

## **CONSULTATION PAPER ON PROPOSED IFSCA (INSURANCE INTERMEDIARY) REGULATIONS, 2021**

### **Objective:**

The objective of this consultation paper is to seek comments / views/ suggestions from public on the proposed International Financial Services Authority (Insurance Intermediary) Regulations, 2021.

### **Background:**

1. The International Financial Services Centres Authority (IFSCA) is the unified regulator for the development and regulation of financial products, financial services and financial institutions in the International Financial Services Centres (IFSCs) in India.
2. The Insurance intermediaries such as Insurance Brokers, Corporate Agents, Third Party Administrators and Surveyors & Loss assessors in IFSCs are currently regulated under Insurance Regulatory and Development Authority of India [International Financial Service Centre Insurance Intermediary Offices (IIIO)] Guidelines, 2019.

IFSCA recognizes that the insurance intermediaries play an important role in bringing the clients across the globe and (Re)insurers on a common platform. Keeping this in mind IFSCA proposes to enact a comprehensive regulatory framework for the registration and operations of insurance intermediaries in IFSCs, focusing on ease of doing business and by adopting international best practices being followed by regulators globally. IFSCA proposed to permit an insurance intermediaries to undertake the activities of “insurance distributor” which includes insurance brokers and corporate agents or as “claim service Provider” which includes Third party administrators and Surveyors & loss assessors.

3. The proposed IFSCA (Insurance Intermediary) Regulations, 2021, *inter-alia*, specify:
  - (1) Who can set-up IFSC Insurance Intermediary Office (IIIO) in IFSC:
    - (a) The Intermediary or Insurance Intermediary registered as Insurance Broker, Corporate Agent (C.A.), Surveyor and Loss Assessor (SLA) or Third Party Administration (TPA) in India or equivalent in foreign jurisdiction may set up its branch office in IFSC;
    - (b) Following may also apply for registration as an IIIO in the category of Insurance Broker, C.A., SLA or TPA:
      - (i) A company or firm incorporated in India; or
      - (ii) A company, firm or a body corporate incorporated under the law of any country outside India.

- (2) Permissible Activities:
- (a) An IIIO can be permitted to carry on the activities of Insurance broker, Corporate Agents, Third Party Administrators and Surveyors and Loss assessor within the IFSC, from other SEZs and also from outside India;
  - (b) An IIIO registered may transact such business, as permitted by authority from mainland India subject to extant provisions the Insurance Act, 1938;
- (3) Conditions of registration including requirement of Minimum capital, Net-worth and Professional Indemnity policy.
2. The draft regulations are placed on the website of the IFSCA at <https://ifsc.gov.in/PublicConsultation>. General public and stakeholders are requested to forward their comments / suggestions through e-mail to Mr. Bhaskar Khadakbhavi at [bhaskar.khadakbhavi@ifsc.gov.in](mailto:bhaskar.khadakbhavi@ifsc.gov.in) with a copy to Ms. Manju Choudhary at [manju.choudhary@ifsc.gov.in](mailto:manju.choudhary@ifsc.gov.in) by 3<sup>rd</sup> Sept, 2021 in the attached format. It is further requested to provide comments in MS Word or MS Excel format.
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# **DRAFT - INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (INSURANCE INTERMEDIARY) REGULATIONS, 2021**

In exercise of the powers conferred by sub-section (1) of Section 28 read with Section 12 and 13 of the International Financial Services Centres Authority Act, 2019, Section 42D and 42E of the Insurance Act, 1938, the International Financial Services Centres Authority hereby makes the following regulations namely: -

## **CHAPTER I PRELIMINARY**

### **1. Short title and commencement**

- (1) These regulations may be called the International Financial Services Centres Authority (Insurance Intermediary) Regulations, 2021.
- (2) They shall come into force from the date of their publication in the Official Gazette.

### **2. Objective:** These regulations aim to put in place the process of registration and operations of insurance intermediaries in an International Financial Services Centre under The International Financial Services Centres Authority Act, 2019 (50 of 2019) read with The Special Economic Zones Act, 2005 (28 of 2005).

### **3. Definitions -**

- (1) In these regulations, unless the context otherwise requires, the terms defined herein shall bear the meanings as assigned to them below and their cognate expressions shall be construed accordingly-
  - (a) “**Act**” means the International Financial Services Centres Authority Act, 2019 (50 of 2019);
  - (b) “**Applicant**” means
    - (i) an intermediary or insurance intermediary registered with IRDAI;
    - (ii) a foreign insurance intermediary registered by its home country regulatory or supervisory authority;
    - (iii) an Indian company incorporated under the Companies Act, 2013, or a firm; or
    - (iv) a body corporate incorporated under the law of any country outside India.

