

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA
(Micro Insurance) REGULATIONS, 2015

(Amended upto 19th May, 2015)

F. No, IRDA/Reg/2/92/2015, Dated 13th March, 2015 - In exercise of the powers conferred by section 114A(1) of the Insurance Act, 1938 (4 of 1938) read with sections 14 and 26 of the Insurance Regulatory and Development Authority¹ Act, 1999 the Authority in consultation with the Insurance Advisory Committee, hereby makes the following regulations -

1. Short title and commencement — (1) These regulations may be called the Insurance Regulatory and Development Authority of India (Micro Insurance) Regulations, 2015. (2) They shall come into force on the date of their publication in the Official Gazette and supersede IRDA (Micro Insurance) Regulations, 2005 from such date.

DEFINITIONS

2. In these regulations, unless the context requires otherwise—

(a) “Act” means the Insurance Act, 1938 (4 of 1938) as amended from time to time.

(b) “Authority” means the Insurance Regulatory and Development Authority of India established under sub-section (1) of Section (3) of the Insurance Regulatory and Development Authority² Act, 1999;

(c) “family” means a unit comprising of husband, wife, dependant parents and maximum of three children:

Provided that where the number of children is more than three, for construing the composition of family as aforesaid, the first three children shall be included:

Provided further that an insurer may, within the aforesaid parameters laid down for the composition of the family, define ‘family’ as per the requirements of the individual or group;

(d) “general micro-insurance product” means any health insurance contract, any contract covering the belongings, such as, hut, livestock or tools or instruments or any personal accident contract, either on individual or group basis, as per terms stated in Schedule I of these regulations;

(i): General Insurance policies issued to Micro, Small and Medium Enterprises as classified in Section (7) of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 under various lines of General insurance business will also be qualified as general micro insurance business up to Rs10,000 premium p.a. per MSM Enterprise.

(e) “life micro-insurance product” means a life insurance product designed as per terms stated in Schedule II of these regulations;

1 and 2 – Deleted the words “of India” after ‘Insurance Regulatory and Development Authority’ by the IRDAI Corrigendum Notification IRDA/Reg/6/96/2015 dated 19th May, 2015

(f) “micro-insurance agent” means the following entities or individuals who are appointed as Micro Insurance Agents in accordance to these regulations

(i) a Non-Government Organisation (NGO);

(ii) a Self-Help Group (SHG);

(iii) a Micro-Finance Institution (MFI)

(iv) RBI regulated NBFC – MFIs

(v) District Cooperative Banks licensed by Reserve Bank of India subject to being eligible as per extant norms of Reserve Bank of India

(vi) Regional Rural Banks established under Section (3) of Regional Rural Banks Act, 1976 subject to being eligible as per extant norms of Reserve Bank of India

(vii) Urban Co-operative banks licensed by Reserve Bank of India subject to being eligible as per extant norms of Reserve Bank of India

(viii) Primary Agricultural Cooperative Societies

(ix) Other Cooperative Societies registered under any of the Cooperative Societies Acts

(x) Business correspondents appointed in accordance to the extant RBI Guidelines with any of the Scheduled Commercial Banks

Explanation— For the purposes of these regulations,—

(I) *Non-Government Organisation (NGO)*, referred at Regulation (2) (f) (i), means a non-profit organization registered as a society under any law, non-profit organization registered with non-profit objective under Section 8 of Companies Act, 2013 and has been working at least for three years with marginalized groups, with proven track record, clearly stated aims and objectives, transparency and accountability as outlined in its memorandum, rules, by-laws or regulations, as the case may be, and demonstrates involvement of committed people.

(II) *Self-Help Group (SHG)*, referred at Regulation (2) (f) (ii), means any informal group consisting of ten or more persons and has been working at least for three years with marginalized groups, with proven track record, clearly stated aims and objectives, transparency and accountability as outlined in its memorandum, rules, by-laws or regulations, as the case may be, and demonstrates involvement of committed people.

