



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

Ref No. IRDA/BRK/MISC/ORD/151/07/2016

29.07.2016

**ORDER**

**OF THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF  
INDIA UNDER REGULATION 42 OF IRDAI (INSURANCE BROKERS)  
REGULATIONS, 2013**

**In the matter of M/S JAI SAIRAM INSURANCE BROKING PRIVATE LIMITED**

**Direct Broker License**

1. M/s. Jai Sairam Insurance Broking Private. Limited. (herein after referred to as 'the broker') having its registered office at 2<sup>nd</sup> Floor, 55/9, Karikal Street, Parinagar, Jaffer Khanpet, Chennai – 600 083 has been granted licence by the Insurance Regulatory And Development Authority of India (herein after referred to as 'the Authority') to act as a Direct Insurance broker vide Licence no. 498 on 7<sup>th</sup> October, 2014 pursuant to the provisions of the IRDAI (Insurance Brokers) Regulations, 2013 (herein after referred to as the 'Regulations') and licence is valid upto 6<sup>th</sup> October, 2017.
2. Whereas the office of Insurance Ombudsman (Tamilnadu & Puducherry) Chennai vide letter dated 05-01-2016 informed the Authority that M/s Jai Sairam Associates adopted wrong practices. Further, they informed that they received many complaints from policyholders alleging mis-selling of Insurance policies by the Broker.
3. Whereas the Authority vide letter no. IRDAI/DB566/13/16/cpl dated 20-01-2016 sought explanation from the Broker on the communication received from the Insurance Ombudsman pertaining to the above para and also sought explanation as to why the licence would not be terminated for violation of Regulation 8(2) of the said Regulations.

4. Whereas the Authority has not received any reply from the broker, the Authority vide letter no. IRDAI/DB566/13/16/cpl dated 03-02-2016, sent a reminder. The broker has not replied to the reminder also.
5. Whereas it was noticed that the broker has violated Regulation 29(2) and 30 of the said Regulations by not submitting the annual audited financial statements for FY 2014-15 and Half yearly reports of 07-10-2014 to 31-03-2015, 01-04-2015 to 30-09-2015 and 01-10-2015 to 31-03-2016 for the FY 2014-15 and FY 2015-16. The Authority vide letter no. IRDAI/Broker/AR-FY 14-15/2016 dated 22-02-2016 for audited reports of FY 2014-15 and vide letter no. IRDAI/BROKERS/FAR H2 2015-16/2016 dated 6<sup>th</sup> June, 2016 issued Notice of Show Cause for Non Compliance of Regulation 30 of the said Regulations and advised the Broker to show cause, within 10 days from the date of receipt of this letter, as to why appropriate proceedings should not be initiated against the company in terms of relevant provisions of the Insurance Act, 1938 and the IRDA Act, 1999 read with the Regulations and rules framed there under. But the above said letters sent by the Authority were not received and returned back as undelivered.
6. Whereas it was also noticed that the Broker has violated Regulation 14 of the said Regulations "Payment of fees and the consequences of failure to pay fees" by not paying the annual fees for the FY 2014-15.
7. Whereas it was noticed that the Broker has thus violated the following provisions.
  - a) **Violations of Regulation 8(2) (ii) of the said regulations** - Necessary infrastructure, such as, adequate office space, equipment and trained manpower to effectively discharge its activities.
  - b) **Violations of Regulation 14 of the said regulations** – Payment of fees and the consequences of failure to pay fees.
  - c) **Violations of Regulation 29(2) of the said regulations** – Submission of the audited financial statements.

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**d) Violations of Regulation 30 of the said regulations** – Submission of half-yearly results.

8. Whereas the Authority has received resignation letters dated 14-03-2016 from K. Thyagarajan, Principal Officer and from R. Chandrasekaran, Director dated 14-03-2016.
9. As per the directions of Sr. JD (Intermediaries), Deputy Director (Intermediaries) spoke with Mr. V. V. Gopikrishnan, Promoter, Director and Shareholder of the Broking Company on 13.6.16. and enquired about the undelivered letters and also not available on given cell numbers, Mr. V. V. Gopikrishnan admitted that they have closed down their existing offices and most of the staff has left.
10. Whereas it is submitted that in the instant case, the broker does not have any proper infrastructure (space office and equipment) and manpower, including broker qualified persons, to run and discharge its obligations as a licensed Insurance broker in compliance of Regulation 8 (2) (ii) of IRDAI (Insurance Brokers) Regulations, 2013.
11. In view of the facts mentioned as above and as there was no response from the broker in complying with the various communications of the Authority, the Authority is of the view that the management of the company is not interested in continuing this profession anymore.
12. Therefore, in exercise of powers granted to it under Regulation 14(2) of the said regulations Where an insurance broker fails to pay the annual fees payable under sub-regulation (1), the Authority may suspend the licence, whereupon the insurance broker shall cease to carry on business for the period during which the suspension subsists and Regulation 42 of the said regulations which directs Cancellation or suspension of licence without notice, the Authority suspends the license no.498 of M/s. Jai Sairam Insurance Broking Pvt. Ltd. with immediate effect.

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13 Further, if the applicant is not satisfied with this order, an appeal may be preferred before the Securities Appellate Tribunal, as per the provisions stipulated under Sec. 110 of the Insurance Act, 1938.

Date: 29.07.2016  
Place: Hyderabad



(P. J. Joseph)  
Member (Non-Life)