



No. IRDA/ENF/ORD/ONS/ 067 /04/2019

**Final order in the matter of  
M/s Anand Rathi Insurance Brokers Ltd.**

[Based on reply to the Show Cause Notice dated 24<sup>th</sup> December, 2018 and submissions made during personal hearing held on 12<sup>th</sup> February, 2019 at 3 p.m., chaired by Member (Distribution) at the office of Insurance Regulatory and Development Authority of India, Financial District, Nanakramguda, Hyderabad].

**I. Background:-**

1. The Insurance Regulatory and Development Authority of India (hereinafter referred to as "Authority") had conducted during 16<sup>th</sup> to 18<sup>th</sup> August, 2017, an onsite inspection of M/s Anand Rathi Insurance Brokers Ltd. (Hereinafter referred to as "Broker" or "company").
2. The Authority forwarded a copy of the Inspection Report to the Broker seeking comments and the Broker's comments were received vide their letter dated 16<sup>th</sup> November, 2017. Upon examining the documents on hand and submissions made by the Broker, the Authority issued Show Cause Notice on 24<sup>th</sup> December, 2018 which was responded to by the Broker vide letter dated 12<sup>th</sup> January, 2019. As requested therein, a personal hearing was given to the Broker on 12<sup>th</sup> February, 2019. Smt Supriya Rathi, Principal Officer, Shri K. K. Rao, Executive Director, and Ms Vinita Porwal, Sr. Vice President, attended the hearing on behalf of the Broker. On behalf of the Authority, Shri Sujay Banarji, Member (Distribution), Shri Randeep Singh Jagpal, CGM (Intermediaries), Shri Prabhat Kumar Maiti, GM (Enforcement) and Shri B.Raghavan, DGM (Enforcement), attended the hearing.
3. The submissions made by the Broker in their written reply to the Show Cause Notice and those made during the course of the personal hearing and the documents submitted by the Broker in evidence of their submissions have been considered by the Authority and accordingly the decisions of the Authority on the charges are detailed below.

**II. Charges, Submissions in reply thereof and Decisions:**

**(i) Charge No.1**

During the financial year 2016-17, the broker had rendered claim consultancy services to their client in regard to claims where the claim size in two cases

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exceeded Rupees One Crore. In regard to the said consultancy, the broker failed to make available to the Inspection the complete documents. In the absence of the policy copies, the source of solicitation of the said policies is not known.

The order placed by the insured on the broker contained the following tasks to be carried out by the broker:

- a) Advise on the integration of the expansion project assets with the insurance coverage opted prior to/after commissioning of commercial use;
- b) To suggest the methodology to for arriving insurable value of different assets and to value the same;
- c) Design terms & conditions to be included in the tender to be floated for insurance coverage in compliance IRDA/TAC Guidelines;
- d) To assess the premium suggestion for the assets and risk covered;
- e) To provide guidance notes detailing the steps involved for lodging various types of claims for losses that may arise under different insurance policies and the documentation requirement thereof;
- f) To provide services on pending claims, to negotiate with the insurer/surveyor for speedy settlement.

For the above services, the charge/fee agreed to be paid to the broker was Rs. One Lakh for each claim and 1% on excess claim settlement subject to a maximum of Rs.20 Lakhs, whichever is lesser. Further, in Purchase Order (PO) dated 26.10.15 there is a clause specifying "1% on excess claim settlement subject to a maximum of Rs.20 Lakhs, whichever is earlier.

IRDA Insurance Brokers Regulations permit limited claim consultancy for claims not exceeding Rupees One Crore provided such claim does not emanate from a policy which has been placed by the same insurance broker or any other insurance broker.

IRDA Insurance Brokers Regulations stipulates that the fee shall not be expressed as a percentage of claims. However as per the PO terms the broker accepted fee which is certain percentage of claim value.

As submitted by the Broker himself, the policies against which the claims had been serviced by the broker were not solicited by them. Hence the services which the broker rendered as mentioned in the PO are indeed claim consultancy services (and not broking services which is the responsibility of the broker to their client whose business they solicit). As per Regulation 32(1)(a) of the IRDAI (Insurance brokers) Regulations 2013, the main condition for any broker to render claim consultancy is that the claim must not exceed Rs. 1 crore. Similarly, Regulation 32(1)(c) of the above Regulations specifies that the fee to be charged by a broker towards claim consultancy must not be expressed as percentage of the claims. But in the cases referred to by the Inspection, the claim amount exceeded Rs 1 crore. Further, the fee has been expressed in terms of percentage of claims.



