

Minutes of the meeting

12. IRDAI (Insurance Brokers) Regulations, 2017

Chief General Manager (Intermediaries) made a presentation on draft IRDAI (Insurance Brokers) Regulations, 2017, which focussed on the proposed changes in the draft regulations following the meeting of the IAC. The changes proposed in the draft regulations included the following:

1. The revised paid-up capital for direct insurance broker is proposed as Rupees seventy five lakhs.
2. The existing direct brokers will be given two years' time to undertake the increase in paid-up capital requirements to Rupees seventy five lakhs.
3. An additional point is proposed to be introduced in the code of conduct pertaining to furnishing of information, wherein every insurance broker shall ensure that the information provided by the client and in the broker's slip/document given to insurer on the basis of which the risk is accepted by the insurer is made part of the proposal form and shared with the client and the insurer. Any wrongful submission of information may be dealt as per the terms and conditions of the insurance contract.
4. The basis of calculation of ceiling of business from single client is proposed to be changed to remuneration.
5. The filing of audited financial statements with the Authority within 30 days of holding the AGM or 30th September whichever is early.
6. The filing of an annual certificate from the auditor on compliance of the various provisions of insurance broker regulations.
7. The principal officer and the broker qualified person to appear and pass broker examination within one year of completion of training.
8. The condition of promoter not being a subsidiary may be considered on merits by Chairman subject to conditions as broker is not on par with insurance companies.
9. The insurance broker shall be required to remit premium/claims to reinsurers/insurers/foreign insurance broker not later than fifteen days instead of seven days as that is the normal time taken to remit the amounts in normal course of business.

After due deliberations, the Authority approved IRDAI (Insurance Brokers) Regulations, 2017.