ICICI LOMBARD GENERAL INSURANCE COMPANY LIMITED

Extract from Underwriting Policy: Product Approval

<u>Product Management Committee (PMC):</u>

a) Function

The Board constituted PMC shall ensure:

i) Compliance with all the matters referred under regulation 6(1)(b) of IRDAI (Insurance Products) Regulations, 2024 are complied with;

ii) Compliance with circulars, guidance, if any, issued and communicated by the IRDAI

b) System and control

i) PMC shall recommend the launch of approved insurance products, only after ensuring that all the processes, suitable infrastructure, system requirements and standard operating procedures are in place on an ongoing basis from policy issuance to claim settlement, including determination of reserves & solvency margin, and for seamless operations of the Company including policyholders' servicing on a day-to-day basis

c) Quorum

The quorum for the meeting shall consist of Appointed Actuary and concerned Head Underwriter (by whatever designation called) along with any 2 other members. They can either attend in person or through any other means of communication.

d) Periodicity of Meeting

The PMC shall meet at least once in every quarter or as required for the product filing purposes.

e) Roles and Responsibilities of Members

PMC shall scrutinise, approve the product(s) as well as riders/add-ons attached to the base product, maintain entire set of product related documents and also ensure that the systems, procedures, etc. are put in place as per regulatory prescriptions. PMC shall ensure the following:

i) Due diligence is carried out on various product related risks (such as risks related to capital requirement, profitability, underwriting, reinsurance, etc) before approval

ii) Any product withdrawn is ratified/approved by the Committee as per the prescribed regulations

f) Regulatory Reporting

The Company shall submit/maintain reports as prescribed by IRDAI and as amended from time to time.

<u>Product Design and Management:</u>

<u>a) Construct:</u>

As part of product design and development cycle, the Company shall ensure that:

i) Design and rating of products must always be on sound, prudent underwriting and actuarial basis. Company shall ensure that the product designed is clear and transparent and that it is of value to the policyholder or prospect.

ii) While developing new products or revising existing products, coverage needs of the customer would be kept in mind with respect to suitability and affordability.

iii) The product covers an insurable risk with an underlying risk transfer

iv) The product offered is simple to understand, having clarity in wordings, terms, coverage, warranties, exclusions and conditions.

v) The policyholder's interests are protected.

vi) The basic principles of insurance like insurable interest, indemnity, utmost good faith, proximate cause, contribution clause, salvage and subrogation, etc. are adhered to.

vii) All relevant factors such as risk appetite, capital availability, claim experience, future trends, reinsurance costs, guarantees, options are considered while pricing the risk.

viii) Appropriate systems, processes relevant to the product, such as underwriting, pricing, reinsurance, claims management are in place.

b) Product Approval process:

i) The PMC shall be responsible to ensure that the entire documentation required to be maintained is complete, correct, and in compliance with the extant applicable within legal and regulatory framework.

ii) The Company shall submit a certificate signed by the CEO in the standard format as given in the Underwriting Policy on Submission of Returns.

iii) A UIN would be allocated by the Company to each and every product basis nomenclature provided in the master circular by IRDA.

iv) The Company shall, in respect of all Retail Products, upload on the website, product wordings, related documentation, sales literature, etc., before the product is launched or within seven days of allotment of UIN, whichever is earlier

c) Product Withdrawal and Revisions process:

i) The Company may modify or withdraw a product with the approval of PMC

ii) A product shall be deemed withdrawn if any modification is introduced in the:

(1) Specification of scope of coverage (perils and/or contingencies insured)
(2) Specification of limit of the company's liability
(3) Specification of the basis of coverage

In every such instance, the Company shall treat the modification as a new Product and apply for a new UIN.

iii) The Company will keep a record of the reasons underlying the modification or withdrawal and obtain approval from the PMC for its withdrawal. This information shall also be published on the website of the Company.

iv) The Company will retain a modified or withdrawn product solely for servicing existing Policyholders. A product that is modified or withdrawn shall not be made available to the new prospects/customers.

v) Every Long-Term policy as at the date of modification or withdrawal of the product, shall remain in force unless opted to be cancelled by the policyholder.