

# 'Aadhaar for insurance cover can help cut frauds'

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**Kolkata:** Insurance regulator Irda's move to make compulsory linkage of existing and new insurance policies with PAN/Form 60 and Aadhaar will lead to a slew of benefits for customers and stakeholders, say industry participants.

The central government vide gazette notification dated June 1, 2017, notified the Prevention of Money-laundering (Maintenance of Records) Second Amendment Rules, 2017, making Aadhaar and PAN/Form 60 mandatory for availing financial services.

These rules have statutory force and, as such, life and general insurers (including standalone health insurers) have to implement them without awaiting further instructions, Irda said.

Over 260 lakh new life insurance policies and 1,200 lakh new non-life policies are issued annually. There



are about 33 crore PAN cards, while Aadhaar has been issued to about 115 crore people.

However, people often take more than one life insurance policy and non-life insurance cover.

Jaideep Devare, managing director of Mahindra Insurance Brokers Ltd said, "The linkage of Aadhaar with insurance plans will prove to be beneficial especially during claims settlement for establishing the unique identity of the claimant thus reducing fraudulent

claims, and also increase the speed of settlement."

Sandeep Patel, MD and CEO, Cigna TTK Health Insurance, opines that based on the unique identity, it will now be simple and easy to authenticate customers. "... (the move will) bring in efficiency to our processes while onboarding a customer to settling claims, and therefore, offer a better customer experience," he noted.

Bhargav Dasgupta, MD and CEO, ICICI Lombard, sees it as a logical step towards creating a unified

## LINKING FORTUNES

- Insurers have to implement the rules without awaiting further instructions
- **Aadhaar will help in establishing the unique identity of the claimant**
- It will help create a unified platform for financial services

platform for financial services, and at the same time, promoting the government's digitisation agenda.

"While there may be some short-term challenges to overcome, we see significant long-term benefits in terms of preventing frauds and streamlining the KYC (know your customer) process. As an organisation, we are committed to supporting this initiative and are aligning our processes to implement the guidelines in earnest," he added.

Many customers buy life

insurance but fail to inform their family members about the policies bought. In this way, the policy benefits in case of a death claim are delayed or never realised due to lack of information. With linkage, such situations can be avoided.

Similarly, buying non-life policies is often forgotten because the risk cover period is sometimes smaller. By linking the policies to unique identifiers, this will help create a unified platform for financial services as Aadhaar is already linked to bank accounts, tax filings, trading accounts, mutual funds and PAN.

Ashish Kumar Srivastava, MD and CEO of PNB MetLife, said, "If the insured is involved in any untoward incident, the family can now get easy access to his financial information. This will go a long way to ease their burden. This linkage will bring greater transparency and efficiency to the insurance process."