

डॉ. आर. कण्णन
सदस्य (बीमांकक)

Dr. R.Kannan
Member (Actuary)



बीमा विनियामक और विकास प्राधिकरण

INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY

ORDER

Ref: Ref: IRDA/F&I/ORD/RSS/005/01/2010

7th January 2010

Shri Paresh S. Parasnis
HDFC Standard Life Insurance Co. Ltd.
2nd Floor, 'A' Wing
Trade Star Building
Near Hotel Kohinoor Continental
Andheri - Kurla Road, Andheri (East)
Mumbai - 400 059

Dear Sir,

Levy of Penalty under Section 105B of the Insurance Act, 1938

The insurer was obliged under sections 32B and 32C of the Insurance Act, 1938 read with the IRDA (Obligations of Insurers to Rural or Social Sectors) Regulations, 2002, as amended from time to time, to cover prescribed percentage of policies in the Rural Sector and prescribed number of lives covered in the Social Sector of its life insurance business.

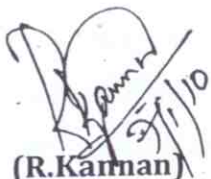
On review of the data submitted by the insurer, it was observed that the insurer was non compliant with the Rural Sector obligations for the financial year 2008-09. The company has procured only 12.85 per cent as against an obligation of 19 per cent of total policies, which is short by 6.15 per cent.

The insurer vide letter dated 29th May 2009 acknowledged the non-compliance of Rural Sector Obligations for the financial year 2008-09. The company stated that due to the backdrop of the performance in the rural sector, special efforts have been taken to popularise the life insurance and pension products in the rural areas during the year under review.

The Authority does not accept the plea of the insurer that it had any reasonable cause for not fulfilling its obligations in the rural and social sectors.

The Authority hereby, holds the insurer responsible for failure to comply with its obligations towards the rural sector in 2008-09 and levies a penalty of Rs. 5 lakh under section 105B of the Insurance Act 1938, for non-compliance with the provisions of Section 32B and the Regulations framed thereunder. The penalty shall be remitted to the Authority within 15 days of the receipt of this Order.

In addition to the above, the insurer is also required to meet the unfulfilled part of the rural sector obligations of the year 2008-09 in the financial years 2009-10 and 2010-11.



(R. Karman)
Member (Actuary & F&I)