Thus, based on the above facts, the broker has violated

- a) Regulation 32(1) (a) of IRDA (Insurance Brokers) Regulations, 2013.
- b) Regulation 32(1) (c) of IRDA (Insurance Brokers) Regulations, 2013.
- c) Para 7 of the Schedule VI-A to the Regulation 28 of the IRDA (Insurance Brokers) Regulations, 2013.

It is also noticed that the language of the conditions in the PO is couched in such a manner as to hide the real purpose viz. the real and main purpose being to handle pending claims.

**Reply of the Broker :**

We have carefully noted the concerns/violations pointed out by the authorities and would like to state as under:

Kindly note that APGENCO engaged our company for various insurance broking services as mentioned in their PO. The order given by APGENCO stipulated that ARIBL will not charge any brokerage in respect of the services rendered by them. We had rendered various services as per their order. Servicing the legacy claims of various amounts was also part of this engagement. All these claims were on policies directly placed by the Client without involvement of any broker.

Kindly note that ARIBL has not charged APGENCO on the basis of percentage of claims settled, though the order APGENCO has mentioned that our fee to be charged toward claim consultancy will be on the percentage of the claim. This was wrongly and inadvertently mentioned by APGENCO but the fact is that no fees has been charged on the percentage basis. ARIBL has received 6 lacs as overall consideration for claims consultancy, which is not linked to the amount of claim settlement. It appears that this is a technical mistake by APGENCO in drafting their work order and we do not have any control on the language used by the client and we therefore submit that the matter should be considered based on actual facts according to which no fee has been charged or collected based on percentage of claims settled.

The PO specified the services to be rendered to APGENCO, and during the course of the period, we engaged with client for their multiple requirements and not just for claims services. We also submit that we did not charge client for any other services rendered, other than claims consulting. .

**Submissions during personal hearing:**

While reiterating the submissions made by them in response to Show Cause Notice, the broker clarified that they have charged a flat fee of Rs.1 lakh per claim for a total of six claims and no amount is either charged or received by the broker on percentage basis. The broker further submitted that currently no such agreement exists.



### **Decision:**

As per the documentary evidence submitted by the Broker during the onsite inspection it is clear that the Broker has given claim consultancy for claims exceeding Rs. 1 crore on two occasions. This is a violation of Regulation 32(1) (a) of IRDA (Insurance Brokers) Regulations, 2013. Therefore, for the said violation, by virtue of powers vested under Section 102 of the Insurance Act, 1938, the Authority levies a penalty of Rs.2,00,000 (Rupees Two Lakh only) (Rs. 1 Lakh per case for two cases and considering that the claim consultancy was given on two different dates) on the broker.

In the matter of fees charged on claim consultancy, the broker has submitted that apart from the fixed amount charged by them towards these services, they did not charge any other amount as a percentage of claims settled. They have submitted that the PO issued by their client mentions the payment towards the broker in percentage-of-claim-basis – which they term as “inadvertent mistake” on the part of the client – and further submitted that no amount was charged on percentage of claim basis. While this submission of the broker is taken on record, the Broker has not explained why the so called “inadvertent mistake” did not attract their attention till the inspection team pointed out to them and why they did not take action to request the client concerned to amend the PO so that the terms and conditions are in compliance with regulatory requirements. The Broker is warned for the same and directed to be careful in future to ensure that such non-compliances do not recur.

### **(ii) Charge No. 2**

The broker has obtained loans against shares from Anand Rathi Global Finance Limited in the year 2015-16 for an amount of Rs. 3.13 crore and Rs.50 lakh in the year 2016-17. Further, the schedule of terms for the loan indicates that the list of shares to be pledged is to be approved by Anand Rathi Global Finance Limited. The termination clause is also at the discretion of Anand Rathi Global Finance Limited. In addition, the broker has been seen to be frequently obtaining loans from Anand Rathi Global Finance Limited and repaying within a month. The Authority in its earlier order dated 16 April 2014 directed the broker to stop forth with the transfer of funds between the broker and their parent company that is Anand Rathi Global Finance Limited. Though there were no funds transfer to the Anand Rathi Global Finance Limited during the year 2015-16 and 2016-17, by entering the transactions involving fund transfer to their group companies the broker has not followed the Authority's Order No.IRDA/I&C/ORD/ ONS/275/12/2014 dated 16<sup>th</sup> December,2014, in spirit.

