Kshema General Insurance Limited

Policy for Protection of Interests of Policyholders

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1.0	Underwriting	Legal & Compliance	Board of Kshema	04-05-2023
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Table of Contents

1. Introduction

The Insurance Regulatory and Development Authority of India [IRDAI] has issued the IRDAI (Protection of Policyholders Interests, Operations and Allied Matters of Insurers) Regulations, 2024 vide ref IRDAI/Reg/11/205/2024 dated March 22, 2024

In compliance with Regulation 7 of these Regulations, this Policy for the Protection of Policyholders' Interests ("Policy") are framed herewith.

2. Objective

The objective of the policy is to ensure that:

a) All the customers are treated fairly and always provide clear and prompt information in relation to polices at all the time.
b) All complaints, critical requests and issues raised by customers are dealt with courtesy and resolved within specified timelines.
c) Educate the policy holders about the product, benefits and their rights and responsibilities by way of insurance awareness activities.
d) Interests of policyholders are protected, and the conduct of the insurer and distribution channel are not prejudicial to the interests of policyholders.
e) Insurers and distribution channel fulfil their obligations towards policyholders and have in place standard procedures including best practices for sale and service of policy holders.
f) Policyholder-centric governance by insurers and distribution channels, with emphasis on grievance redressal.

3. Scope

This Policy includes the following:

a) Steps for enhancing insurance awareness and education of prospects and policyholders about insurance products, benefits and their rights and responsibilities.
b) Service parameters including turnaround times for various services rendered.
c) Procedure for expeditious resolution of complaints and grievance redressal mechanism.
d) Steps to be taken to prevent mis-selling and unfair business practices at point of sale and service.
e) Steps to be taken to ensure that during policy solicitation and sale stages, the Prospects are fully informed and made aware of the benefits of the product being sold vis-à-vis the product features attached thereto and the terms and conditions of the product so that the benefits of the product are not misstated / misrepresented.

4. Definitions

a. "Applicable Laws and Regulations" means and includes but not limited to, the following:

   i. IRDAI (Protection of Policyholder's Interests, Operations and Allied Matters of Insurers) Regulations, 2024 vide ref. IRDAI/Reg/11/205/2024 dated 1 April 2024 as amended from time to time ('the Regulations');

ii. IRDAI (Corporate Governance for Insurers) Regulations, 2024 and related Circulars; and
iii. The IRDA Act 1999, The Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015, The Insurance Rules, 1939, and applicable Regulations, Circulars and Guidelines issued by IRDAI as amended from time to time.

b. "Authority" means Insurance Regulatory and Development Authority of India (IRDAI).

c. "Company" means Kshema General Insurance Limited.

d. ""Complaint" or "Grievance" means written expression (includes communication in the form of electronic mail or other electronic scripts) of dissatisfaction by a complainant with respect to solicitation or sale of an insurance policy or related services by insurer and /or by distribution channel.

Explanation: An inquiry or service request would not fall within the definition of the "complaint" or "grievance".

e. "Complainant" means a policyholder or prospect or nominee or assignee or any beneficiary of an insurance policy who has filed a complaint or grievance against an insurer and /or distribution channel.

f. "Competent Authority" means Chairperson or Whole-Time Member or Committee of the Whole-Time Members or Officer(s) of the Authority, as may be determined by the Chairperson.

g. "Distribution Channels" include insurance agents, intermediaries or insurance intermediaries, and any persons or entities authorised by the Authority to involve in sale and service of insurance policies.

h. "Mis-selling" includes sale or solicitation of policies by the insurer or through distribution channels, directly or indirectly by

- exercising undue influence, use of dominant position or otherwise, or
- making a false or misleading statement or misrepresenting the facts or benefits, or
- concealing or omitting facts, features, benefits, exclusions with respect to products, or
- not taking reasonable care to ensure suitability of the policy to the prospects/policyholders.

i. "Proposal form" means a form to be filled in by the prospect in physical or electronic form, for furnishing the information including material information, if any, as required by the insurer in respect of a risk, in order to enable the insurer to take informed decision in the context of underwriting the risk, and in the event of acceptance of the risk, to determine the rates, advantages, terms and conditions of the cover to be granted.

Explanation:

(i) "Material Information" for the purpose of these regulations shall mean all important, essential and relevant information and documents explicitly sought by insurer in the proposal form.

