

## Consent of clients must to use Aadhaar for e-KYC

**SUBRATA PANDA**

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The Insurance Regulatory and Development Authority of India (Irdai) has said insurance companies can access details of policyholders provided by the Unique Identification Authority of India (UIDAI) only with their consent.

“It is hereby clarified that for accessing the details of the client from UIDAI for identification and authentication shall be with the consent of the client on a voluntary basis,” it said.

UIDAI had issued the Aadhaar (Authentication) Regulations, 2016, prescribing the procedure for e-KYC (Know Your Customer) authentication of Aadhaar number. Irdai has said insurers should perform the verification of clients through e-KYC authentication facility provided by UIDAI. This has to be done through biometric authentication (fingerprint or iris scanning) and/or through one-time password received on clients’ mobile number or on the email address registered with UIDAI. The information provided by the UIDAI will be considered sufficient for KYC verification.

“Eventually, Irdai will think of making e-KYC mandatory for identification of policyholders, as the Securities and Exchange Board of India and banks are also contemplating the same. But, they have to make sure that privacy of the policyholders is not compromised,” said Ashvin Parekh, managing partner of Ashvin Parekh Advisory Services.

Meanwhile, Irdai has directed all general insurers to participate in Lok Adalats. This comes on the back of Tripura high court’s observations regarding non-participation or unsatisfactory participation of non-life insurers in such Adalats.