under AP Societies Registration Act, 2001 in November, 2012. IIB has been established by the Authority with the objective specified relating to Insurance as submitted to it under the Authority's Mandate. IIB is responsible for providing information support to its Stakeholders, who will be provided with only specific levels of permissions to use the Data. The Objectives of IIB enable it to carry out all activities including Collaborations towards giving Services and Analytical Insights to its Stakeholders. Authority shall be the sole and exclusive owner of all Data Collected/Received from the Insurance Industry.

b. Objectives of IIB

- i. To Collect, Analyse and Report Data/Information pertaining to Insurance and related domains for the benefit of the Stakeholders of IIB and to undertake Projects of Insurance and other related sectors regulated by the Authority in order to further its effective use to Market Players, Regulator, Government, and General Public.
- ii. To Promote, Innovate, Develop, Create appropriate Software, Applications in Insurance and Related Domain.
- iii. To Undertake, Execute, Deal, Embark, Accomplish, Effect, Achieve, Complete, fulfil any Project, Work, Mission, Venture, Assignment, Job, Task etc., of the Insurance and other related Sectors regulated by the Authority in order to further its effective use to Market Players, Researchers, Policy Holders, Regulators, Government / Semi Government / Quasi Government Agencies, Authorities, Departments, Entities and General Public.
- iv. To act as a Platform to, Enhance, Educate, Influence, Promote and Influence issues relating to the Stakeholders of Insurance and related domain and to provide a platform to review business practices besides Initiating, Exploring and Identifying Business Opportunities.
- v. To act as a Repository for the Data of Life, General, Standalone Health Insurers, Reinsurers and other Regulated Entities for performance of Analytics, Generation of Reports and other outputs for the benefit of the Sector.

- vi. To act as a Central Repository/Platform for the Insurance Industry aimed at accessing and exchanging information among Insurers and other Stakeholders with the Aim of Preventing/Mitigating/Detecting Frauds in all Lines of Insurance Business.
- vii. Constitute and Operate Fraud Repositories/Registry in accordance with the Fraud Monitoring Framework Guidelines issued by the Authority.
- viii. To generate benchmark rates for different Lines of Insurance Business including Life, Motor, Health, Marine, Fire and others on periodic basis for promoting reasonableness and sustainability of Premiums in Insurance Business.
- ix. To act as an Exchange/Hub for Electronic Insurance Accounts and Policies and to Promote Issuance of Paperless and instant/real-time Policies.
- x. To act as a KYC Repository for Storage and Exchange of KYC information and for upload and download of KYC documents by Insurers
- xi. To provide Sectoral Information and share Data with Government Bodies/Ministries and to collaborate with other bodies for mutual exchange of information for the benefit of the Industry.
- xii. To act as a Platform to enhance, promote issues relating to Stakeholders of Insurance and related domains. To initiate and participate in collaborative activities with entities at National or International level besides serving as a centre for promoting co-operation among various entities in Insurance and related domains.
- xiii. To act as a Consultant, Analyst, Expert in Insurance and related domains for the benefit of the Stakeholders.

5. Governance of IIB

a. Composition of the Governing Council of IIB

- i. **Chairman of Governing Council of the IIB:** The Chairman of the Authority shall be the Chairman of the Governing Council of IIB in his Ex-Officio capacity.
- ii. **Ex-officio Members of IIB:** The Member (Life), Member (Non-Life) and Member (Actuary) of the Authority and one of the Executive Directors of the Authority to be nominated by the Chairman of the IIB shall be the other Ex-Officio Members of the Governing Council. Further, the Chairman of Life Insurance Corporation of India, the Chairman of General Insurance Public Sector Association, Secretaries of the Life and General Insurance Councils and the President of the Institute of Actuaries of India shall also constitute the Ex-Officio Members of the Governing Council.
- iii. **Non-Ex-Officio Members of IIB:** The Non-Ex-Officio Members shall be appointed by the Chairman of the IIB and their tenure shall be in accordance with the provisions of the AoA.

b. The Governing Council shall conduct its affairs in accordance with the MoA and AoA.

6. Functions of IIB

a. Data Repositories: Collection, Validation and Maintenance of Policy, Claims and other Data from the regulated entities at a frequency and in the formats and manner to be specified by the Authority from time to time and creation of the following Repositories:

- i. Life
- ii. Motor
- iii. Health
- iv. Fire, Marine, Engineering and Other Lines of Business
- v. Insurance Intermediaries
- vi. Any other Repository as directed by the Authority

b. Central Fraud Registry/Fraud Repository/Caution Repository: IIB shall constitute a Central Fraud Repository towards which it shall collect and maintain information pertaining to fraudulent/ black-listed/ suspicious persons, entities and records within all Lines of Insurance Business, in accordance with the Fraud Monitoring Framework Guidelines issued by the Authority. All Regulated Entities as directed by the Authority shall submit Data and comply with Regulatory directions in this regard.

c. Industry Platform for exchange of Policy and other Information to prevent Underwriting, Claims and other Frauds.

d. Analysis of Data

- i. **Mortality & Morbidity Studies in Life Insurance:** Generation of Benchmark Mortality & Morbidity Rates in Life Insurance, Annuity and Health/Critical Illness Portfolios on the strength of the Data created at IIB.
- ii. **Benchmark Rates for General Insurers:** Motor Third Party, Fire-SFSP Burn Costs, Health Burn Costs and other benchmark rates as advised by the Authority from time to time.
- iii. **Predictive Models:** Develop Statistical Models to assess the risk propensity, probable persistency and others on the basis of the Industry Data compiled at IIB.
- iv. **Periodic/Thematic/Bespoke Reports:** Generate Industry Reports and Updates on matters of interest and importance at a regular frequency for the information and consumption of Insurers and other Stakeholders.

