

# Digital Personal Data Protection Act, 2023

## Impact on Insurance Web Aggregators

## Who are Insurance Web Aggregators?

Intermediaries maintaining a website for generation of 'leads' for insurers; and displaying details and comparison of insurance products

### Data Fiduciary

When the Insurance Web Aggregator collects, analyses, and determines the means and purpose of data processing

E.g. Profiling to recommend suitable insurance options

### Data Processor

When a prospect's data is processed on behalf of the insurer, based on the parameters determined by them

E.g., While collecting basic details for relaying to insurers

## What are Leads?

Information of a person who has accessed the Insurance Web Aggregator's website and has submitted their contact information to obtain information on an insurance product

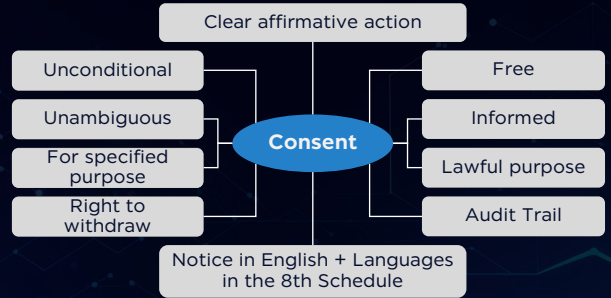
## What is Personal Data?

Data of an individual who is identifiable by or in relation to such data

## Existing Compliance Requirements

- Obtaining explicit consent prior to collecting any personally identifiable data on the website and for solicitation
- Ensuring confidentiality of the prospect's information with themselves and the insurer(s) with whom the data is shared
- Collection of data for solicitation purposes must be strictly on a need-to-know basis

## Compliance under the DPDP Act 2023



## Existing Compliance Requirements

- Protect data from unauthorised access and misuse
- Follow generally accepted IT security procedures
- Transmission of leads and information to insurers using secured layer data encryption technologies

## Compliance under the DPDP Act 2023

- Protection of personal data in possession or control
- Reasonable security standards to prevent breach
- Reporting data breaches to the Data Protection Board and the Data Principal

## Existing Compliance Requirements

- Data sharing arrangement to be clearly laid down in agreement with insurers
- Leads to be shared only with insurers specified by the prospects
- If no preference is obtained from prospects, leads to be shared only with maximum 3 insurers
- Must disclose on the website that personal data is being shared with insurers
- Transmission of leads must be within 3 days of collection of data with a reasonable level of suitability, reliability and correctness of the prospect's data

## Compliance under the DPDP Act 2023

- For any sharing of data to a third party (Data Processor or another Data Fiduciary), the notice and consent requirements under the DPDP Act to be complied with
- Exemption from consent / notice requirements with respect to data obtained for legitimate uses will be governed by subsequent rules
- Other conditions, such as requirement of a valid contract, ensuring correctness and completeness of the data etc. will be applicable on a case-to-case basis, depending on the data shared

## Existing Compliance Requirements

- Electronic records to be retained for at least 10 years from the end of the year to which they relate with respect to (i) the last transaction, or (ii) expiry of the policy – whichever is later
- However, in case of pending legal disputes, the records must be maintained till the disposal of the case by the court
- Maintenance of insurer records in case of sale of insurance products by tele-marketing or other distance marketing modes should be for a period which is later of the following –
  - For 6 months beyond the term of the policy, or
  - Until satisfactory settlement of claim, or
  - For 10 years
- Such records to be made available to the IRDAI, when requested

## Compliance under the DPDP Act 2023

- Personal data to be deleted once
  - Consent is revoked, or
  - The purpose of processing is fulfilled
- Data can be retained notwithstanding consent revocation, if required under law

## Certain additional compliances under the DPDP Act

- Establishing a grievance redressal mechanism
- Amendment of the existing privacy policy and customer agreements in line with the DPDP Act
- Modify systems to enable use of consent managers by the Data Principals
- Amendment of agreements with insurers to ensure compliance with the DPDP Act