### **Reply of Broker :**

We submit that ARIBL has availed the overdraft facilities from ARGFL, NBFC, an Associate company of the group on independent and arm's length basis. ARIBL has this option of availing this facility from any other NBFC. The normal interest has been paid to ARGFL for the working capital loan availed from them. As the transaction is on arm's length basis no favour has been shown by ARIBL to ARGFL and vice versa. From the copy of ledger attached, please note that ARIBL has



borrowed sum from ARGFL and repaid fully. This is not a transfer of funds, it is a working capital arrangement and funds were credited back to the NBFC.

The December 2014 order of IRDA referred to ARIBL lending surplus to parent company, which practice has been completely stopped since, and all surplus funds available with ARIBL are invested in mutual funds or fixed deposits with banks. We therefore submit that there is no violation of the order of the authority dated 16<sup>th</sup> December 2014.

**Decision:**

The main component under this charge charge is transfer of funds for whatever purpose between the broker and their group entity; this transfer of fund has taken place multiple times. In fact it was this type of transactions that the Authority's order dated 16 December 2014 envisaged to prohibit. In this connection, the broker has not denied the transfer of funds between them and their group entity (which they claim was an NBFC) for the purpose of broker's meeting their short term fund requirements. Post personal hearing, the Broker has submitted a copy of their ledger account for the years 2015-16 and 2016-17 which give indication of the purpose for which they took the short term loan from their group entity. While taking note of the details furnished by the broker in regard to the utilisation of the funds borrowed by them, the Authority advises that the broker should avoid these types of frequent short term borrowings from their group Company.

**(iii) Charge No. 3**

The ledger accounts of the broker for the year 2016-17 reveals that the broker paid an amount of **Rs.50 Lakh** as consultancy fees. The broker did not produce the details for the said payment. But from an agreement submitted by the broker entered on 4<sup>th</sup> April, 2016 with an individual as consultant, it reveals that the consultant has offered **to refer clients** to ARIBL (i.e. the broker).

Code of conduct of the Insurance Brokers Regulations stipulates that the broker has to confirm that **he does not employ agents or canvassers to bring in business.**

In the above case, the agreement indicates that the broker is getting the insurance business by employing an individual for referring the clients. Thus the broker is employing agent or canvasser in the form of consultant to bring in business.

Thus by the above act, the broker violated Para 3(b) of Schedule VI-A to Regulation 28 of the IRDA (Insurance Brokers) Regulations, 2013

**Reply of Broker:**

The person concerned has been an employee of ARIBL since a long time and for some time shifted to Dubai. When he relocated back to India he is again a full time employee with effect from April 1, 2017 (The appointment letter is enclosed herewith). Since he has been in the company and is having technical and product expertise, we had appointed him as a Consultant for which he was paid a consultancy fee. There was no client referred by him as would be very apparent





from the records. He was advising and assisting as a technical expert during the period when he was paid a consultancy fees. There was an inadvertent error in the agreement where the matter of referral has been mentioned. We submit that the actual facts be considered to take any judicial view in the matter and factually there is no client reference made by him.

We therefore submit that there is no violation of Para 3(b) of the Schedule VI-A to the Regulation 28 of the IRDA (Insurance Brokers) Regulations, 2013.

**Decision:**

A perusal of the agreement entered by the broker with the person concerned who has been appointed as Consultant reveals that there is only one purpose mentioned in the agreement and that purpose is 'referring clients' to the Broker. To this, the broker has given a strange submission that there was an inadvertent error in the agreement in regard to the mention of referral as the job of the Consultant. If a few services are mentioned in the agreement and "referral" is also added, then the broker's argument that the inclusion of "referral" of customers is inadvertently added may be, to some extent, looked at with some credibility. But that is not the case and "referring client to ARIBL" is the only purpose for which the Consultant was appointed.

Further, under Clause (i) of general Terms and Conditions of the same agreement, it is stated that "ARIBL will provide infrastructure, gamut of services/products, professional help as may be required for acquisition and maintenance of clients". All these show that the terms of the appointment of the Consultant are also in conformity with the purpose of his appointment mentioned in the agreement. This clearly negates the submission of the broker that there was an "inadvertent error" in the agreement,

Furthermore, under "Fee Structure" of the agreement it is mentioned that "the consultant will raise an invoice on or before the last date of the month", which is not usual in case a consultant is appointed on fixed fee basis. It defies logic to note that when as per the agreement annual consultancy fee of Rs.50 lakh has been fixed for payment to the Consultant, where is the need for raising Invoices for the services.

