UNIVERSAL SOMPO GENERAL INSURANCE

POLICY FOR PRODUCT DESIGN AND OVERALL MANAGEMENT OF INSURANCE PRODUCTS

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1.1	Ms. Reshma Goregaonkar	Ms. Arti Mulik	14th July 2025	Review and no update
1.2	Ms. Reshma Goregaonkar	Ms. Arti Mulik	16th October 2025	To include Dy CEO as Member of PMC

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Universal Sompo General Insurance
Suraksha, Hamesha Aapke Saath

1. Introduction

1.1. Universal Sompo has framed this policy for Product Design and Overall Management of Insurance Products in accordance with “Insurance Regulatory and Development Authority of India (Insurance Products) Regulations, 2024” (F. No. IRDAI/Reg/8/202/2024) dated 20th March 2024 read with the IRDAI Master Circular (Insurance Products)- General Insurance 2024.

1.2. This policy stipulates the approach of the Company towards product design and overall management of the insurance products.

1.3. This Policy reflects the Company’s vision of designing insurance products that are aligned with evolving market needs, including the development of innovative offerings. It emphasizes commitment to safeguarding policyholders’ interests and ensuring thorough due diligence throughout the product development lifecycle.

2. Definitions

The following terms for the purpose of this policy shall carry the meaning

2.1	“Act”	Act shall mean the Insurance Act, of 1938
2.2	“Authority” or “IRDAI”	Authority or IRDAI shall mean the Insurance Regulatory and Development Authority of India established under sub-section 1 of Section 3 of the IRDA Act 1999;
2.3	“Annual Product”	Annual Product shall mean a Product with Policy Duration equal to 12 months and with or without a provision of extension of the Policy Duration or periodic review of terms and conditions based on specified criteria which may include claims reported/ settled.
2.4	“Base Product”	Base Product shall mean a Product which is identified and designated as such by the Product Management Committee, and which defines the necessary minimum coverage addressing a specific insured interest or target segment of prospects/ insurance buyers in each Line of Business.
2.5	“Board”	Board shall mean the Board of Directors of Universal Sompo General Insurance
2.6	“Company”	Company shall mean Universal Sompo General Insurance
2.7	“PPGR & CM Committee”	PPGR&CM Committee shall mean Policyholder Protection, Grievance Redressal and Claims monitoring Committee as specified under point 4.4 (b) of the Master Circular on Corporate Governance, 2024.
2.8	“Product Management Committee” or the PMC”	“Product Management Committee” or “the PMC” shall mean the Product Management Committee constituted under this Policy.
2.9	“Product”	“Products” shall mean the Insurance Products designed and structured under this Framework and shall include the base products and riders or add-ons.

3. Approach of the Company

3.1. Product Design and Overall Management of the insurance products shall be in accordance with prevailing regulatory guidelines.
3.2. This Policy shall cover all insurance products under all lines of business and add on covers created by the Company.
3.3. The Company shall segregate the products on the following basis:
  3.3.1. Products which are less than one year,
  3.3.2. Annual Products,
  3.3.3. Products which are more than one year.
3.4. The Company shall ensure that the regional and geographical customization of Products as per the needs of people are considered.
3.5. The Company shall establish end-to-end technology solutions to ensure an effective, efficient and seamless onboarding of policyholders, policy servicing, renewal of policy, claim settlement and grievance redressal are taken into account.
3.6. The Company shall ensure that for Retail products, no claim shall be rejected for want of documents. All the required documents shall be called at the time of underwriting the proposal.
3.7. The Company shall provide periodical training for its Intermediaries, distribution channels and employees of the Company on existing and new products offered by the Company, TATs for policy servicing, changes in the regulations among others.

4. Applicability

4.1. This Policy shall govern all the Products and services designed, structured and offered by the Company
4.2. The Product Management Committee (PMC) of the Company shall be responsible for the implementation of this policy.

