



भारतीय बीमा विनियामक और विकास प्राधिकरण
INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY OF INDIA

Ref: IRDAI/INT/CIR/MISC/318/12/2021

December 29, 2021

To
All Insurance Intermediaries

Re: Maintenance of Current Accounts in multiple banks by Insurance Intermediaries including entities sponsored by them

1. It has been observed that the insurance intermediaries maintain multiple current accounts with banks at different operational levels, i.e., Branch offices, Corporate office, etc., for regulatory and other purposes.
2. RBI, vide its circular ref: RBI/2020-21/20 DOR.No.BP.BC/7/21.04.048/2020-21 dt. 6th Aug. 2020 on "Opening of Current Accounts by Banks – Need for Discipline", has instructed banks not to open current accounts for customers who have availed credit facilities in the form of cash credit (CC) / overdraft (OD) from the banking system. On a review, vide its circular ref: RBI/2020-21/79 DOR.No.BP.BC.30/21.04.048/2020-21 dt. 14th December 2020, RBI has permitted banks to open specific accounts which are stipulated under various statutes and instructions of other regulators/ regulatory departments, without any restrictions placed in terms of the above mentioned circular.
3. Based on the requests received by the Authority, to avoid hardships, if any, faced by the insurance intermediaries in maintaining current accounts with banks, it is clarified that the respective insurance intermediaries including entities sponsored by them may maintain current accounts in appropriate number of banks for the purpose of meeting regulatory requirements, reinsurance business, etc. that are in line with conditions given in regulations, guidelines, circulars issued by the Authority.
4. The insurance intermediaries shall review annually the need for having multiple current accounts and rationalization, if any, as may be required.
5. This circular is issued in exercise of the powers conferred under Section 14(2)(e) of the IRDA Act, 1999.

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S N Rajeswari
Member (Distribution)