(III) *Micro-Finance Institution*, referred at Regulation (2) (f) (iii), means any institution or entity or association registered under any law for the registration of societies or co-

operative societies, as the case may be, *inter alia*, for sanctioning loan/finance to its members;

(IV) The entities referred in (i) to (x) of Regulation 2 (f) above who are already engaged in soliciting the insurance business as Corporate Agents or as Insurance Brokers or appointed as Referral Company are not eligible to be appointed as Micro Insurance Agents.

(v) Where the Business Correspondents referred at Regulation 2 (f) (x) above are the individuals and are already engaged in soliciting the insurance business as Insurance Agents or appointed as Specified Persons of Corporate Agents, Specified Persons of Micro Insurance Agents or employees of Insurance Brokers, they are not eligible to be appointed as Micro Insurance Agents.

(g) “micro-insurance policy” means an insurance policy sold under a plan which has been specifically approved by the Authority as a micro-insurance product;

(1) For the purpose of these Regulations Micro Insurance is the insurance provided through the Micro Insurance Products approved under these regulations.

(h) “micro-insurance product” includes a general micro-insurance product or life insurance product or health insurance product, proposal form and all marketing materials in respect thereof;

(i) all words and expressions used herein and not defined but defined in the Insurance Act, 1938 (4 of 1938) as modified from time to time, or in the Insurance Regulatory and Development Authority Act, 1999 or in any Rules or Regulations made there under shall have the meanings respectively assigned to them in those Acts, Rules or Regulations.

TIE UP BETWEEN LIFE INSURER AND GENERAL INSURER

3. (1) An insurer carrying on life insurance business may offer life micro insurance products as also general micro-insurance products, as provided herein:

Provided that where an insurer carrying on life insurance business offers any general micro-insurance product, he shall have a tie-up with an insurer carrying on general insurance business for this purpose, and subject to the provisions of Section 64VB of the Act, the premium attributable to the general micro insurance product may be collected from the prospect (proposer) by the insurer carrying on life insurance business, either directly or through any of the distributing entities of micro-insurance products as specified in Regulation (4) and made over to the insurer carrying on general insurance business:

Provided further that in the event of any claim in regard to general micro insurance products, the insurer carrying on life insurance business or the distributing entities of micro-insurance products, as the case may be, as may be specified in the tie-up

referred to in the first proviso, shall forward the claim to the insurer carrying on general insurance business and offer all assistance for the expeditious disposal of the claim.

(2) An insurer carrying on general insurance business may offer general micro insurance products as also life micro-insurance products, as provided herein:

Provided that where an insurer carrying on general insurance business offers any life micro-insurance product, he shall have a tie-up with an insurer carrying on life insurance business for this purpose, and subject to the provisions of Section 64VB of the Act, the premium attributable to the life micro-insurance product may be collected from the prospect (proposer) by the insurer carrying on general insurance business, either directly or through any of the distributing entities of micro-insurance products as specified in Regulation (4), and made over to the insurer carrying on life insurance business :

Provided further that in the event of any claim in regard to life micro-insurance products, the insurer carrying on general insurance business or the distributing entities of micro-insurance products, as the case may be, as may be specified in the tie-up referred to in the first proviso, shall forward the claim to the insurer carrying on life insurance business and offer all assistance for the expeditious disposal of the claim.

For the purpose of these Regulations, the General Insurer includes Health Insurer.

DISTRIBUTION OF MICRO INSURANCE PRODUCTS

4 (1) In addition to an insurance agent or corporate agent or broker appointed / registered under the Act, read with the regulations concerned made by the Authority for appointing / registering individual or corporate agents, or insurance brokers, as the case may be and such other insurance intermediaries that are allowed to solicit the insurance business by the regulations notified by the Authority, micro-insurance products may be distributed through the micro-insurance agents:

Provided that a micro-insurance agent shall not distribute any insurance product other than a micro-insurance product

(2): For the purpose of distributing the General Micro Insurance Products referred at Regulation 2 (d) (i);

(a) A General Insurance Company has the option of appointing Micro Insurance Agent to any one of the sectors of; Micro Enterprises or Small Enterprises or Medium Enterprises or for all three sectors or any combination of two sectors

(b) A General Insurance Company has the option of appointing Micro Insurance Agents for various lines of business either independently to each line of business or any combination thereof or to all lines of General Insurance business

(c) A General Insurance Company has the option of appointing Micro Insurance Agents in these combinations either in the Manufacturing Sector or in the Service Sector or both.

