



No.IRDA/INT/CIR/MISP/235/10/2017

17th Oct 2017.

To All Insurance Intermediaries

Re: 'Motor Insurance Service Provider' guidelines

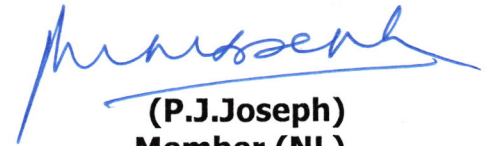
We refer to the 'Guidelines on Motor Insurance Service Provider' issued by the Authority vide Circular Ref. IRDA/INT/GDL/MISP/202/08/2017 dated 31st August, 2017 that come into force with effect from 1st November, 2017.

To check undesirable practices in the market, it may kindly be noted that the guidelines specifically states that the MISP or its associate companies shall not receive directly or indirectly from the insurer any fees, charges, infrastructure expenses, advertising expenses, documentation charges, legal fees, advisory fees, or any other payment by whatever name called except as specified in these guidelines. IRDAI expects that the spirit of these Guidelines is understood and adherence and compliance of the same be taken up in right earnest. Any attempt to circumvent the provisions and gain arbitrage through alternative means will be viewed seriously.

In this regard, it has come to the notice of IRDAI that certain insurers/intermediaries are seeking to advance the agreements and tie-ups falling due on or after 1st November, 2017 in a bid to avoid following the Guidelines for those agreements. Kindly note that any attempt to undermine the Guidelines without paying heed to its objective will be viewed seriously by IRDAI and the matter will be dealt with strictly.

It is also reiterated that both commission and fees cannot be paid under the same policy.

Please confirm that the Guidelines on Motor Insurance Service Provider will be followed in letter and spirit. To this effect, please make sure you have given necessary instructions within your company and have put in place necessary systems to carry out the required monitoring.


(P.J. Joseph)
Member (NL)