Board Approved Product Management & Pricing Policy

(Version 5, November2025)

Date	Particulars	Approved By
July 2022	*Ver 1.0*	*Board*
November 2022	*Ver 2.0*	*Board*
July 2023	*Ver 3.0*	*Board*
October 2024	*Ver 4.0*	*Board*
November 2025	*Ver 5.0*	*Board*

1. BACKGROUND

The following circulars were issued by IRDAI that outlines the scope of the Board Approved Product Management & Pricing Policy (BAPMPP):

- IRDAI Products 2024 Regulation "Ref No. IRDAI/Reg/8/202/2024" Dated 20th March 2024 herein referred to as Regulation 2024
- Circular "Ref No. IRDAI/ACTL/MSTCIR/MISC/89/6/2024" dated 12th June 2024 herein referred to as "Circular".
- IRDAI Protection of Policyholders' Interests, Operations and Allied Matters of Insurers Regulations, 2024 "Ref No. IRDAI/Reg/11/205/2024" Dated 20th March, 2024
- IRDAI Master Circular on Protection of Interests of Policyholders "Ref No. IRDAI/PP&GR/CIR/MISC/117/9/2024" dated 5th September, 2024

2. OBJECTIVES AND SCOPE OF THE POLICY

2.1 The objectives of the Policy are set out below:

To lay down broad guidelines for implementation of the Product Development process at RNLIC.

To ensure the products are designed as per Insurance Regulatory and Development Authority of India (Insurance Products) Regulations, 2024 dated 20th March 2024 and Subsequent Master Circular on Life Insurance Products dated 12th June 2024

a. To design innovative products, to promote ease of doing business and to improve insurance penetration.

b. To protect the policyholders' interests by enabling insurers to adopt good governance while designing and pricing the products.

c. To ensure sound and responsive management practices for effective oversight and adequate due diligence with regard to insurance products, including innovative products considering the interests of policyholders.

2.2 Scope of the policy is set out below-

The Policy will apply to the Insurance Products in accordance with Regulations, 2024 Further, the policy will apply to all Life insurance products and Health Products (including micro-insurance products)

Life insurance products

(i) All linked insurance products shall further be categorized under:

a. Unit linked insurance products;

b. Index linked insurance products.

(ii) All non-linked insurance products shall be further categorized under:

a. With participation insurance products and the same may be referred to as Par products;

b. Without participation insurance products and the same may be referred to Non-Par products.(iii) All Linked Insurance Products shall be offered under Non-Par Product Category.

(iv) Life Insurance Products may be offered either on Individual Basis Or Group Basis.

4. CONSTITUTION OF THE PRODUCT MANAGEMENT COMMITTEE (PMC)

Pursuant to the requirement of the Circular as well as the Company's internal processes, the PMC shall comprise:

S. No.	Designation	Acting as
1	Chief Financial Officer	Member
2	Appointed Actuary	Member
3	Chief Risk Officer	Member
4	Chief Distribution Officer	Member
5	Chief Technology Officer	Member
6	Chief Compliance Officer	Member
7	Chief Investment Officer	Member
8	Head of Operations	Member
9	Head – Corporate Planning & Governance (Nippon Representative)	Member

Following people will be invitees to the Committee for the purpose of seamlessly conducting the proceedings:

S. No.	Designation
1	Head of Products
2	Head of Pricing
3	Head-Nippon Best Practices
4	Any other member as deemed necessary

The quorum shall be four members being the Appointed Actuary and 3 members. The CEO of the organization shall have an overall responsibility for ensuring that a robust due diligence process is in place to mitigate risks arising from the products and will countersign the relevant certifications.

Frequency of meeting:

The Committee shall meet as and when required to transact the business and carry out the functions & duties assigned to it.

5. PRODUCT RISK MANAGEMENT COMMITTEE (PRMC)

The PRMC is the designated/delegated committee of the PMC to overlook the product system related matters.

5.1. Constitution of the PRMC:
PRMC shall comprise of the following members:

a) Chief Risk Officer
b) Chief Financial Officer
c) Chief Operating Officer
d) Chief Distribution Officer
e) Principal Compliance Officer
f) Nippon Representative
g) Product Head

5.2. Terms and Reference of the Committee

i. To review and approve the 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 insurer including policyholders' servicing on a day-to-day basis.
ii. PRMC shall review and approve the system readiness as specified under Pt(i) above before placing to PMC for approval
iii. Any other matter connected therewith or ancillary or incidental to the above.

5.3 Quorum of the Committee

In order to constitute a valid quorum, presence of Three Members are required.

5.4 Frequency of meeting

The Committee shall meet before the launch of product or as and when required to transact the business and carry out the functions & duties assigned to it.

6. PRINCIPLES AND GUIDANCE FOR PRODUCT DEVELOPMENT & APPROVAL

The following principles and guidance will apply when designing and reviewing a product for approval by the Product Management Committee:

6.1 Product design & pricing:

a. evolving risk coverage needs of the customer are taken into account while developing new products and revising existing products;
b. product covers an insurable risk with an underlying risk transfer;
c. the products offered are simple to understand and not complex;
d. there is transparency and clarity in wordings, terms, coverage, exclusions and conditions;
e. policyholder's interests are protected;
f. the basic principles of insurance like insurable interest, indemnity, utmost good faith, proximate cause, contribution clause, salvage and subrogation etc. are adhered to;
g. all the risks relevant to the products are appropriately considered in the pricing;
h. the premium rates are fair and not excessive, inadequate, unfairly discriminatory and provide value for money;
i. all relevant factors such as risk appetite, capital availability, claim experience, reinsurance costs, guarantees, options are considered;
j. products are viable and self-sustainable;
k. market conduct practices are appropriate and fair;
l. appropriate systems, procedures relevant to the product, such as underwriting, pricing, reinsurance, claims management are in place.

6.2 Product management and governance:

The Product management committee shall be responsible for implementation of the Board approved policies and ensure:

i. adherence to principles of design and pricing of insurance products;
ii. appropriateness of the product design for the target market;
iii. regulatory compliance and recommending products for filing under File and use procedure, as applicable;
iv. Approval of products falling under Use and file category;
v. that the benefits reflecting in sales literature, terms and conditions reflecting in policy document shall be consistent with the design approved
vi. fairness and reasonableness of surrender values.

vii. periodical review of product performance, market conduct issues including grievances and taking up corrective actions, as may be necessary;
viii. modification or withdrawal of the product, if required;
ix. overall management of the insurance products;
x. maintenance of documentation of the decisions taken for each product for inspections of the Competent Authority.

That all the processes, suitable infrastructure, system requirements and standard operating procedures are in place on an ongoing basis

6.3 Review of insurance products:

All products, offered for sale, reviewed by Appointed Actuary and presented to PMC at least once a year taking into account:

i. the reasonable expectation of all stakeholders, including policyholders;
ii. financial viability of the products;
iii. emerging risks and experience under the products;

iv. any other relevant factors.

7. REVIEW OF POLICY

The Policy shall be reviewed by the Committee from time to time as required but at least annually. Proposed changes, if any, shall be tabled before the Product Management Committee for review and approval for submitting the same for the Board for approval.

8. OWNER OF POLICY

The Policy shall be owned by the Head of Products of the Company, who will review the Policy on an annual basis or upon regulatory changes as required.