All the above facts and circumstances more than clearly establish that the purpose of appointment of the Consultant was nothing but referring the customer to the Broker. The argument of the broker that no customer was referred by the Consultant is a flimsy and weak argument because the broker has failed to make available documents and records demanded by the Inspection and the Inspection team has made an observation in that connection. Therefore, for the broker to say that no customer was referred to them by the Consultant when they have provided restricted access (of documents) to the Inspection team is not a justifiable response.

Based on the above, the Authority concludes that the appointment of the Consultant was for the purpose of "referring" the customer and thereby the broker violated Clause 3(b) of Schedule VI-A under Regulation 28 which forbids deployment of Agents or Canvassers by the Broker to bring in business. However as no document



was shared during the inspection so as to enable the Authority to assess the duration in which such referral continued, it is concluded that the Broker violated the regulation as on the date of agreement.

Therefore, by virtue of powers vested under Section 102 of the Insurance Act, 1938, the Authority levies a penalty of Rs.1,00,000 (Rupees One Lakh Only)(Considering the date of signing of agreement as the date of violation) on the broker. The Broker is further directed to discontinue agreement, if any existing as on date, which allows canvassers to bring in business, directly or indirectly, with immediate effect.

**(iv) Charge No. 4**

The Professional Indemnity policy taken by the broker excludes coverage of any dishonest, fraudulent, criminal or malicious act or omission. The policy also does not cover any negligent act, error or omission committed by the Insured in their course of their activities as Insurance Agents.

This exclusion overrides the requirements of PI policy prescribed as per the IRDA Insurance Broker regulations which states that the insurance cover must indemnify an insurance broker against:

- any error or omission or negligence on their part or on the part of their employees and directors;
- any loss of money or other property for which the insurance broker is legally liable in consequence of any financial or fraudulent act or omission;
- any loss of documents and costs and expenses incurred in replacing or restoring such documents;
- Dishonest or fraudulent acts or omissions by insurance brokers' employees or former employees.

The exclusion attached to the Professional Indemnity policy taken by the Broker is overriding the coverage under PI policy. The Broker's submission that the exclusion refers to claims of insured not intended to be covered under PI policy is clearly a mis-interpretation of the clause and hence is an attempt to cover up the mistake, which indicates that the Broker has intentionally taken the PI policy which is not in compliance to the regulatory requirement.

In the above manner, the broker violated Para 1 (d) of Schedule-III of the Regulation 13 of IRDA (Insurance Brokers) Regulations, 2013.

**Reply of the Broker** : We have carefully perused the above concerns and would reiterate as under:

1. The Professional Indemnity policy is arranged with National Insurance Co. Ltd since the last 14 years as per their standard wordings.
2. We have again perused the relevant part of the coverage and examined it vis-a-vis the policy document.
3. The Relevant portion of the operative clause of the policy mentions:



‘The indemnity applies only to.....claim arising out of losses.... first made against the insured .... on account of breach of professional duty arising out of ....dishonest or fraudulent acts or omissions by broker's employees.’

The relevant portion of the exclusions says:

The company shall not indemnify the insured in respect of any claim made against them

- b) Directly contributed by dishonest, fraudulent criminal or malicious act or omission of the insured.... or of any person at the time employed by the insured.
4. a. The coverage portion refers to the claims made by third parties on account of breach of professional duty against insured which is as per the requirement of IRDA stipulation.  
  
b. The exclusion refers to the claims of the Insured (that is the Broker), in other words the first party losses which are not intended to be covered in the PI policy and are the subject matter of a separate Fidelity Guarantee/ Commercial Crime policy.
5. We would further submit that we have had detailed discussions with the insurance company officials on this subject and their opinion on the same is attached for your ready reference.
6. The other exclusion (no.c as per policy), refers to the insured's activities as Insurance Agents. Since a broker is not permitted to act as an agent, the policy exclusion does not affect the coverage.
7. In this connection, we have perused the policy wordings of M/s New India Assurance Co. Ltd., M/s Oriental Insurance Co. Ltd, and M/s United India insurance Co. Ltd; and the wording are similar for all the 4 PSUs.
8. In view of the fact that similar market wordings prevail, there is no question of our intentionally obtaining a policy which would contravene the Authority's regulations.
9. In view of the insurer's views, and our clarification provided we request you to consider the PI policy in order

**Submission during personal hearing:**

The broker has agreed to approach the insurer for getting an endorsement in order to make the PI policy compliant with the Regulations.

