

Regulation 9(1) of IRDA (Licensing of Corporate Agents) Regulations, 2002 prescribes Code of Conduct for Corporate Agents as under:

9. (1) Every Licensed Corporate Agent shall abide by the code of conduct specified below:

Every corporate agent shall :

- a. be responsible for all acts of omission and commission of its corporate insurance executive and every specified person;
- b. ensure that the corporate insurance executive and all specified persons are properly trained, skilled and knowledgeable in the insurance products they market;
- c. ensure that the corporate insurance executive and the specified person do not make to the prospect any misrepresentation on policy benefits and returns available under the policy;
- d. ensure that no prospect is forced to buy an insurance product;
- e. give adequate pre-sales and post-sales advice to the insured in respect of the insurance product;
- f. extend all possible help and co-operation to an insured in completion of all formalities and documentation in the event of a claim;
- g. give due publicity to the fact that the corporate agent does not underwrite the risk or act as an insurer;
- h. enter into service level agreements with the insurer in which the duties and responsibilities of both are defined.

(2) Every corporate agent or a corporate insurance executive or a specified person shall also follow the code of conduct specified below:

(i) Every corporate agent/corporate insurance executive/specified person shall,—

- a. identify himself and the insurance company of whom he is a representative;
- b. disclose his licence/certificate to the prospect on demand;
- c. disseminate the requisite information in respect of insurance products offered for sale by his insurer and take into account the needs of the prospect while recommending a specific insurance plan;
- d. disclose the scales of commission in respect of the insurance product offered for sale, if asked by the prospect;
- e. indicate the premium to be charged by the insurer for the insurance product offered for sale;
- f. explain to the prospect the nature of information required in the proposal form by the insurer, and also the importance of disclosure of material information in the purchase of an insurance contract;
- g. bring to the notice of the insurer any adverse habits or income inconsistency of the prospect, in the form of a report (called "Insurance Agent's Confidential Report") along with every proposal submitted to the insurer, and any material fact that may adversely affect the underwriting decision of the insurer as regards acceptance of the proposal, by making all reasonable enquiries about the prospect;
- h. inform promptly the prospect about the acceptance or rejection of the proposal by the insurer;
- i. obtain the requisite documents at the time of filing the proposal form with the insurer; and other documents subsequently asked for by the insurer for completion of the proposal;
- j. render necessary assistance to the policyholders or claimants or beneficiaries in complying with the requirements for settlement of claims by the insurer;

- k. advise every individual policyholder to effect nomination or assignment or change of address or exercise of options, as the case may be, and offer necessary assistance in this behalf, wherever necessary.

(ii) No corporate agent/corporate insurance executive/specified person shall,—

- a. solicit or procure insurance business without holding a valid licence/certificate;
- b. induce the prospect to omit any material information in the proposal form;
- c. induce the prospect to submit wrong information in the proposal form or documents submitted to the insurer for acceptance of the proposal;
- d. behave in a discourteous manner with the prospect;
- e. interfere with any proposal introduced by any other specified person or any insurance intermediary;
- f. offer different rates, advantages, terms and conditions other than those offered by his insurer;
- g. demand or receive a share of proceeds from the beneficiary under an insurance contract;
- h. force a policyholder to terminate the existing policy and to effect a new proposal from him within three years from the date of such termination;
- i. no corporate agent shall have a portfolio of insurance business from one person or one organization or one group of organizations under which the premium is in excess of fifty per cent of total premium procured in any year;
- j. apply for fresh licence to act as an insurance agent, if his licence was earlier cancelled by the designated person, and a period of five years has not elapsed from the date of such cancellation;
- k. become or remain a director of any insurance company.

(iii) Every corporate agent shall, with a view to conserve the insurance business already procured through him, make every attempt to ensure remittance of the premiums by the policyholders within the stipulated time, by giving notice to the policyholder orally and in writing.

(iv) No director of a company or a partner of a firm or the chief executive or a corporate insurance executive or a specified person shall hold similar position with another corporate agent of any other insurance company.