APPOINTMENT OF MICRO INSURANCE AGENTS

5. (1) A micro-insurance agent shall be appointed by an insurer by entering into a deed of agreement, which shall clearly specify the terms and conditions of such appointment, including the duties and responsibilities of both the micro-insurance agent and the insurer:

(2) A micro insurance agent may work with One Life Insurance Company and one General Insurance Company. In addition to this a Micro Insurance Agent may also work with Agriculture Insurance Company of India Ltd and with any one of the health insurance companies registered with the Authority.

(3) The deed of agreement referred to in sub-regulation (1) shall specifically authorize the micro-insurance agent to perform one or more of the following additional functions, namely:

- (a) collection of proposal forms;
- (b) collection of self-declaration from the proposer that he/she is in good health;
- (c) collection and remittance of premium.

(i) Where the micro insurance agents are authorized to collect and remit the premiums, they shall be mandated by the Insurers for issuing acknowledgements on collection of premiums and every Insurer shall put in place procedures to enable Micro Insurance Agents issue such acknowledgments.

(ii) Insurers are accountable to such premium acknowledgements issued by the Micro Insurance Agents.

(d) distribution of policy documents;

(e) maintenance of register of all those insured and their dependants covered under the micro-insurance scheme, together with details of name, sex, age, address, nominees and thumb impression/signature of the policyholder;

(f) assistance in the settlement of claims;

(g) ensuring nomination to be made by the insured;

(h) any policy administration service.

(4) The micro-insurance agent or the insurer shall have the option to terminate the agreement referred to in sub-regulation 5(1), after giving a notice of three months by the party intending to terminate the agreement:

Provided that no such notice shall be necessary, where the termination is on account of any misconduct or indiscipline or fraud committed by the microinsurance agent

- (a) An Insurer may appoint a person or entity whose micro insurance agency was terminated, other than on the grounds of fraud / mis conduct, and enter into a deed of agreement in accordance to the provisions of Regulation (5) (1)

only after the expiry of 3 months from the date of termination of the said agreement by previous insurer. No Insurer shall re-appoint a Micro Insurance Agent whose agency was terminated on grounds of fraud or misconduct till such person / entity is exonerated of charges.

(b) In case of termination of a Micro Insurance Agent, the lapsed Micro Insurance policies of the terminated Micro Insurance agent may be allotted to another in force Micro Insurance Agent of the same insurer by obtaining the prior consent of such in-force micro insurance agent, by specifying that the objective of the allotment is to conserve and render policy service to the Micro Insurance policyholders. The Micro Insurance agent who is allotted such lapsed Micro Insurance Policies is entitled to remuneration / commission as per the File and Use of the respective micro insurance product. Remuneration / Commission shall be payable only on receipt of micro insurance premium.

(5) Every Insurer shall carry out due diligence before appointing a Micro Insurance Agent with regard to the reputation, track record and ability to function in compliance with the regulations and in the best interests of policy holders.

EMPLOYMENT OF SPECIFIED PERSONS BY MICRO INSURANCE AGENTS

6 (1) A micro-insurance agent shall employ specified persons with the prior approval of the insurer for the purpose of discharging all or any of the functions stated in sub-regulation (3) of regulation 5.

Provided that corporate agents, insurance brokers and such other insurance intermediaries that are allowed to solicit the insurance business and procuring micro-insurance business shall continue to be governed by the respective regulations issued by the Authority and as amended from time to time.