5. Product Design and Overall Management of the Insurance Products

Product Design and Overall Management of the insurance products involves the complete end- to end process of addressing the Company's Insurance Product(s) requirement. This includes developing and launching new or innovative products and add-ons, ensuring all necessary regulatory approvals are obtained, and conducting timely reviews and updates of existing products in alignment with market needs and insights.

5.1. Product Design
  5.1.1. The Product design strategy of the Company is designed in alignment with its value and guided by the Regulatory Guidelines issued from time to time and as per the Market dynamics.
  5.1.2. The core guiding principles of the Product Design Strategy of the Company are:
    5.1.2.1. Simplicity
    5.1.2.2. Affordability
    5.1.2.3. Appropriateness
    5.1.2.4. Financial viability
    5.1.2.5. Innovation

5.2. Factors to be Considered

The Company shall consider the following factors while designing a Product-

  5.2.1. evolving risk coverage needs are considered while developing new products and revising existing products;

5.2.2. product covers an insurable risk with an underlying risk transfer;

5.2.3. products offered are simple to understand and not complex;

5.2.4. there is transparency and clarity in wordings, terms, coverage, exclusions and conditions;

5.2.5. interests of policyholder are protected;

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

5.2.7. all the risks relevant to the products are appropriately considered while determining product pricing;

5.2.8. premium rates are fair and not excessive, inadequate, unfairly discriminatory and provide value for money;

5.2.9. all relevant factors such as risk appetite, capital availability, claim experience, reinsurance costs, guarantees, options are considered;

5.2.10. products are viable and self-sustainable;

5.2.11. market conduct practices are appropriate and fair;

5.2.12. appropriate systems, procedures relevant to the product, such as underwriting, pricing, reinsurance, claims management are in place.

6. Steps to be undertaken in Product Designing

Product Design Process involves cross-functional discussions, product requirement analysis, and preparation of required filing documents in accordance with the prevailing guidelines. This process shall broadly include the following:

6.1. Product Concept Creation

6.2. Product Concept Approval by PMC

6.3. Cross Functional Discussion and Preparation of Draft Filing documents as per prevailing guidelines

6.4. Legal/ Compliance Vetting of the draft filing documents

6.5. Pricing of the product based on Actuarial Principles

6.6. Share final product documents with PMC

6.7. Suggestion provided by PMC (if any) are incorporated in the product.

6.8. Final documents are submitted to PMC

6.9. UIN Generation of the Product and intimated to IRDAI

6.10. Product shall be launched in the market within the time frame as stipulated by IRDAI.

7. Overall Management of Insurance Products

Management of products holistically includes filing, maintenance, review, revision and withdrawal of Insurance products which the Company intends to follow:

7.1. Product Filing and Maintenance of Documents

Upon approval of the product concept by PMC team after understanding the needs of the target market, the Product Development team shall be responsible for preparation of product filing documents and intimating to competent authority. Any new product or Rider or Add-on shall be approved by the PMC.

7.2. Periodical review of Product Performance

7.2.1. All products offered for sale, shall be reviewed by Appointed Actuary at least once a year taking into account:

7.2.1.1. the reasonable expectations of all stakeholders, including policyholders;

7.2.1.2. financial viability of the products;

7.2.1.3. emerging risks and experience under the products;

7.2.1.4. any other relevant factors.

7.2.2. Appointed Actuary shall present the results of such a review to the PMC and make suitable recommendations.

7.2.3. The performance review report(s) shall be placed with the:

7.2.3.1. Risk Management Committee (RMC)

7.2.3.2. Audit Committee (IAC)

A consolidated summary incorporating the observations of the RMC and the IAC, shall be placed with the Board.

7.3. The performance review of each Product shall include in its scope:

7.3.1. the risk profile of exposures assumed and their respective underwriting (financial) results/ ratios, categorized by client/ market segment or any additional criteria.

7.3.2. review of workflows and process controls associated with the assumption of risks including intermediation/ distribution.

7.3.3. client and claims service levels on pre-determined criteria.

7.3.4. outsourced services.

