



बीमा विनियामक और विकास प्राधिकरण
**INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY**

Order of the Insurance Regulatory and Development Authority

Against

United India Insurance Co Ltd

Ref: IRDA/NL/ORD/000/218/12/2010

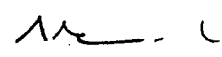
Date: 14/03/2011

In terms of Section 64VC of the Insurance Act, 1938 the insurer is required to obtain prior permission of the Authority to open a new place of business in India. On observing that United India has violated the provisions of the Act by opening new places of business in year 2009 & 2010 without obtaining prior permission by the Authority, insurer was advised by Authority to show-cause vide our letter dated 27th Dec, 2010. Insurer in his reply dated 10/01/2011, has stated that the lapse was inadvertent and was not deliberate and assured that in future action will be taken only after prior approval of Authority.

However it is noticed that, Authority in year 2007, has advised the company to adhere to the provisions of Section 64VC of Insurance Act, 1938 at all times and United India Insurance company's Board approved policy dated 11/02/2009 on 'Expansion of operating offices and opening of new place of business' has also taken note of the requirements of obtaining the prior approval of the Authority before opening new offices. Hence United India was well aware of the requirements to be fulfilled prior to opening new place of business.

In view of the above and accordingly, in exercise of the powers conferred under the provisions of the Insurance Act, 1938 the Authority imposes a penalty of Rs.5 lakh on United India for above mentioned violation. Insurer is directed to remit the penalty of Rs.5, 00,000 (Rupees five lakhs only) within a period of 15 days from the date of receipt of this order through a cross demand draft drawn in favour of Insurance Regulatory and Development Authority and payable at Hyderabad which may be sent to Shri Randeep Singh Jagpal, JD (Non-life) at the Insurance Regulatory and Development Authority, 3rd floor, Parisrama Bhavan, Basheer Bagh, Hyderabad 500004.

In addition to the above, United India is also advised to designate an official at Head office to comply with the Authority's circulars/guidelines issued from time to time and to provisions of Insurance Act, 1938 on opening/closure of offices, so as to ensure compliance with regulatory provisions.


(M. Rama Prasad)
Member (NL)

Place: Hyderabad
Date: 14/03/2011