(i) A specified Person who resigned from a Micro Insurance Agent shall be eligible for reappointing as a specified person of other Micro Insurance Agent only after the expiry of 3 months from the date of resignation.

(ii) No Micro Insurance Agent shall employ the specified person working for another Micro Insurance Agent.

(iii) No Micro Insurance Agent shall employ the individual insurance agents who are working with any insurer, specified persons of corporate agents who are working with any insurer and employees of Insurance Brokers.

6 (2) Where a Micro Insurance Agent is an individual appointed by an insurance company he shall not employ Specified Persons.

CODE OF CONDUCT OF MICRO INSURANCE AGENTS

7. (1) Every micro-insurance agent and specified person employed by him shall abide by the Code of Conduct as laid down in regulations applicable for insurance agents issued by the Authority and as amended from time to time and the relevant provisions of Regulation or guidelines issued by the Authority in relation to the Insurance Advertisements and Disclosure as modified from time to time:

Provided that the insurer shall ensure compliance of the Code of Conduct, advertisements and disclosure norms by every micro-insurance agent

(2) Any violation by a micro-insurance agent of the Code of Conduct and/or advertisement or disclosure norms as aforesaid shall lead to termination of his appointment, in addition to penal consequences for breach of Code of Conduct and/or advertisement or disclosure norms pursuant to the provisions of sub regulation (1).

FILING OF MICRO INSURANCE PRODUCT

8. (1) Every insurer shall be subject to the “*file and use*” procedure with respect to filing of micro-insurance products with the Authority.

(2) Every micro-insurance product which is cleared by the Authority for the purpose of micro-insurance shall prominently carry the caption “Micro-Insurance Product”.

(3) Life Micro Insurance Products filed with the Authority under these regulations shall be subject to the norms stipulated under Schedule – III of these Regulations.

ISSUANCE OF MICRO INSURANCE POLICY CONTRACTS

9. (1) Every insurer shall issue insurance contracts to the individual micro insurance policyholder in the languages recognised in the constitution of India which is simple and easily understood by the policyholders.

Provided that where issuance of policy contracts in the languages recognised in the constitution of India is not possible, the insurer shall as far as possible issue a detailed write-up about the policy details in the respective language.

(2) Every insurer shall issue insurance contracts to the group micro-insurance policyholder in an unalterable form along with a schedule showing the details of individuals covered under the group, and also issue a separate certificate, to each such individual evidencing proof of insurance, containing details of validity period of cover, name of the nominee, and addresses of the underwriting office and the servicing office, where both offices are not the same.

(3) Notwithstanding the provisions of Regulation 9 (1), the insurers may also allow the Micro Insurance Agents to print the policy contract on a plain A – 4 size paper for onward transmission to the Micro Insurance Policy holder. The evidence of payment of policy stamp may be shown on the printed policy document.

UNDERWRITING

10 No insurer shall authorize any micro-insurance agent or any other outsider to underwrite any insurance proposal for the purpose of granting insurance cover.

CAPACITY BUILDING

11 (1) Every insurer shall impart at least twenty-five hours of training at its expense and through its designated officer(s) in the languages recognised by the Constitution of India to all micro-insurance agents and their specified persons in the areas of insurance selling, policyholder servicing and claims administration.

Provided those micro insurance agents who are appointed to distribute General Insurance policies to MSME Sector in accordance to Regulation 4 (2) of these regulations in those lines of business to which such Micro Insurance Agent is appointed shall undergo additional 25 hours of the training at the expenses of the insurer.

(2) Not less than half of the number of hours of training referred at Regulation 11 (1) shall be imparted as refresher training on the expiry of every spell of three years from the date of entering into the agreement.

(3) As part of training programme, the Micro Insurance Agents shall be apprised of their obligation to intimate the insurer in the event of occurrence of contingent event covered in the underlying policy of micro insurance which is to their knowledge.