**Decision:**

The submissions of the Broker are taken note of including the broker's assurance that they would approach the insurer for getting an endorsement in the PI policy so as to make the same fully compliant with the Regulations in all respects. The





broker is advised to submit a copy of the Professional Indemnity policy after the above referred endorsement is carried out in the policy.

**(v) Charge No.5**

The insurance broker was asked to submit the complete set of documents related to solicitation of insurance products (including all communications with the insurer and the policyholder) with respect to 141 sample life policies before the commencement of the onsite inspection. Further, the insurance broker was asked to provide the similar documents for 567 sample non-life policies.

However, for the sample life policies

- Quote comparison and mandate (for the sample policies) was not provided for a single sample life policy.
- Proposal Form was provided for 13 cases and Agent Confidential Report was submitted for 8 sample cases.
- Policy Schedule and Benefit illustration (most of which are not signed) was provided for 58 sample cases.
- No documentation was received with respect to the need analysis

Further, for the sample non-life policies

- Only the Policy Certificate was provided for 138 sample non-life policies.
- Written mandate was provided for 6 sample non-life policies.
- Quote comparison was not provided for a single sample non-life policy.
- No documentation was received with respect to the need analysis.

Functions of a direct broker as per Schedule I of the IRDA Insurance Brokers Regulations, 2013 include obtaining detailed information of the client's business and the risk management philosophy, familiarizing with the client's business and underwriting information, provide requisite underwriting information as required by an insurer in assessing the risk to decide pricing terms and conditions for cover, submitting quotation received from insurer for consideration of client. In the absence of any documentary evidence, it is inferred that the broker is not in the practice of obtaining mandates and carrying needs analysis.

Further, code of conduct prescribed in Schedule VI-A of the IRDA Insurance Brokers Regulations, 2013 stipulates that the broker shall ensure that the policy proposed is suitable to the needs of the prospective client, explain why a policy or policies are proposed and provide comparisons in terms of price, cover or service, where there is a choice of products state the period of cover for which the quotation remains valid if the proposed cover is not effected immediately. The non-submission of required information as mentioned above, indicates that the broker has not followed the code of conduct properly.

Not maintaining (and not making available to Inspection) the documents, implied that the broker failed to carry out the responsibilities cast on them thereby violating –

**a) Para 1 of the Schedule I of the Regulation 4 of Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013.**



b) Para 3 of Schedule-VI-A of Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013

c) Para 2 (i) of Schedule-VI-A of Insurance Regulatory and Development Authority (Insurance Brokers) Regulations 2013

**Reply of Broker:**

We would like to submit that earlier we had a decentralised record maintenance system where individual Relationship managers were maintaining the physical documents related to policies serviced by them. We now have in place revamped IT and documentation storage systems whereby scanned copies of all relevant documents of a policy like mandate, QCR etc. are stored in centralised location enabling easy extract and verification.

**Decision:**

The broker must note that for fulfilling various obligations and responsibilities under the law governing their functioning and for conducting their profession in a smooth manner, it is indispensable that they properly maintain the records mandated in the Regulations. Not only that, the broker is under an obligation to make available to the Authority any record or document demanded by the Authority. Failing to do so attracts action under Regulation 41(1)(b) of IRDA (Insurance brokers ) Regulations 2013. Further, the failure of the broker in this case to make available the documents demanded during the process of inspection crippled the Inspection team from coming to know about broker's compliance to different regulatory provisions. In addition, the approach followed by the Broker restrained Authority's Inspection team from examining the real practice followed by the Broker. The broker is warned for exhibiting such an approach. However, it is taken note of that they have revamped the IT and document storage systems and have stored them at a centralised location for easy extraction and verification. The broker is directed henceforth to make the documents and records available to the Inspection team as and when same is demanded and extend full co-operation.

**(vi) Charge No.6**

Examination of sample policies from the angle of sales practices followed by the broker revealed the following:

a) Details of the Broker such as the agency code, license no, name, branch code was not mentioned in the proposal form.

b) Name of the qualified person in the proposal form of one policy is different as compared with the qualified person as per the premium register

c) Proposal form in regard to some policies not signed by the policyholder.

d) The person who solicited the business as per the proposal form is not amongst the list of qualified persons as submitted by the insurance broker.