7. Obligations of Regulated Entities

All Regulated Entities shall submit Data to IIB in accordance with the directives to be issued by the Authority from time to time, and comply with the following principles in the course of capture of Data, Storage and Submission thereof to IIB:

(1) Data Management: Regulated Entities are advised to ensure that Data is maintained in accordance with the norms laid down by these Regulations as listed below. To support seamless transmission.

a. Data Capture: Regulated Entities shall ensure collection of Data from their Clients at the time of Proposal, Claims or any other stage in a manner that would cover the Data Submission requirements as specified to ensure and enable smooth Transmission of Data to IIB.

They shall also capture the mandated Data in their Database to enable smooth transmission of the same to IIB.

b. Data Classification: Regulated Entities shall maintain Data in their Databases in a manner that supports seamless transmission of the same to IIB.

- i. The regulated entities shall, endeavour to store Data in their Databases conforming Formats and Definitions prescribed in IIB's Data Circulars and devise Data Dictionaries/Data Manuals to align with the data submission requirements.
- ii. The Data Capture shall cover and be in alignment with the Masters/drop-downs/options provided against each Data Field.
- iii. The regulated entities shall put in place proper validations while capturing Data Points and ensure consistency between Data Points in course of its submission to IIB.

c. Data Standardization: To overcome the issue of Data Heterogeneity, Data Inadequacy and Anomalies, IIB in coordination with the Authority, the Insurance Councils and Industry shall lay down Standard Nomenclature, taxonomy Classification, Masters and Data Type. The Manner, Procedure and Transition Time for implementation of the same would be stipulated by the Authority.

(2) Industry Participation: All Regulated Entities shall take part in the initiatives taken up at IIB for the benefit of the sector under the directives of the Authority.

(3) Compliances: Regulated Entities shall submit Data and Information as per the Frequency and Formats required by the Authority from time to time.

The regulated entities shall ensure Accuracy, Completeness and Timeliness in course of their Data Submission.

The regulated entities shall align their Systems and Databases in a manner that would enable submission of complete Data without Anomalies and Distortions.

8. Obligations of IIB

- a) **Infrastructure:** IIB shall put in place suitable IT and other Infrastructure to support the Databases and the Projects managed by it.
- b) **Industry Databases:** Creation and Updation of the Databases as laid down by the Authority Mandates and Guidelines from time to time.
- c) **Analytics & Services:** Performance of Analytics, Generation of Reports and Provision of Services for the benefit of the Stakeholders and compliance with the directives of the Authority in this regard.
- d) **Data Security, Confidentiality and Privacy:** IIB shall comply with the statutory mandates for Data Protection and shall take due measures and precautions to ensure that the Security, Privacy and Confidentiality of the Data shared by the Regulated Entities to it is maintained adequately in proportion to the sensitivity of the Data in its custody. IIB shall share the Data only in accordance with the Data Sharing Policy approved by its Governing Council.
- e) **Collaborations:** Enter into collaborations and working relationships with various Government Departments/Bodies and other entities for exchange of Data/Information and partnering with them in other ways in the interest of promotion of Insurance Industry's interests.

9. Funding of IIB

- a) Funding of IIB shall be in the manner and scheme as specified by the Authority from time to time.
- b) Further, the Authority shall provide Financial Support in the form of grant at the request of IIB after satisfying itself of the necessity of funds.

10. Amendment to other Regulations

- a) The Insurance Regulatory and Development Authority of India (Protection of Policyholders' Interests) Regulations, 2017 shall be amended in the manner specified in the First Schedule of these regulations.
- b) The Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016 shall be amended in the manner specified in the Second Schedule of these Regulations.

11. Removal of Difficulties

In order to remove any difficulties in the application or interpretation of these regulations, the Chairperson of the Authority may issue appropriate Clarifications, Directions and Guidelines.

First Schedule

(Refer sub regulation (a) of Regulation 10 of these Regulation)

Amendment to Insurance Regulatory and Development Authority of India (Protection of Policyholders' Interests) Regulations, 2017

1) Sub regulation (5) of Regulation 19 shall be substituted, namely:

“Insurers shall at all times maintain total confidentiality of Policyholder Information. Information may be shared with:

a) Authorities/ Agencies as may be specified by law/ due to Operation of Law.

b) To IIB established under clause (e) of sub section (2) of section 14 of Insurance Regulatory and Development Authority Act, 1999.”

Second Schedule

(Refer sub regulation (b) of Regulation 10 of these Regulation)

Amendment to Insurance Regulatory and Development Authority of India (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016.

1) First proviso to Para5 (2) of Schedule II – Valuation of Liabilities – Life Insurance shall be substituted, namely:

“Provided that such published table shall be made available to the Insurance Industry by IIB in collaboration with the Institute of Actuaries of India (IAI), with the concurrence of the Authority:”

2) First proviso to para 5 (3) of Schedule II- Valuation of Liabilities - Life Insurance' shall be substituted, namely:

“Provided that such published table shall be made available to the Insurance Industry by IIB in collaboration with the Institute of Actuaries of India (IAI), with the concurrence of the Authority:”