REMUNERATION / COMMISSION

12 (1) A micro-insurance agent may be paid, remuneration for all the functions rendered as outlined in regulation 5 and including commission, by an insurer, and that the same shall not exceed the limits as stated below:

(a) For Life Insurance Business:

Single Premium policies - Ten per cent of the single premium

Non-single premium policies - Twenty per cent of the premium for all the years of the premium paying term

(b) For General Insurance Business: Fifteen per cent of the premium.

(2) Where the agreement between the micro-insurance agent and insurer is terminated for any reason whatsoever, no future commission/remuneration shall be payable.

(3) For group insurance products, the insurer may decide the commission subject to the overall limit as specified in sub-regulation (1).

(4) The remuneration under Micro Insurance products payable ³[to Insurance Agents and] to registered Insurance Intermediaries other than the Micro Insurance Agents shall be in accordance to the provisions of the respective applicable Regulations/provisions of the Insurance Act 1938 as amended from time to time.

COMPLIANCE TO THE ACT AND REGULATIONS

13 (1) Every insurer shall ensure that all transactions in connection with microinsurance business are in accordance with the provisions of the Act as amended from time to time the Insurance Regulatory and Development Act, 1999, and the rules and regulations made there under.

Notwithstanding the provisions of Regulation (13) (1);

(2) The provisions of IRDA (Standard Proposal Form for Life Insurance) Regulations, 2013 are not applicable to Life Micro Insurance Products approved under these Regulations.

OBLIGATIONS TO RURAL AND SOCIAL SECTORS

14. (1) All micro-insurance policies may be reckoned for the purposes of fulfilment of social obligations by an insurer pursuant to the provisions of the Act as amended from time to time and the regulations made there under.

(2) Where a micro-insurance policy is issued in a rural area and falls under the definition of social sector, such policy may be reckoned for both under rural and social obligations separately.

HANDLING OF COMPLAINTS / GRIEVANCES

15 (1) It shall be the responsibility of the insurer to handle and dispose of complaints against a micro-insurance agent with speed and promptitude.

(2) Every insurer shall send a quarterly report to the Authority regarding the handling of complaints/grievances, if any, against the micro-insurance agents.

INSPECTION BY AUTHORITY

16 The Authority may cause inspection of the office and records of any microinsurance agent, at any time, if it is deemed necessary.

SUBMISSION OF INFORMATION

17 Every insurer shall furnish information in respect of micro-insurance business in such form and manner and containing such particulars, as maybe required by the Authority from time-to-time.

3 - Inserted by IRDAI Corrigendum Notification IRDA/Reg/6/96/2015 dated 19th May, 2015

For the purpose of forwarding business / claims data on Micro Insurance Business under these Regulations, the business / claims figures relating to social security schemes of State / Central Government and administered on behalf of any Government shall be excluded.

POWER TO REMOVE DIFFICULTIES AND ISSUE CLARIFICATIONS

18 In order to remove any doubts or the difficulties that may arise in the application or interpretation of any of the provisions of these regulations, the Chairperson of the Authority may issue appropriate clarifications or guidelines as deemed necessary.

SCHEDULE I (See Regulation 2 (d))

Type of Cover	Maximum Amount of Cover	Term of Cover Min.	Term of Cover Max.	Minimum Age at entry	Maximum age at entry
Dwelling and contents, or livestock or tools or implements or other names assets or crop insurance—against all perils	Rs1,00,000 Per Asset/ Cover	1 year	1 year	N.A	N.A
Health Insurance Contract (Individual)	Rs. 1,00,000	1 year	1 year	Product specific	Product specific
Health Insurance Contract (Family/Group)	Rs 2,50,000	1 year	1 year	Product specific	Product specific
Personal Accident (Individual/Family/Group)	Rs. 1,00,000	1 year	1 year	Product specific	Product specific

- i. Maximum ⁴[Sum Assured] limits under Crop Insurance to be reckoned on per season / per crop basis.

SCHEDULE II (See Regulation 2 (e))

1. The sum assured under an Insurance product offering Life or pension or Health benefits shall not exceed an amount of Rs 200000.

