



Ref: IRDA/HLT/MISC/ORD/221/09/2017

FINAL ORDER
In the matter of M/s Grand Insurance TPA (P) Ltd

Order of the Insurance Regulatory and Development Authority under Sec 102(b) of Insurance Act 1938, read with Regulations 24(2) and 25(3) of IRDA (TPA-Health Services) Regulations 2001 and Regulation 19(9) of IRDAI (TPA-Health Services) Regulations 2016

In the matter of M/S Grand Insurance TPA (P) Ltd
Certificate of Registration No:29

Background

1. Show-cause Notice dated 16th June, 2017, (SCN) was issued to M/S Grand Insurance TPA (P) Ltd. (herein after the TPA) on delay in submission of Annual Reports for the years 2014-15 and 2015-16 and in deference to the entity's request vide their letter dated 29th June 2017, a personal hearing through Video Conference was accorded on 21st July, 2017. The TPA was represented by Dr Dulal Kanti Majumdar, Director, Mr Bibhutoh Chattopadhyay CAO, Mr SK Newar, Country Head, Mr Debabrata Mondal, Sr Accounts Manager, Mr Ratan Kumar Sarkar, Senior Partner-Prabir Ranjan Datta & Co – Chartered Accountants. On behalf of the Authority Mr. Suresh Mathur, Executive Director, Mr DVS Ramesh, General Manager (Health) and Mr DP Pattanaik – OSD (Health), Mr K.Sreekanth, OSD (Health – TPAs), Ms Manju Choudhary, Assistant Manager (Health – TPAs) were present in the personal hearing.
2. The submissions made by TPA in their written replies vide letter dated 29.06.2017 to the show cause notice issued by the Authority and also those made during the course of personal hearing were taken into account.
3. The findings on submissions offered by the TPA on the issues raised in the Show Cause Notice and the decisions are as follows;

Charge

4. It is observed that the Grand TPA has not submitted the Annual Reports with in the timelines for the Financial Years 2014-15 and 2015-16. The delay observed was 66 days and 43 days respectively this is in violation of Regulation 24(2) to be read with Regulation 25(3) of IRDA (TPA-Health Services) Regulations 2001 and Regulation 19(9) of IRDAI (TPA-Health Services) Regulations 2016.

Submissions of Grand TPA

5. The TPA submitted that the delay in submission of annual reports for the Financial Year 2014-15 is due to delay in receipt of TDS statements from Insurance Companies. In respect of Annual Report for the Financial Year 2015-16 the delay was owing to certain exigencies of their Audit

Firm. The TPA regretted for having not informed the Authority about the status and for not seeking prior permission of the Authority.

Decision of the Authority

6. On examining the charges vis-à-vis the submissions made by the TPA it is observed that the Authority had issued an Advisory letter dated 01.05.2015 to the TPA for delay in submission of Annual Report for the year 2012-13. Even after issuance of the advisory letter, the TPA did not submit the Annual Reports for the years 2014-15 and 2015-16 within the specified timeline. There was a delay of 66 days for the submission of Annual Report for the year 2014-15 and the same is in violation of Regulation 24(2) to be read with Regulation 25(3) of IRDA (TPA-Health Services) Regulations 2001. Further there was a delay of 43 days for the year 2015-16 and this is in violation of Regulation 19 (9) of IRDAI (TPA-Health Services) Regulations, 2016
7. In order to have a comprehensive regulatory oversight on the activities of the TPAs, the Authority had notified the referred Regulations. IRDA (TPA-Health Services) Regulations 2001, inter alia, require the TPAs to submit the Annual Report within a period of 60 days of the end of every financial year. However, the timeline for submission of Annual Report was extended to 90 days in IRDAI (TPA-Health Services) Regulations, 2016. The Regulations also provide for seeking extension of time as may be granted by the Authority.
8. The TPA shall adhere to the timelines specified in the referred Regulations while complying with various norms. Even After the issue of Advisory letter dated 1.5.2015 the TPA continuously failed in filing the Annual Reports within referred timeline, **the Authority exercising power vested with it under Section 102(b) of Insurance Act, 1938 levies a penalty of Rs.1,00,000 (Rupees One Lakhs only) on Grand Insurance TPA (P) Ltd.**
9. **As directed, the penalty of Rs.1,00,000 (Rupees One Lakhs only) shall be remitted by the TPA by debiting shareholders' account within a period of 15 days from the date of this Order through NEFT/ RTGS.**
10. **An intimation of remittance shall be sent to Mr. DVS Ramesh, General Manager (Health) at the Insurance Regulatory and Development Authority of India, 3rd Floor, Parishrama Bhavanam, Basheerbagh, Hyderabad-500 004.**

Place: Hyderabad
Date: 19.09.2017


Member (NL)