



बीमा विनियामक और विकास प्राधिकरण
**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**

Cir No.019/IRDA/NL/F&U/Oct-08

November 6, 2008.

To,
CEOs of all General Insurance Companies,

Re: File & Use Guidelines for General Insurance Products - Relaxation of Terms & Conditions of Coverages.

Insurers' attention is drawn to Para '2' of the Authority's Circular No. 021/IRDA/F&U/SEP-06 dated 28th September 2006, which reads as under:

Insurers shall not vary the coverage, terms and conditions, wordings, warranties, clauses and endorsements in respect of covers that are currently under tariff till 31st March 2008. Insurers may file their proposals for changes in cover, terms, wordings, etc for such products from a date to be notified by the Authority, but to be given effect to after 31 March 2008. In respect of products currently governed by tariffs, deductibles other than the deductibles set out in the tariffs can be offered only after 31 March 2008. Insurance on first loss basis or partial insurance unless permitted under current tariffs shall not be permitted before 31.03.2008. Covers not permitted under tariffs should not be granted by way of 'difference in conditions' in insurance till 31.03.2008

The Authority vide its circular no. 066/IRDA/F&U/Mar-08 dated March 26, 2008 advised all insurers to continue to use the coverage, terms & conditions, wordings, warranties, clauses and endorsements of the erstwhile tariff classes of insurance covers until further orders.

The Authority has now decided to permit following relaxations in the terms and conditions of coverages of the erstwhile tariff classes of business in fire, engineering, IAR and motor (OD) effective 1st January 2009:

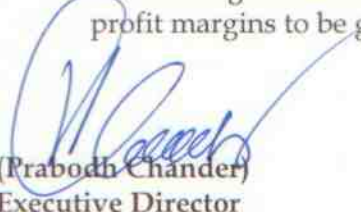
1. Insurers are permitted to file variations in deductibles from those prescribed under the erstwhile fire, engineering, IAR and motor OD tariffs subject to written disclosures and acceptance by the insured prior to finalization of the insurance policy
2. Insurers are permitted to file add-on covers over and above the erstwhile tariff covers in fire, engineering, IAR and motor OD with appropriate additional premiums. 'Loss of use' and 'waiver of depreciation' under motor OD insurance are some examples.
3. Insurers are permitted to extend engineering insurances to movable / portable equipments.



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4. Minimum TSI limit of Rs.100 crores under erstwhile IAR tariffs are removed and insurers are permitted to file IAR products for all industries including petrochemical industry.
5. Save as mentioned in (1), (2), (3), and (4) above, insurers are not permitted to abridge the scope of standard covers available under the erstwhile fire, engineering, IAR and motor (OD) tariffs, beyond the options permitted in the erstwhile tariffs.
6. Revised products, subject to approvals under File & Use Guidelines may be offered to the present policy holders on renewal. In other words, insurers are not permitted to cancel existing insurances to replace them by the revised products. However, insureds shall have the option to cancel their existing policies on short period scales and go in for the revised products.
7. While filing revisions, insurers will also file projections of the volumes and the expected profit margins to be generated from the revised products.


(Prabodh Chander)
Executive Director