4 - Substituted 'Premium' with 'Sum Assured' by IRDAI Corrigendum Notification IRDA/Reg/6/96/2015 dated 19th May, 2015.

2. The Annual Premium shall not exceed Rs 6000 p.a. in a Micro Variable Insurance product under Non Linked Non-Par platform.
3. Add on riders may be offered in accordance to the provisions of the extant Regulations.
4. Micro Insurance schemes marketed to Groups with a minimum Group Size of 5.

SCHEDULE – III (See Regulation (8) (3))

NORMS FOR LIFE MICRO INSURANCE PRODUCTS:

(I) Notwithstanding anything contrary to the provisions of any other regulations for the time being in force, the life, health and pension products offered under micro insurance platform shall be subject to the following:

- a. Micro Insurance Products may allow the flexible premium payment options to enable the policyholders to remit the premiums in fragmented parts of the modal instalments.
- b. Insurers shall not offer micro insurance products under unit linked platform.
- c. Except to the provisions explicitly provided for in this regulation, all other provisions of IRDA (Linked Insurance Products) Regulations, 2013, IRDA (Non Linked Insurance Products) Regulations, 2013 and IRDA (Health Insurance) Regulations, 2013 shall be applicable mutatis mutandis to the Micro Insurance Products approved as per the provisions of the IRDA (Micro Insurance) Regulations, 2015 as modified from time to time.
- d. Except for a regular premium pure term/health policy, where premiums are received for one full policy year, all the non-linked non variable micro insurance policies shall have a paid up value of at least the total premiums paid along with any subsisting or vested bonuses or guaranteed additions already accrued to the policy. Such paid up value along with bonuses or guaranteed additions, if any, shall be payable either on maturity or on death / on the happening of the contingency covered.
- e. The non-linked variable insurance policy, shall:
 - i. Have a lock-in period of five years from the date of commencement of the policy for payment of surrender value. If the policy is surrendered during the lock- in period:

1. The surrender value shall be payable only after completing the lock-in period.
 2. The insurer shall not levy any charge to the policy account from the date of surrender request.
- ii. After completing two years from the date of commencement of the policy, insurer may allow partial withdrawal provided the balance in the policy account after the partial withdrawal is not less than one full year's premium.
 - iii. In respect of Regular Premium policies, the Life Insurer is entitled to levy the discontinuation charges which shall not be more than those mentioned under 'Table – a' hereunder. No other fee shall be charged.

Table - a

<i>Where the policy is discontinued during the policy year</i>	<i>Maximum Discontinuance Charges applicable to Micro Variable Life Insurance Products</i>
1	Lower of 20% * (AP or policy account value) subject to a maximum of Rs. 800
2	Lower of 15% * (AP or policy account value) subject to a maximum of Rs. 600
3	Lower of 10% * (AP or policy account value) subject to a maximum of Rs. 400
4	Lower of 5% * (AP or policy account value) subject to a maximum of Rs. 200
5 and onwards	Nil

- iv. In respect of Single Premium policies, the Life Insurer is entitled to levy the discontinuation charges which shall not be more than those mentioned under 'Table – b' hereunder. No other fee shall be charged.

TABLE – b

Where the policy is discontinued during the policy year	Maximum Discontinuance Charges applicable to Micro Variable Life Insurance Products
1	Lower of 2% *(SP or policy account value) subject to a maximum of Rs.800/-
2	Lower of 1.5% *(SP or policy account value) subject to a maximum of Rs.600/-
3	Lower of 1% *(SP or policy account value) subject to a maximum of Rs.400/-
4	Lower of 0.5% *(SP or policy account value) subject to a maximum of Rs.200/-
5 and onwards	Nil

**AP- Annualised Premium*

**SP-Single Premium*

v. Discontinuance of the premium during the lock-in-period:

1. The life cover shall be lapsed immediately on expiry of the grace period.
2. The Individual Policy Account shall be continued within the respective discontinued policy account without any life cover till the end of the lock-in-period or the end of the revival period whichever is later.
3. During the lock-in-period or revival period, if the policy is not revived, the policy shall be terminated at the end of the lock-in-period or revival period whichever is later by paying the balance in the Individual Policy Account, after allowing for the discontinuance charges, if any.
4. In case of death during the lock-in-period, the balance in the Individual Policy Account shall be paid.
5. On revival of the discontinued policies, the risk cover shall be restored upon receipt of all due and unpaid premiums without levying any interest or fee or charge as on date of revival, subject to terms and conditions of the policy contract.

