



Ref:IRDA/CAGTS/CIR/LCE/029/02/2016

10.02.2016

CEOs of all Insurers and CIEs of all existing Corporate Agents

Reg: Clarifications on IRDAI (Registration of Corporate Agents) Regulations, 2015

The Authority has notified the IRDAI (Registration of Corporate Agents) Regulations, 2015 on 20.08.2015 and has issued instructions for obtaining Certificate of Registration under IRDAI (Registration of Corporate Agents) Regulations, 2015 vide Ref. No. IRDAI/CAGTS/GDL/LCE/ 202/ 11/ 2015 dt 18.11.2015.

We have to inform you that the Corporate Agency portal is available for uploading the application for registration along with the other documents. The user ID and password have been sent to the existing corporate agents enabling them to upload the applications etc., for obtaining the Certificate of Registration.

On getting queries from some insurers and corporate agents, the following clarifications are issued:

1. As per Annexure 3 (Ref Regu 4(3)(c), An application for issue of **"Certificate/renewal of certificate to act as a Specified Person"** shall be applied by the Principal Officer of the Corporate Agent, on behalf of the Specified Person, giving the details of such person. It is clarified that for existing SPs Annexure 3 is not required and the applicant has to give the details of the SPs along with their place of employment and certificate number/s.

As per Regu 7(3) a, the SPs of the applicant should have passed minimum of 12th Class or equivalent examination from a recognized Board/Institution and Regu 7(3) e. says that SPs/CIEs who are qualified and already working with a Corporate Agent licensed under IRDA(Licensing of Corporate Agents) Regulations, 2002 may continue to work with Corporate Agents registered under

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It is also to be clarified that **S NO. o)** of Annexure I is removed and hence details need not be furnished.

5. As per Point 6 of Form A the corporate agent has to submit **details of infrastructure** along with supporting evidence thereof like ownership/lease agreement papers with regard to the office space/equipment/trained manpower etc. for the registered office and the branch officers at various locations.

Considering the number of offices, Listed Companies, Banking and NBFC's are exempted from submitting the above evidences to the Authority. All such documents should be preserved at their head/registered office and it should be made available during inspection by the Authority.

6. It is clarified for SI No. 5.1 of Form A, the details of all settled and pending disputes in respect of **insurance related matters** has to be provided.
7. As per Regu 4 and Point 6 of Form A, the corporate agent has to submit the **Projections** of administrative expenses, salaries and wages and other expenses, draw the revenue account, the profit and loss account and the balance sheet for the projected 3 years.

We clarify that this applies to the corporate agents incorporated exclusively for the purpose of insurance intermediation.

In respect of other corporate agents and banks the annual report/s with detailed information on expense, profit and loss and balance sheet are to be submitted.

8. Regu 17 (1) states that the Non Refundable and Registration Fees shall be payable by an Account Payee draft in favour of "The Insurance Regulatory and Development Authority of India" payable at Hyderabad or by recognised electronic funds transfer to Insurance Regulatory and Development Authority of India

The Corporate Agents/Applicants should preferably make the non refundable fee and registration fee through Bill Desk in the Corporate Agency Portal.

The Fee for Specified Persons can be made through Web Wallet account.

- 9 As per Regu 19, every corporate agent, where the revenues from their insurance intermediation activities is more than fifty per cent of their total revenue from all the activities, shall take out and maintain at all times a professional indemnity insurance cover throughout the validity of the period of the registration granted to it by the Authority.



these regulations. Hence it is clarified that the existing SPs with 10th pass will be allowed to work continually.

2. As per Regu 21 (ii), where the insurance is sold as an ancillary product along with a principal business product, the corporate agent or its shareholder or its associates shall not compel the buyer of the principal business product to necessarily buy the insurance product through it. The Principal Officer and CFO (or its equivalent) of the corporate agent shall file with the Authority a certificate in the format given in the Schedule VIII on half-yearly basis, certifying that there is no forced selling of an insurance product to any prospect.

Whereas in the format it is mentioned that it should be certified by CEO and CFO. The Authority clarifies that the Schedule VIII can be certified by PO and CFO as mentioned in the regulation.

3. Regu 20 says that the **Board Approved policy** on Open Architecture, amongst others, shall include the **approach to be followed** by the corporate agent in having single or multiple tie-ups, the partners in the tie-ups, the business mix, the type of products sold, grievance redressal mechanism and reporting requirements.

The names of the partners in the tie-ups need not be mentioned in the board approved policy and as per Regu 23 (a) the arrangements with insurers (partners in the tie-ups) for distribution of their products shall have to be disclosed to the Authority within 30 days of entering into such arrangements.

4. As per Regu 7(2)g the Authority has to check whether the Principal Officer/Director(s)/Partner(s)/Specified Persons is/are **Fit and Proper** (separately for each person) based on the statement in **Annexure I** of these regulations.

It is clarified that independent and nominee Directors are exempted from Fit and Proper criteria and also the Fit and Proper in Annexure I collected from SPs need not be submitted to the Authority. However, It should be preserved by the Corporate Agent and it should be made available to the Authority during Inspection.

The Fit and Proper Declaration is submitted in individual capacity of the principal officer/ directors and hence they have to submit the details of all the entities in which they are interested/ holds directorship.




The limit of indemnity shall be two times the total annual remuneration of the corporate agent derived from their insurance intermediation activities in a year subject to a minimum of Rupees fifteen lakh and a maximum of Rupees one hundred crore.

Provided that the Authority shall in suitable cases allow a newly registered corporate agent to produce such a policy within twelve months from the date of issue of original registration.

Every existing corporate agent where the revenues from their insurance intermediation activities is more than fifty per cent of their total revenue from all the activities, has to produce a copy of the professional indemnity insurance policy at the time of application.

The user manual for corporate agency portal and FAQ in respect of these Regulations are available in the portal.


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