



भारतीय बीमा विनियामक और विकास प्राधिकरण

INSURANCE REGULATORY AND  
DEVELOPMENT AUTHORITY OF INDIA

IRDA/ Int/ GDL/ ORD/ 183/ 10/ 2015

26<sup>th</sup> October, 2015

**Re: Guidelines on Point of Sales Person – Non-Life & Health Insurers**

The Authority has observed that there are number of persons who are involved in undertaking simple and routine activities pertaining to solicitation and marketing of insurance policies. For e.g. bulk of products in motor insurance, travel insurance, personal accident insurance, etc. require very little underwriting. These happen to be largely pre-underwritten products wherein based on the information provided by the prospect, the insurance policy is automatically generated by the system. The intervention required for such a product is minimal and the training and examination for such persons could be of a lesser degree.

In order to facilitate the growth of insurance business in the country and to enhance insurance penetration and insurance density, the Authority as part of its developmental agenda issues the following guidelines on "Point of Sales Persons".

**I. Scope and Applicability of these guidelines**

- a. These guidelines shall apply to "Point of Sales Person" and those engaging "Point of Sales Person".

**II. Definition**

- a. "Act" means the Insurance Act, 1938
- b. "Authority" means Insurance regulatory and Development Authority of India established under Section 3 of the IRDAI Act, 1999.
- c. "NIELIT" means National Institute of Electronics and Information Technology which is an autonomous scientific society of Department of Electronics and Information Technology, Government of India and is designated as the training and examining body for the "Point of Sales Persons".
- d. "Point of Sales Person" means an individual who possess the minimum qualifications, has undergone training and passed the examination as



specified in these guidelines and solicits and markets only certain pre-underwritten products approved by the Authority.

### **III. Point of Sales Person**

1. There shall be two types of persons who shall solicit and market insurance policies namely:
  - a. insurance agent or specified persons of corporate agent or broker trained persons for soliciting and marketing insurance policies or insurance sales persons of Insurance Marketing Firm or rural authorised persons of CSC-SPV or authorised person of web aggregators who can solicit and market all types of insurance policies.
  - b. "Point of Sales Person" who can solicit and market only certain pre-underwritten products approved by the Authority.
2. Every "Point of Sales Person" shall be identified by his Aadhaar Card Number or his PAN Card.
3. The persons soliciting and marketing such pre-underwritten products approved by the Authority shall be called as "Point of Sales Person".
4. The "Point of Sales Person" shall be atleast 10<sup>th</sup> pass.
5. He shall be sponsored to NIELIT, by the insurance company or the insurance intermediary with whom he shall work, for undergoing online training specified for "Point of Sales Person".
6. The fees for the online training and examination shall not exceed Rs five hundred which will be paid to NIELIT by either the insurance company or the insurance intermediary who is sponsoring the individual.
7. The training module will be hosted on NIELIT website as approved by the Authority.
8. He shall appear in the online examination conducted by NIELIT who shall be the examining body.
9. On successful passing the examination, he will be issued a letter by NIELIT certifying him to be a "Point of Sales Person".

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#### **IV. Appointment of Point of Sales Person**

1. An insurance company or an insurance intermediary can engage a "Point of Sales Person" to represent him.
2. A "Point of Sales Person" can represent an insurance company or an insurance intermediary.

#### **V. Products solicited and marketed by "Point of Sales Person"**

1. The "Point of Sales Person" can sell only the following pre-underwritten product.
  - a. Motor Comprehensive Insurance Package Policy for Two-wheeler, private car and commercial vehicles.
  - b. Third party liability (Act only) Policy for Two-wheeler, private car and commercial vehicles.
  - c. Personal Accident Policy
  - d. Travel Insurance Policy
  - e. Home Insurance Policy
  - f. Any other Policy specifically approved by the Authority
2. Every policy sold through the "Point of Sales Person" shall be separately identified and pre-fixed by the name "POS – (name of product)".
3. The insurance company shall file the product with the Authority under the file use guidelines for information.

#### **VI. Tagging of Proposal Form and Insurance Policy to Point of Sales Person**

1. Every proposal form, in paper or in paperless form, insurance policy and other related documents shall carry provision to record the Aadhaar card number of the PAN card number in order to tag the policy to the "Point of Sales Person" who is selling the said policy.
2. The insurance company shall be responsible to record the Aadhaar card number or the PAN card number of the "Point of Sales Person" in the proposal form and insurance policy. The insurance company shall be responsible for the conduct of the "Point of Sales Person" representing him and any misconduct on part of the

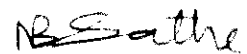
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Point of Sales Person shall make it liable to a penalty as per provisions of Section 102 of the Act.

3. For sales effected through the insurance intermediary, the insurance intermediary shall record the Aadhaar card number or the PAN card number of the "Point of Sales Person" in the proposal form and require insurance company to do the same in the insurance policy. The insurance intermediary shall be responsible for the conduct of the "Point of Sales Person" engaged by it and any misconduct on part of the Point of Sales Person shall make it liable to a penalty as per provisions of Section 102 of the Act.
4. One of the factors that shall be considered while renewing the certificate of registration of the insurance intermediary, shall be the conduct of the "Point of Sales Person" on the rolls of insurance intermediary.

#### **VII. Compliance**

1. The insurance companies and insurance intermediaries shall make suitable changes in their policy administration system to capture the Aadhaar Card number or the PAN card number details of the "Point of Sales Person".
2. The "Point of Sales Person" when engaged by the insurer shall place business with that insurer subject to compliance of rules and procedures of that insurance company.
3. The Authority shall specify the format and the manner of maintaining returns which the insurance company and the insurance intermediary shall maintain in electronic form which can be accessed by the Authority on a remote location basis. The formats shall give the number of policies sold and the premium collected by the "Point of Sales Person" on a monthly basis.



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