- vi. Discontinuance of the premium after the lock-in-period:
1. The Individual Policy Account shall be continued with life cover till the end of the of the revival period.
 2. If the policy is revived, the policy shall continue with life cover upon receipt of all due and unpaid premiums without levying any interest or fee or charge as on date of revival subject to terms and conditions of the policy contract.
 3. If the policy is not revived during the revival period the underlying policy account value shall be payable.
- vii. Difference between Gross Yield and Net Yield for all Micro Variable Life Insurance products: The maximum reduction in yield for micro variable life insurance policies from the fifth policy anniversary shall be in accordance with the following Table (c).

Table – c

Number of years elapsed since inception	Maximum Reduction in Yield (Difference between Gross and Net Yield (% p.a.))
5	4.80%
6	4.50%
7	4.20%
8	4.00%
9	3.80%
10	3.60%
11 and 12	3.30%
13 and 14	3.00%
15 and thereafter	2.65%

- (i) The net reduction in yield at maturity for policies with term:
- (1) less than or equal to 10 years shall not be more than 3.60% and
 - (2) above 10 years shall not be more than 2.65%.

(II) Continuation of policy account of Micro Variable Life Insurance Policies under certain circumstances:

- a) Notwithstanding the provisions of any other regulations for the time being in force, on discontinuance of the policy and after payment of such proceeds of the discontinuance policy account value, the life insurers may:

- (1) At its discretion provide the option to continue the policy with zero policy account value under the micro variable life insurance products.
 - (2) Allow the life insured to commence the payment of premiums and life coverage anytime during the remaining term of the discontinued policy.
 - (3) Allow the Life Insured to choose this option either at the inception of the policy or on revival.
 - (4) Accept the payment of premiums to the zero policy account, on subsequent request to continue the policy, in accordance with the Board Approved Underwriting Policy of the Life Insurer.
 - (5) Not levy any charges and shall not provide any life cover, while the policy is on zero policy account value.
 - (6) Not provide the option of zero policy account value to policyholders who have surrendered the policy.
 - (7) The zero balance policy account that is continued or restituted subsequently shall be subject to these regulations, with revised date of commencement, subject to the terms and conditions of the underlying policy and the underwriting policy of the insurer.
 - (8) Not be required to continue the offer of the '*Zero Policy Account*', if the product is withdrawn.
 - (9) No charges shall be collected for maintaining the *zero balance policy accounts*.
 - (10) No '*Zero Balance Policy Account*' policies shall be treated as being on-books of the life insurers and such policies shall be taken to books only on recommencement of the premiums from such date. '*Zero Balance policy account*' policies shall not count for "Total Number of Policies" in books, unless premiums re-commence under these policies. Further, such policies shall not be treated as "New Business" on re-commencement of premiums.
- (III) Customised benefit illustration and disclosure norms prescribed in IRDA (Linked / Non Linked Insurance Products) Regulations are exempted to the Micro Insurance business.
- (IV) In respect of Micro Variable Life Insurance Policies, the policy account statement shall be made available to the policyholders at least once in a year.
- (V) Life Insurers shall forward Customised Benefit illustration along with the policy document in respect of all micro variable life insurance products, illustrating the guaranteed and non-guaranteed benefits at gross investment returns of 4% and 8% respectively or as specified by IRDA or Life Insurance Council from time to time.
- (VI) All the existing Micro Insurance Products that are not in compliance to these regulations shall be withdrawn with effect from 01st January, 2016.

