



IRDA/HLT/WRN/ORD/ ००१ /01/2018

Date: 17th January, 2018

Mr. Warendra Sinha
MD & CEO
IFFCO Tokio General Insurance Co. Ltd.
4 and 5th Floors, IFFCO Tower, Plot No.3, Sector 29,
GURGAON-122001

Dear Sir,

Re: Violations of Group Insurance Guidelines.

This has reference to the Notice to Show Cause Ref: 273/IRDAI/HLT/Comp On NGVKM-Group Policies/2017-18 dated 01st August, 2017 issued in the matter of a complaint on Group Insurance Policies issued by your Company.

The Authority is in receipt of a complaint wherein, inter alia, it was alleged that amounts pertaining to insurance transactions were in the balance sheet of the Group Organiser. The within referred Show Cause Notice was issued to your company on noticing the following violations to the provisions of Guidelines on Group insurance policies dated 14th July 2005 (Ref: 015/IRDA/Life/Circular/GI Guidelines/2005).

- 1) Making claim payments directly to group organizer in violation of provisions of clause C (7) of above Guidelines.
- 2) Not conducting any inspection of the books and records of the group organizer or manager during the year 2015-16 in violation of provisions of clause C (11) of the above Guidelines.

In the said show cause notice your company was asked to indicate if a personal hearing, either through video conferencing or in person, is required, failing which it is also categorically stated, that it shall be presumed that your company have no further submission to make and the matter shall be proceeded based on the material available on record.

Your company vide letter Ref: IFFCO-TOKIO/1004/2017-18 dated 14th September, 2017 forwarded its submissions, wherein it was submitted that there was an omission owing to which the claims were inadvertently transferred to the group holder's account and that no specific book audit was conducted during the year (2015-16). It was also submitted that necessary rectification has been done to ensure that such lapses would not recur and the Guidelines would be fully complied with. Your Company did not seek any personal hearing.

SY No: 115/1, Financial District, Nanakramguda, Hyderabad-500032. Phone: 040-20204000



On examining the above referred submissions made by your company, it is clarified that making claim payments directly to group organizer in violation of Clause C (7) and not carrying out an inspection of the books and records of the group organizer in violation of Clause C (11) of the within referred Guidelines may potentially jeopardize the interests of the policyholders of the Group Insurance policies. However, taking into consideration the rectification measures stated to have been initiated, your company is warned for violating the within referred provisions of Guidelines on Group Insurance Policies and your company is also directed to ensure compliance of the within referred Guidelines hereafter.

Please acknowledge the receipt of this letter and confirm the compliance within fifteen days of this communication.

This has the approval of the competent authority.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'D V S Ramesh', is positioned above the typed name.

(D V S Ramesh)
General Manager (Health)