IRDA's guidelines on web aggregators

Recently, the Insurance Regulatory and Development Authority (IRDA) announced two online initiatives that could be of interest to insurance-seekers. The first one is the extensive guidelines pertaining to web aggregators and the other is the launch of a mobile application to compare unit linked insurance policies (Ulips) from various companies and their premium rates. Web aggregators are sites like policy bazaar. com, i-save.com, medimanage.com and click2insure.in that provide information on insurance products from various companies.

The information so collated can help insurance-seekers compare premium rates for life, health, travel and motor insurance. Most portals just generate leads and not all offer the option to purchase a product online. However, some do facilitate an online buying process to the extent possible, usually by directing the insurance-seekers to the companies' website.

However, aggregators often sell visitors' personal information to several insurers, resulting in customers being bombarded with sales calls from the companies or their agents. In the final IRDA guidelines, the websites have been asked to disclose the fact that visitors' information will be passed on to companies on the site's home page. To ensure that aggregators do no indulge in promoting products, the insurance regulator has decreed that they cannot display "ratings, rankings, endorsements or bestsellers of insurance products" on their websites.

Similarly, they have been barred from commenting on insurers or their products. In addition, aggregators will now be required to highlight links to the product comparison charts and tables for each category of products covered by them. Items to be displayed include premiums quoted by each insurer as per age and other personal details, policy and premium term, sum assured, default underwriting requirements such as medical examination, diagnostics, etc, and key features of the product chosen.

The diktat also puts the onus of safeguarding and securing the entire process on the aggregators. The other initiative, the launch of the mobile application, is intended to help insurance-seekers compare Ulips launched after September 1, 2010. To access it, you would need to log on to (www.m.irda.gov.in).

While the tool, which works on Android, iPhone, Nokia and Blackberry platforms, has been termed a mobile application, it can be accessed even via a personal computer. Users can search products for comparison through three options - 'By company', 'Policy type' and 'Keywords'.

Up to three products can be selected at a time for comparison, with the criteria listed being benefits offered, premium-paying term, tenure, charges and so on. The information displayed could assist you reach a well researched decision.

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