

TRU COVID-19 Flash Alert



COVID-19 – Announcement relating to Insurance Companies

The Beema Samiti (Insurance Board) on 26 March 2020 announced the following relaxation on renewal of insurance policies, collection and payment of premium and claims, respectively to the insured and insurers considering the current impact of the COVID-19 pandemic.

- a. Considering the uncertainty over duration of COVID-19 pandemic and its impact, collection of life insurance premium shall be stopped till mid-April 2020 and insurance companies shall make arrangements to collect such amount as soon as the situation returns to normal without charging interest.
- b. The claims under life insurance can be submitted electronically. The insurer, after collecting sufficient evidences, shall settle the claims and make payment immediately after the situation normalizes.
- c. In case of expiry of life insurance policies, the insurer shall make arrangements to deposit the premium in the bank account of the insured electronically.
- d. Insurers shall make arrangements for renewal of expired policies on receipt of applications from the insured electronically.
- e. License of the surveyors and insurance agents shall be renewed without charging any penalty if the evidence of deposit of the prescribed fees in the bank account of the Beema Samiti is submitted by mid-April 2020.
- f. For claims made during the pandemic period under non-life insurance, the insurer shall arrange to collect sufficient evidences electronically and as soon as the situation returns to normal, appoint surveyors to assess the loss and immediately settle the claims.

PKF Nepal's Comments

The extension of time limit for renewal of license up to Chaitra end does not seem sufficient. Additionally, the use of electronic medium for submission of application and deposit of amount in bank may not be practical for all insured and further relaxation on the timeline should be granted.

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