(ii) The requirements of "disclosure of material information" regarding a proposal or policy, apply both to the insurer and the prospect, under these regulations.

j. "Prospect" means any person who is a potential customer and likely to enter into an insurance contract either directly with the insurer or through the distribution channel involved.

k. "Prospectus" means a document either in physical or electronic format issued by the insurer to sell or promote the insurance product.

Explanation: Insurance product referred herein shall also include the riders or add-on(s), if any. Where a rider or add-on is tied to a base policy, all the terms and conditions of the rider or add-on shall be mentioned in the prospectus. Where a standalone rider or add-on is offered to a base product, a reference to the rider or add-on shall be made in the prospectus of the base policy indicating the nature of benefits flowing thereupon.

l. "Solicitation" means the act of approaching a prospect or a policyholder by an insurer or by a distribution channel with a view to persuading the prospect or a policyholder to purchase or to renew an insurance policy.

m. "Unfair trade practice" shall have the meaning ascribed to such term in the Consumer Protection Act, 2019, as amended from time to time.

5. Governance Structure

a. The Board has constituted the Policyholders' Protection, Grievance Redressal and Claims Monitoring Committee (" PPGR&CM Committee").

Constitution of the PPGR & CM Committee: It shall comprise of at least one Independent Director(s), Head Government Business, GM Customer Engagement, Chief Compliance Officer, Customer affairs Representative and such Senior Management personnel as the Board may determine.

b. The appointment, resignation or changes in the composition of members shall be decided by and dealt with by the Board in accordance with the applicable laws and regulations.

c. Chairman: Meetings of the Committee shall be chaired by the Independent Director.

d. Attendance: The Committee may invite any person to be in attendance to assist in its deliberations.

e. Frequency of Meetings: The Committee may meet at such intervals, as may be decided from time to time; however, it shall meet at least four times in a year and not more than four (4) months shall elapse between two successive meetings of the Committee.

f. Quorum: The quorum for the Committee meeting shall be one-third of the total strength or two members, whichever is higher. One Independent Director is required to form the quorum.

g. Reporting: The committee must prepare an annual report on its activities, which includes an overview of how policyholder interests have been addressed and any issues that have been identified. This report is submitted to the board.

h. Transparency and Documentation: The committee must maintain detailed records of meetings, decisions, and actions to ensure transparency and accountability.

i. The Committee shall invite an expert/representative of customers as an invitee to enable the Company to formulate policies and assess compliance thereof.

6. Role of the Committee:

a. Adopt standard operating procedures to treat the customer fairly including timeframes for policy and claims servicing parameters and monitoring implementation thereof;

b. Establish systems to ensure that policyholders have access to redressal mechanisms;

c. Establish policies and procedures for the creation of a dedicated unit to deal with customer complaints and resolve disputes expeditiously;

d. Establish effective mechanism to address complaints and grievances of policyholders including mis-selling by individual agents and intermediaries.

e. Professionalization and ongoing training shall be provided by Insurers or distribution channel to their authorised personnel soliciting insurance business as per their respective Board approved Policy.

f. Ensure that details of Insurance Ombudsmen are provided to the policyholders;

g. Put in place a framework for review of awards given by Insurance Ombudsman/ Consumer Forums and inform the board accordingly

h. Analyse the root cause of customer complaints, identify market conduct issues and advise the management appropriately about rectifying systemic issues, if any;

i. Review at periodic intervals the measures and take steps to reduce customer complaints;

j. Ensure adequacy of disclosure of “material information” to the policyholders in compliance with the requirements laid down by the Authority;

k. Review of claims report, including status of Outstanding Claims with ageing of outstanding claims. Review Repudiated claims with analysis of reasons.

l. Review of unclaimed amounts of policy holders. Any unclaimed amount remaining for a period of 10 years shall be transferred to the senior citizen's welfare Fund (SCWF).

m. Ensure compliance with the statutory requirements as laid down in the regulatory framework;

n. Provide details of grievances at periodic intervals in such formats as may be prescribed by the Authority;

o. Submit the status report on policyholders' protection issues to the Board of the Company for its review in each board meeting;

p. Recommend a policy on customer education for approval of the Board and ensure proper implementation of the same;

q. Report to the Board and perform such other functions as may be prescribed by the Board from time to time.

7. Insurance Awareness

Customer awareness is an essential part of our company's marketing and communication strategy. It is a process that helps us educate customers about the company, its performances, our product and the services the company delivers. We believe that a well-designed awareness program ensures better customer engagement and protects consumer welfare.

We are reaching out to our Policyholders and the prospective customers through various ways including but not limited to website and Kshema mobile application

We shall ensure that the cover offered by our insurance products shall be inclusive and accessible to persons with disabilities.