7.3.5. un-reinsured retention.

7.3.6. contractual certainties of coinsurance/ reinsurance contracts.

7.3.7. placement of risks that are beyond the automatic reinsurance treaty capacity.

7.3.8. the estimated ‘return’ (excluding any return derived from investment activities that are allocated to the Product) on assigned ‘risk-based capital’.

7.4. Revision/re-pricing of Existing approved Product

7.4.1. Any revision, either of the premium rates or the corresponding benefits or both with respect to the existing products shall be based on credible underlying experience of relevant risk parameters.

7.4.2. The product requires revision in pricing and product features to meet market expectations.

7.4.3. The revision shall also consider analysis of policyholders’ grievances and market feedback, if any.

7.4.4. The PMC shall examine the above circumstances, on a case-to-case basis, and shall be entitled to take the final decision to revise/re-price any Insurance product /add-on/rider.

7.5. Withdrawal of Existing approved Product

7.5.1. The decision to withdraw any Insurance product shall be taken by the PMC of the Company.

7.5.2. The reason for withdrawal of the product shall be clearly documented and filed with IRDAI in the prescribed form.

7.5.3. Withdrawal of an existing approved product can also be done as per instructions of IRDAI.

7.5.4. Any Product shall be deemed withdrawn if any modification is introduced in the:

7.5.4.1. Specification of ‘scope of coverage’ (perils and/or contingencies insured)

7.5.4.2. Specification of ‘limit of the liability’

7.5.4.3. 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.

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

7.5.6. The Company shall 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.

8. Retail General Insurance Products

8.1. Retail General Insurance Products shall specify the following:

8.1.1. Scope of coverage (perils or contingencies insured)

8.1.2. Exclusions and limitations

8.1.3. Warranties & conditions

8.1.4. Application of condition of average/ underinsurance

8.1.5. Salvage

8.1.6. Deductible or excess

8.1.7. Basis of settlement of loss

8.2. Retail Claims:

8.2.1. The policyholder shall be informed of the timelines for settlement of claim.

8.2.2. The allocation of surveyors through the general insurance council tech-based solution shall happen within 24 hours of the report of claim.

8.2.3. The surveyor shall submit the survey report to the Company within fifteen days of allocation. It shall be the duty of the Company to obtain the survey within the specified time limits.

8.2.4. The Company shall be liable to a penalty accounting for the delay in settlement of the claims beyond the above stipulated timelines.

8.2.5. The Company cannot repudiate the claim in full or part:

8.2.6. where the breach of warranty or condition is not relevant to nature or circumstances of loss.

8.2.7. on account of any delay on part of the Policyholder, where such delay has not resulted in the amount of assessed loss being increased.

8.3. Withdrawal of retail products:

The Company shall inform the retail policyholders in advance about the product being withdrawn. If the retail policy does not have at least 3 months remaining duration, the Company shall permit its renewal, if so, required by the Policyholder. 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

9. Cancellation

9.1. The Policies can be cancelled by the retail policyholder at any time during the term, by informing the Company. The Policyholders are not required to give reasons for cancellation.

9.2. The company shall not cancel the statutory Motor Third Party Liability insurance, or any other compulsory insurance mandated by law except in case of double insurance or total loss.

9.3. The Company shall refund the proportionate premium for unexpired policy period, if the term of the policy is up to one year and there is no claim(s) made during the policy period; refund premium for the unexpired policy period, in respect of policy with the term more than one year and the risk coverage for such policy years has not commenced.

10. Product Management Committee (PMC)

10.1. The constitution of PMC shall be as follows:

10.1.1. Appointed Actuary – Member
10.1.2. Chief Technical Officer – Chair
10.1.3. Deputy CEO- Member
10.1.4. Chief Investment Officer – Member
10.1.5. Chief Financial Officer – Member
10.1.6. Chief Customer Officer – Member
10.1.7. Chief Compliance Officer – Member
10.1.8. Chief Technology Officer & Business Transformation – Member
10.1.9. Chief Risk Officer – Member
10.1.10. Head Reinsurance - Member
10.1.11. Head - Product Development – Convener
10.1.12. Any other officer may be invited by the PMC from time to time as an Invitee

10.2. The MD & CEO shall have an overall responsibility for ensuring that a robust due diligence process is in place to mitigate risks arising from the products and shall countersign the relevant certifications.

