

Draft Guidelines on Issuance of Key Features Documents for Insurance Products

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This Circular was stated to be issued in response to concerns raised on the product information available to prospects and policyholders and proposes to amend the IRDA (Protection of Policyholders Interests) Regulations 2002 to make it necessary for Insurers to bring out a 'Key Feature' document. There must be a separate document in simple language with appropriate titles and sub-titles and which will have the same legal sanction of the complete policy document.

The key feature document must be made available in local language and must incorporate:

- (a) illustrations used for cover/benefits;
- (b) risks involved for the policyholder; and
- (c) the obligations on the policyholder.

A good example of a key feature document is described as one that '*clearly captures the aim of the product or... what the product seeks to cover*' in order that a prospect understands the main features of the product and is able to decide whether it is suitable to his/her needs.

For further information on this topic please contact Tuli & Co by telephone

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