IRDA (Insurance Brokers) Regulations, 2013 mandates that every insurance broker shall ensure that their internal controls and systems are adequate for size, nature and complexity of business. The broker has earned a brokerage of Rs.27.63 crores for the year 2016-17 and recently obtained license as Composite Broker, however the manner in which the broker is functioning as is obvious from the absence of records as outlined above shows that the broker's internal controls are not adequate.

In the above manner, the broker violated Regulation 31(1) and Regulation 8(2)(xiv) of the IRDA (Insurance Brokers) Regulations, 2013.

**Reply of Broker:**

The physical documents storage system was decentralised. However, during the time of the inspection we were in the process of revamping our complete systems. We have now in place revamped IT systems which include centralised scanned documents storage. We have also introduced maker-checker system to eliminate the stray cases of deficiencies pointed out during inspection.

Attached are our system screenshots for your perusal, which highlight the new IT system, put in place for documentation storage.

We therefore submit that since part of the documents could be made available; non-availability of few documents may not be considered as violation of the provisions of the Insurance Regulation.

**Decision:**

The charge speaks about absence of internal controls with the Broker due to deficiencies noticed by the Inspection in the sample policies examined by them. But the broker's reply speaks more of the reasons for non-submission of documents. The lacuna, imperfections and deficiencies pointed out by the Inspection team can prove detrimental to the policyholder at a later date. Still, instead of taking concrete measures to remove the deficiencies pointed out by the Inspection, the Broker has made a passing remark that they have introduced maker – checker system to eliminate the deficiencies. The broker is warned for such an attitude and is directed to act with responsibility and care to see that all the documents like proposal form are incorporated with all the details pertaining to the customer; also the broker must ensure that signature of all concerned must be put in the forms, wherever necessary. Further, the broker must see to it that the lacuna, imperfections and deficiencies pointed out by the Inspection team do not recur.

**III. Summary of Decisions:**


Charge No.	Short Description of the violation with the provision violated	Decision of the Authority
1	Claim consultancy by the broker  Reg. 32(1)(a) and Reg. 32(1)(c) of Brokers Regulations 2013	Penalty of Rs. 2 Lakh, warning and Direction

	Clause 7 of Schedule VI A under Regulation 28.	
2	Obtaining frequent loans from their group entity  Authority's order No.AIRDA/ I&C/IRDA/ONS/275/12/2014 dt. Dt. 16-12-14	Advisory
3	Appointment of Consultant  Clause 3(b) of Schedule VI-A under Reg. 28 of Brokers Regulations 2013	Penalty of Rs. 1 lakh & Direction
4	Professional Indemnity Policy not complying with regulatory conditions  Clause 1(d) of Schedule III under Regulation 13 of Brokers Regulations 2013	Advisory
5	Non-maintenance of records  Clause 1 of Schedule I under Regulation 4 Clause 3 of Schedule VI-A under Regulation 28 Clause 2(i) of Schedule VI-A under Regulation 28 of Brokers Regulations 2013	Warning
6	Absence of internal control  Reg. 31(1) & Reg. 8(2)(xiv) of Brokers Regulations 2013.	Warning and direction

**IV. Conclusion:** As directed under the respective charges, the penalty of Rs. 3,00,000/- (Rupees Three Lakh only) shall be remitted by the Insurance broker within a period of 15 days from the date of receipt of this Order through NEFT/ RTGS (details for which will be communicated separately). An intimation of remittance may be sent to Mr.Prabhat Kumar Maiti, General Manager (Enforcement) at the Insurance Regulatory and Development Authority of India, Sy. No. 115/1; Financial District; Nanakramguda; Gachibowli, Hyderabad – 500032.

The Broker shall confirm compliance in respect of all the directions referred to in paras 1 and 2 of this Order, within 21 days from the date of receipt of this order. The order shall be placed before the Audit committee of the Broker and also in the next immediate Board meeting and the Insurance broker shall submit to the Authority a copy of the minutes of the discussion.

If the Insurance broker feels aggrieved by any of the decisions in this order, an appeal may be preferred to the Securities Appellate Tribunal as per Section 110 of the Insurance Act, 1938.

  
(Sujay Banarji)  
Member (Distribution)

Place : Hyderabad  
Date : 29<sup>th</sup> April, 2019