10.3. The responsibilities of PMC shall inter alia include the following:

10.3.1. Adherence to principles of design and pricing of insurance products;
10.3.2. Ensure appropriateness of the product design for the target market;
10.3.3. Ensure Regulatory compliance and recommending products for filing under File and use procedure, as applicable;
10.3.4. Ensure that products falling under Use and file category are approved;
10.3.5. Conduct Periodical review of product performance, market conduct issues including grievances and taking up corrective actions, as may be necessary;
10.3.6. Review and allow modification or withdrawal of the product, if required
10.3.7. Overall management of insurance products;
10.3.8. Maintenance of documentation of the decisions taken for each product for inspections of the Competent Authority
10.3.9. Recommend 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.
10.3.10. Ensure compliance with circulars, guidance, if any, issued / communicated by the Competent Authority with respect to products;
10.3.11. Ensure that the benefits reflecting in sales literature, terms and conditions reflecting in policy document are consistent with the design approved;
10.3.12. Ensure that the benefits such as waiting period, Moratorium period accrued to the credit of the policyholder are protected and carried forward to the new policy issued subject to any instances of fraud/misrepresentation on part of the policyholder;
10.3.13. Ensure that no claim is repudiated without the approval of a three-member sub-group of PMC called the Claims Review Committee (CRC) constituted with the approval of the Board and/or any of its Committees.
10.3.14. Carry out proper due diligence and record its concurrence/sign off on various product related risks (such as risks related to capital requirements, profitability, underwriting, reinsurance etc.) before approval of the product by PMC.
10.3.15. Review existing products which are not complying with the IRDAI (Insurance Products) Regulations 2024 and Master Circular(s) issued thereafter and modify the same. Revision in terms and conditions of the products that are warranted exclusively due to the application of any of the updated provisions contained in this circular or the IRDAI (Insurance Products) Regulations, 2024 shall be carried out under the extant UIN, with the approval of PMC.

11. Frequency of Meeting of the PMC & Quorum

The PMC shall meet as often as deemed necessary by the convener of PMC for product related matters at least once in a quarter. For the Quorum to be complete at least 4 of the Members in addition to the Appointed Actuary should be present at every meeting. For making changes to this Policy, the quorum shall be 1/3rd of the Members and Invitees.

12. Unique Identification Number – Methodology

12.1. Every general insurance product and add-on, whether individual or group, shall be identified with a unique number; and this number has to be quoted in all relevant documents furnished to the policyholder, other users (public, distribution channels), publicity material and in the returns filed/ correspondence made with the IRDAI.

12.2. A product/ add-on can be introduced for sale in the market after assigning the Unique Identification Number (UIN).

13. Review of the Policy

13.1. The Board and the PPGR&CM Committee shall review this Policy:

- 13.1.1. at least once every financial year, or
- 13.1.2. as and when the PPGR&CM Committee and the Board consider it appropriate, or
- 13.1.3. as and when the underlying laws governing the Framework undergo any change.

13.2. Notwithstanding the foregoing, this Policy may be modified during the year by the Product Management Committee jointly prior to any such annual review and such modifications shall be reported to the PPGR&CM Committee for ratification.

13.3. Any changes in the applicable regulatory provisions shall automatically be treated as part of this Policy.

ANNEXURE

ROLES OF THE PMC MEMBERS

The role of the following designates are only indicative in nature and are not limited to as specified.

