



बीमा विनियामक और विकास प्राधिकरण

**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**

IRDA/BRK/ORD/LC/76/04/2013

IRDA/DB 327/05

ORDER

**OF THE INSURANCE REGULATORY AND DEVELOPMENT
AUTHORITY UNDER REGULATION 14 OF IRDA (INSURANCE
BROKERS) REGULATIONS, 2002**

In the matter of M/s. Quasar Insurance Brokers Pvt. Ltd. Application dated 10th June, 2009, seeking grant of Renewal of Direct Broking License

1. M/s. QUASAR INSURANCE BROKERS PVT. LTD. (hereinafter referred to as the 'Broker') having its Principal place of business at Malgudi Days, 27/159/1, Diwans Road, Chembukkavu, Thrissur – 680 020, Kerala have been granted license by the insurance Regulatory and Development Authority (hereinafter referred to as the 'Authority') to act as a Direct Insurance Broker, vide License No.331 on 14.07.2006, which was valid up to 13.07.2009, pursuant to the provisions of the IRDA (Insurance Brokers) Regulations, 2002 (herein after referred to as the 'Regulations').
2. The Broker had applied for the renewal of their direct Insurance Brokers license as per Regulation 13 of IRDA (Insurance Brokers) Regulations, vide application dated 10.06.2009 together with supporting documents, which was received in the Authority on 16.06.2009.
3. After careful scrutiny of the renewal application and subsequent exchange of correspondence, the Authority vide letter dated 21.12.2009 informed the Broker that the Principal Officer appointed shall exclusively carry out the functions of an insurance broker and hence the principal Officer was advised to resign from the directorship of another company M/s. Karyo Solutions Pvt. Ltd. and confirm. The Authority vide aforesaid letter also advised the Broker to infuse the required capital so as to maintain the net worth of the company at least to Rs.50 lakhs as required under Regulation 10(1)(i)(a) of IRDA (Insurance Brokers) Regulations, 2002.
4. The Authority in the absence of any response from the Broker, sent a reminder to the Broker vide letter dated 18-03-2010 requesting the Broker to submit their reply within 15 days of receipt of the above letter.
5. As there was no response received from the Broker till 12-07-2011, the Authority vide letter dated 13.07.2011 again drew the attention of the broker to the Authority's letter dated 21.12.2009 and requested the Broker to comply with the requirements called for. Broker was also informed that if the Authority does not receive any response from the Broker within 7 days from the date of receipt of the letter, the Authority would presume that the Broker is not interested in seeking renewal of license and necessary action will be initiated based on available records.



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6. In the event of not receiving any response from the Broker, the Authority issued a show cause notice dated 28th December, 2012 in terms of Regulation 14(1) as to why renewal of license should not be declined giving 15 days time to send its reply and also provided for that in case the Broker wants to preset their case in person they may indicate their same in their reply.
7. Since the Broker has not responded to the show cause notice issued by the Authority, the Authority vide letter dated 31st January, 2013 sent a reminder providing one more opportunity to submit their reply within 10 days from the date of receipt of the letter failing which the Authority will decide on this issue as it deems fit.
8. The Authority has not received any response from the Broker to the show cause notice till today.
9. The actions of the Broker as per material on record are in violation of Regulation 28.
10. In terms of Regulation 13(3) of the Regulations, the application seeking renewal is required to be dealt with in the same manner as is specified under Regulation 9 of the Regulations. In terms of Regulation 9(1) and 9(2)(I) of the Regulations, the Authority while considering an application for grant of a license shall take into account, all matters relevant to the carrying out of the functions by the insurance broker and in particular whether the grant of license would be in the interest of the policyholders.
11. In view of the above, the Authority is of the view that the application of the Broker, seeking grant of renewal of license that was earlier granted to them to carry out the functions as Direct Insurance Broker, be rejected.
12. Accordingly, in exercise of the power vested upon the Authority under Section 14 of the IRDA Act, 1999 read with Regulation 14(1) of the Regulations, the Authority refuses to grant renewal of license to M/s. Quasar Insurance Brokers Pvt. Ltd. to act as a Direct Broker.
13. If aggrieved by the decision of the Authority, the Broker may in terms of Regulation 14(3) of the Regulations apply within a period of thirty days from the date of receipt of this communication, to the Chairman of the Authority for a reconsideration of its decision.


(T.S. Vijayan)
Chairman

Date: 16-04-2013
Place: Hyderabad