



IRDAI/INT/CIR/WBA/20/12/2018

06th December 2018

CIRCULAR

To.

All the Insurers & Insurance Intermediaries

Re: Clarification on outsourcing activities undertaken by Insurance Web Aggregators and remuneration payable.

1. The Authority is in receipt of queries from insurance companies on the remuneration, reward and outsourcing charges payable to an Insurance Web Aggregator.
2. Attention is drawn to regulation 30 of IRDAI (Insurance Web Aggregators) regulations, 2017 which states that:
 - i. Insurance Web Aggregators can get remuneration & rewards for the leads converted into insurance policies.
 - ii. Insurance Web Aggregators can undertake Outsourcing functions to provide 'Insurance Services' in respect of the policies procured through them.
3. Reg. 5 & 6 of IRDAI (Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries) Regulations, 2016 describes the maximum remuneration payable to intermediaries.
4. A harmonious reading of the two regulations is evident that outsourcing function is to provide "insurance services" to be undertaken post sale of the insurance policy and not for solicitation purpose.

All Insurers and Insurance Intermediaries are requested to take note of the aforesaid provisions.

Member (Distribution)