



Ref: IRDA/INT/ORD/COMM/049/03/2016

15th March, 2016

To All Insurers, Insurance Intermediaries and Insurance Agents

Re: Regulations on payment of commission, remuneration or reward to insurance agents and insurance intermediaries

Consequent upon promulgation of Insurance Laws (Amendment) Act, 2015, amendments to the provisions of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority Act, 1999 were effected.

The following sections of the Insurance Act, 1938 and IRDA Act, 1999 have been amended which have a bearing on payment of commission, remuneration or reward to insurance agents and insurance intermediaries:


- a) Section 40, Insurance Act, 1938 - Prohibition of payment by way of commission or otherwise for procuring business
- b) Section 31B, Insurance Act, 1938 - Restriction on payment of excessive remuneration
- c) Section 2(f), IRDA Act, 1999 – definition of insurance intermediary.

As a result of the amendments in the Act, the Authority framed draft regulations pertaining to payment of commission or remuneration or reward to insurance agents and insurance intermediaries. The draft regulations were uploaded on IRDA website on 13th January, 2016 seeking comments/ suggestions/ views from all stakeholders. The stakeholders were given time upto 27th January, 2016 to submit their comments.

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As the fresh regulations are likely to take some more time, the Authority hereby advises all the insurers, insurance intermediaries and insurance agents that they shall continue to comply with the following Regulations and Circulars issued by the Authority pertaining to commission or remuneration or brokerage paid directly or indirectly, until further orders :

- i) IRDA (Linked Life Insurance Products) Regulations, 2013
- ii) IRDA (Non Linked Insurance Products) Regulations, 2013
- iii) IRDA (Insurance Broker) Regulations, 2013
- iv) IRDA (Web Aggregator) Regulations, 2013
- v) IRDAI (Registration of Insurance Marketing Firm) Regulations, 2015
- vi) IRDAI (Insurance Services by Common Service Centres) Regulations, 2015 and all related circulars, orders and notifications
- vii) IRDAI (Registration of Corporate Agents) Regulations, 2015 and all related circulars, orders and notifications
- viii) IRDA Circular on limits on payment of commission or brokerage on general insurance business dated 25th August, 2008



(Nilesh Sathe)

Member (Life)

