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CEOs of all insurers and CIEs of all existing Corporate Agents

**Instructions for obtaining Certificate of Registration under IRDAI
(Registration of Corporate Agents) Regulations, 2015**

Reference is made to IRDAI (Registration of Corporate Agents) Regulations, 2015 (herein after referred to as "the Regulations") which were notified by the Authority on 20.08.2015 and will be effective from 01.04.2016.

These regulations shall cover Registration of Corporate Agents for the purpose of soliciting, procuring and servicing of Insurance business of life insurers, general insurers and health insurers during the validity of certificate of registration as follows.

- (a) A **Corporate Agent (Life)** can have arrangements with a maximum of **three life insurers** to solicit, procure and service their insurance products
- (b) A **Corporate Agent (General)** can have arrangements with a maximum of **three general insurers** to solicit, procure and service their insurance products. Further, the Corporate Agent (General) shall solicit, procure and service retail lines of general insurance products and commercial lines of such insurers having a total sum insured not exceeding rupees five crore per risk for all insurances combined.
- (c) A **Corporate Agent (Health)** can have arrangements with a maximum of **three health insurers** to solicit, procure and service their insurance products.
- (d) In the case of Corporate Agent (Composite) the conditions as specified in clauses (a) to (c) shall apply.
- (e) Any change in the arrangement with the insurance companies shall be done only with the prior approval of the Authority and with suitable arrangements for servicing existing policyholders.

As per Regu 1 (3) a Corporate Agent who has been issued a license prior to the commencement of these regulations has to obtain a fresh certificate of registration to work as a Corporate Agent, w.e.f. 01.04.2016, by applying to the Authority in accordance with the procedure specified by the Authority in this behalf.

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In view of the above, all the Corporate Agents are advised to ensure that they have their infrastructure/systems in place before applying for certificate of registration through online by 31.01.2016, in order to comply with the regulations.

- Every Corporate Agent which is a company (including Bank/NBFC) has to file, at the time of seeking registration, with the Authority, a **Board Approved Policy** on the manner of soliciting and servicing insurance products. The Policy shall include the approach to be followed by the Corporate Agent in having single or multiple tie-ups, the partners in the tie-ups, the business mix, the type of products to be sold, grievance redressal mechanism, compliance and the plan for adopting open architecture and timelines to achieve the same.

In case of LLP/Co-op Society/NGOs who are Corporate Agents the Principal Officer should submit to the Authority an undertaking on the manner of soliciting and servicing insurance products, including the approach to be followed by the Corporate Agent in having single or multiple tie-ups, the partners in the tie-ups, the business mix, the type of products to be sold, grievance redressal mechanism, compliance and the plan for adopting open architecture and timelines.

- Every Corporate Agent, where the revenue from their insurance intermediation activities is more than fifty per cent of their total revenue from all the activities, shall take out and maintain at all times a **professional indemnity insurance cover** throughout the validity of the period of the registration granted to it by the Authority. The limit of indemnity shall be two times the total annual remuneration of the Corporate Agent derived from his insurance intermediation activities in the preceding financial year subject to a minimum of Rupees fifteen lakh and a maximum of Rupees one hundred crore, in compliance with Regu 19.
- The Corporate Agent has to maintain records in the format specified by the Authority which shall capture policy-wise and specified person-wise details wherein each policy solicited by the Corporate Agent is tagged to the specified person.

Also, it has to maintain records in the format specified by the Authority which shall capture policy-wise and Authorized Verifier-wise details wherein each policy solicited by the Corporate Agent through the distant mode is tagged to the Authorized Verifier.

The **Corporate Agent shall put in place systems** which allow regular access to such records and details by the Authority.



- The Corporate Agent has to develop a mechanism to take **adequate steps for redressal of grievances** of its clients within 14 days of receipt of such complaint and keep the Authority informed on the number, nature and other particulars of the complaints received from such clients in format and manner as may be specified by the Authority.
- **Requirements of Capital** - An applicant exclusively doing insurance distribution shall have a minimum equity share capital or contribution and net worth of rupees **fifty lakh**, which shall be maintained at all times. The aggregate holdings of equity shares or contribution by a foreign investor, including portfolio investors, shall be as prescribed by the Central Government from time to time.
- **Payment of fees and the consequences of failure to pay fees -**

Every Corporate Agent shall at the time of application of registration and renewal thereof pay non-refundable application fee of Rs.10,000/- plus applicable taxes. The fees shall be payable by an Account Payee draft in favour of "Insurance Regulatory and Development Authority of India" payable at Hyderabad or by recognised electronic funds transfer to Insurance Regulatory and Development Authority of India. No application shall be processed without the application fee.

Upon receipt of communication for grant of registration from the Authority, the applicant shall pay a fee of Rs.25,000/- plus applicable taxes, within 15 days of receipt of such communication. On receipt of the fee and on satisfactory compliance of terms and conditions for grant of registration, the Authority shall grant the registration to act as a Corporate Agent under the category for which an application is made.

The existing Corporate Agents may make both the payments, viz. non refundable fee of Rs. 10,000/- plus applicable taxes and the Registration Fee of Rs. 25,000/- plus applicable taxes, as a **Single Payment** of Rs. 35,000/- plus applicable taxes, at the time of application for registration.

We further inform that the Principal Officers, Specified Persons (SP) and Authorized Verifiers (AV) who possess a valid certificate issued by the Authority upon successful completion of training and the pre recruitment examination in accordance with IRDA (Licensing of Corporate Agents) Regulations, 2002 need not appear for the training and examination again. It is deemed that they are in compliance with training and examination requirements under the Regulations. An



amount of Rs.500/- plus applicable taxes for each SP and AV is to be paid at the time of application for registration for obtaining certificate to act as SP/AV.

While submitting the application for registration, we advise the entities to submit the documents as per Annexure 2 of the Regulations.

We advise the insurance companies to take up the matter with their Corporate Agents and ensure their preparedness to work under the Regulations.

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Member (Life)