Steps For Enhancing Insurance Awareness and Education of Prospects and Policyholders

7.1 Steps for Education and Awareness to Prospects/Public:

a. Benefits of General Insurance: Explanation on how general insurance helps create financial security for self and family

b. Types of insurance products: Information on the types of insurance products, their features, benefits and points to be considered before deciding which one to buy.

7.2 Steps for Education and Awareness to Policyholders:

a. Products: After a needs analysis exercise to identify and quantify needs of the prospect and basis his needs, a suitable product is identified for the Prospect. Basis this Information, plans are shortlisted and then the Prospect is explained how the product works, its benefits and the points to be considered before a decision to buy.

b. Rights and Responsibilities of Policyholders:

- Policyholders are explained their rights such as options for payment of premium, right to grievance redressal through the Company's designated grievance redressal officers at head office.

- Policyholders are provided information on the number of days of enrolment window, cut-off date, the role of Insurance Ombudsman, the importance of providing correct and complete information while answering all questions in the Proposal Form.

8. Steps Taken in Mis-selling and Unfair Business Practices at Point of Sale and Services

The Company takes stringent steps to reduce such practices at the new business acquisition stage such as corrective action that may include termination of the salesperson, if proved.

Process for handling Mis-selling Complaints:

a) The grievance redressal process set out in this Policy will be replicated for handling Mis-selling Complaints;
b) Mis-selling Complaints are to be put on to the fast track mode for resolution;
c) Mis-selling Complaints are escalated to the respective distribution channel head for review and resolution;
d) Mis-selling Complaints will be referred to concerned department, as decided by the Risk Management Committee, for investigation;
e) Appropriate action and resolution are implemented after investigation and conclusion;
f) Complainant agreeing to retain the policy with actual terms and conditions of the product;
g) If the complaint is a proven case of Mis-selling, then premium refund will be initiated in favour of the Complainant;
h) Disciplinary action will be initiated against the sales person/(s); and
i) Letter for closure of the complaint will be sent to the Complainant.

9. Steps to Ensure Prospects are Fully Informed During Policy Solicitation and Sale

a) Periodical training of sales personnel
b) Share detailed brochures and policy documents that clearly outline product features, benefits, and limitations.
c) Ensure sales staff are well-trained on product details, benefits, and accurate representation.
d) Explain product features and benefits in simple, clear language, avoiding jargon.
e) Highlight and clarify key terms, conditions, and exclusions to prevent misunderstandings.
f) Offer comparison tools to illustrate how the product benefits and features stack up against other options.
g) Create an open dialogue where prospects can ask questions and receive accurate answers.
h) Give written summaries of the product's key details and obtain acknowledgment from the prospect.
i) Confirm that the prospect has understood the product's benefits and terms before finalizing the sale.

10. Grievance Redressal Policy:

There is a dedicated Grievance Redressal Policy hosted on the Company's website.

11. Systems and processes for expeditious settlement of claims

There is dedicated Claims Manual for the products of the Company.

Citizen's Charter

Sr. No.	DESCRIPTION OF ITEM OF SERVICE	Regulatory Turnaround Time
1.	Processing of Insurance Proposal and seeking further requirements for consideration of the proposal.	7 days
2.	Decision on proposal from the date of receipt of proposal or from the date of receipt of additional requirement whichever is later.	7 days
3.	Providing copy of the policy along with the proposal form	15 days
4.	Post Policy Service Requests concerning mistakes / corrections in the Policy document	7 days
5.	Change of Address (KYC Norms to be complied)	7 days
6.	Registration /Change of Nomination, Assignment.	7 days
7.	Alteration in Original Policy conditions (where applicable)	7 days
8.	Change of location of risk	7 days
9.	Inclusion of new member in case of group policies	7 days
10.	Any other non-claim related changes	7 days
11.	Cancellation of policy and refund of premium	7 days
12.	Appointment of Surveyors (through Tech based solution)	24 hours
13.	Submission of final report after receiving Insurer's request	15 days
14.	Communicating acceptance or rejection of the claim	7 days
15.	Premium Due Intimation	One month before due date
16.	Claim settlement	7 days of the receipt of the survey report or after expiry of 15 days from allocation of the claim to the surveyor whichever is earlier.

12. Review of Policy

The Policy shall be reviewed on an annual basis by the Committee or whenever any changes are to be incorporated in the Policy due to any amendment to the Regulations or as may be felt appropriate by the Committee.

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