1. **Appointed Actuary**
   1.1. To ensure that due diligence has been carried out on the product development process and pricing in accordance with regulatory stipulations in force.
   1.2. To document all the assumptions used in product pricing and the basis of those assumptions.
   1.3. To analyse the financial implications of risks covered in the product and build these into the rating of product on sound and prudent actuarial basis.
   1.4. To confirm that the margins built into rates are consistent with the experience of the Company in respect of commission, management expenses, contingencies and profit.
   1.5. Analyze the impact of product on the capital and solvency margin of the Company and inform the management and board of additional capital requirement, if any, to maintain solvency margin.
   1.6. Determine and inform the PMC about the data and system requirements, both at the time of underwriting and claims, to enable the company analyze the emerging experience of the product on a regular basis.
   1.7. To present product performance report to PMC along with recommendations at least on annual basis.
   1.8. To ensure the availability of sufficient Actuarial resources in respect of products filing with the Authority.
   1.9. To complete all relevant forms to be submitted to IRDAI.

2. **Chief Technical Officer**
   2.1. To check and confirm that similar wordings have been used for describing the same cover or the same requirement across all the products in the company.
   2.2. To check and confirm that the product is in conformity to the board approved Underwriting policy of the company and that the Underwriting policy is relevant in the context of evolving regulatory regime and market complexities.
   2.3. To check and confirm that the product and its features satisfy all the Basic principles of insurance.
   2.4. To check and confirm that the product is customer need based, the contingencies covered are clear and provide transparent cover which is of value to policyholder. The terms and conditions of cover are fair between the Company and the Policyholder.
   2.5. To check and confirm that the product is a genuine insurance product covering an insurable risk with a real risk transfer.
   2.6. To check and confirm that all the literature relating to the product is in simple language and easily understandable to the public at large.
   2.7. To coordinate/involve the Lawyer of the Company for the purpose of Policy wordings.

3. **Chief Financial Officer**
   3.1. To check and confirm that the commissions built in the product are in line with regulatory stipulations and actual commissions paid will not exceed those allowed.
   3.2. To confirm that the accounting for the product premium and claims shall be done in accordance with Indian GAAP/regulatory stipulations.
   3.3. To apprise the PMC about the tax implications of the product, if any.
   3.4. To coordinate with AA in identifying the additional capital requirements that the product

may pose.

4. **Chief Distribution Officer**
    4.1. To identify the target segments to which the product shall be offered.
    4.2. To indicate the volume of business that the company plans to achieve over future three years after the product approval.
    4.3. To confirm that the product shall be offered only through authorized modes of distribution.
    4.4. To confirm that all the external distributors and company direct sales staff would be appropriately trained in the product and sales process.
    4.5. To confirm that appropriate systems shall be set up to avoid and minimize sale of the product mismatching customer need.
    4.6. To present to PMC a periodic report on cancellations due to product sales not matching with customer need and action plan to reduce the cancellations.

5. **Head Reinsurance**
    5.1. To assess the reinsurance requirement for the product from risk perspective and arrange suitable reinsurance that reduces overall risk arising from the product.
    5.2. To ensure that reinsurance cessions, if any, for the proposed product follow Reinsurance Regulations and any other guideline/circular/direction issued by the Authority on the subject of reinsurance.
    5.3. To identify if there are risks that are not likely to be covered by reinsurance and the company will retain these risks on its books. Analyse and apprise the PMC of the financial implication of such risks.

6. **Chief Compliance Officer**
    6.1. To ensure that the product development process, including reporting requirements to Authority are followed by the company in letter and spirit.
    6.2. To ensure that the product does not breach any of the applicable laws, regulations and extant guidelines, circulars and directions.
    6.3. To monitor the business activities of the Company and ensure that all products being offered by the Company are in compliance with the underwriting policy as approved by the Board and also with these guidelines.

7. **Chief Technology Officer & Business Transformation – Technology**
    7.1. To ensure product development/configuration in system as per product contours.
    7.2. To confirm that any issues in the system are fixed to ensure compliance with filing documents, any of the applicable laws, regulations and extant guidelines, circulars and directions.

All other members of the Committee shall be responsible for providing their inputs on the respective products designed from time to time in accordance with their expertise.