- (c) “**Authorised verifier**” means a person employed by the insurance intermediary for insurance solicitation and procurement through telemarketing and distance marketing mode;
- (d) “**Authority**” means the International Financial Services Centres Authority established under section 4 (1) of the Act;
- (e) “**Broker Qualified Person**” means an individual who is an employee or director of the insurance broker engaged in solicitation and procurement of insurance business and who has undergone training and passed the examination specified for them;
- (f) ‘**Certificate**’ means a Certificate of Registration (CoR) granted by the Authority under these regulations;
- (g) “**Composite broker**” means an insurance broker registered with the Authority who for a remuneration and/or a fee, solicits and arranges insurance and/or re-insurance for its clients with insurers and/or reinsurers; and / or provide claims consultancy, risk management services or other similar services, permitted under these regulations;
- (h) “**Corporate agent**” means a person registered with the Authority who undertakes solicitation and servicing of insurance business;
- (i) “**Direct broker**” means an insurance broker registered with the Authority who for a remuneration and/or a fee, solicits and arranges insurance business for its clients with insurers, and / or provide claims consultancy, risk management services or other similar services, permitted under these regulations;
- (j) “**Domestic Tariff Area**” or “DTA” shall have the same meaning as assigned to it under section 2(i) of the Special Economic Zones Act, 2005 (28 of 2005);
- (k) “**FATF compliant jurisdiction**” means a jurisdiction compliant with International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation recommended by the Financial Action Task Force;
- (l) “**Insurance Act**” means the Insurance Act, 1938 (4 of 1938);
- (m) “**Inspecting authority**” means one or more persons appointed by the Authority to undertake inspection of the books, accounts, records and documents of an insurance intermediary under these regulation;

- (n) **“Insurance broker”** means a person registered with the Authority under these regulations, who is a direct broker, a reinsurance broker or a composite broker;
- (o) **“Intermediary or insurance intermediary”** shall collectively refer to insurance broker, corporate agent, insurance surveyor and loss assessor, third party administrator and such other intermediary as may be specified by the Authority from time to time;
- (p) **“IFSC insurance intermediary office”** or **“IIIO”** means a financial institution under clause (c) of sub-section (1) of section 3 of the Act that is registered with the Authority to carry on the activities of an insurance intermediary;
- (q) **“Insurance surveyor and loss assessor”** means a person registered with the Authority under these regulations for providing services relating to losses under contracts of insurance;
- (r) **“IRDAI”** means the Insurance Regulatory and Development Authority of India established under Section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
- (s) **“International Financial Services Centre”** or **“IFSC”** shall have the same meaning as assigned to it under section 3(1)(g) of the Act;
- (t) **“Key Managerial Personnel”** or **“KMP”** shall have the same meaning as assigned to it under Section 2(51) of Companies Act, 2013;.
- (u) **“Principal officer”** means an employee of the insurance intermediary who is responsible for the decisions made by such intermediary for its management, administration and operations;
- (v) **“Regulations”** means the International Financial Services Centres Authority (Insurance Intermediary) Regulations, 2021;
- (w) **“Reinsurance broker”** means an insurance broker registered with the Authority who for a remuneration and/or a fee, solicits and arranges re-insurance for its clients with insurers and/or reinsurers; and/or provide claims consultancy, risk management services or other similar services, permitted under these regulations;
- (x) **“Risk Management”** means providing insurance risk management services viz. risk assessment, risk advisory, risk mitigation or risk

minimisation by an insurance broker to its clients for the benefit of its client;

- (y) “**SEZ**” shall have the same meaning as assigned to it under Section 2(z) of the Special Economic Zones Act, 2005 (28 of 2005);
  - (z) “**Specified person**” means a direct employee of a corporate agent who is responsible for soliciting and/or procuring insurance business on behalf of a corporate agent;
  - (aa) “**Telemarketer**” means an entity registered with Telecom Regulatory Authority of India under Chapter III of The Telecom Commercial Communications Customer Preference Regulations, 2010;
  - (bb) “**Third party administrator**” or “**TPA**” means a person registered with the Authority, who is engaged by an insurer for a fee or remuneration for providing health services as mentioned under these Regulations.
- (2) Words and expressions used and not defined in these regulations but defined in the Act or Acts mentioned in the First Schedule to the Act or any rules, regulations made thereunder, shall have the same meanings respectively assigned to them in those Acts, rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

## **CHAPTER-II**

### **REGISTRATION OF INSURANCE INTERMEDIARY**

#### **4. Registration–**

- (1) An application for the grant of certificate of registration to act as an insurance intermediary shall be made for any one of the following categories, namely:
- (a) Insurance distributor:
    - (i) Composite Broker;
    - (ii) Corporate Agent;
    - (iii) Direct Broker;
    - (iv) Reinsurance Broker;
  - (b) Insurance claim service provider:
    - (i) Surveyor and Loss Assessor;
    - (ii) Third Party Administrator;

*Provided* that an application can be made for any combination in intra-category within the above referred categories.

(2) The applicants specified under these regulations may be permitted to establish an IIIO in the following form:

(a) **Composite Broker, Direct Broker, Reinsurance broker-**

- (i) A company incorporated under the Companies Act, 2013 (18 of 2013);
- (ii) A co-operative society registered under the Co-operative Societies Act, 1912 (2 of 1912) or under any other law for the time being in force in any State relating to co-operative societies or under the Multi-State co-operatives societies Act, 1984 (51 of 1984);
- (iii) A limited liability partnership formed under the Limited Liability Partnership Act, 2008(6 of 2009); or
- (iv) Any other person as may be recognized by the Authority to act as an insurance broker.

(b) **Corporate Agent**

- (i) A company incorporated under the Companies Act, 2013 (18 of 2013);
- (ii) A co-operative society registered under the Co-operative Societies Act, 1912 (2 of 1912) or under any other law for the time being in force in any State relating to co-operative societies or under the Multi-State co-operatives societies Act, 1984 (51 of 1984);
- (iii) A limited liability partnership formed under the Limited Liability Partnership Act, 2008(6 of 2009);
- (iv) A banking company as defined in clause (4A) of Section 2 of the Insurance Act;
- (v) Any banking unit set up in IFSC;
- (vi) A regional rural bank established under section 3 of Regional Rural banks Act, 1976 (21 of 1976);

- (vii) A non-governmental organisation or a micro lending finance organization covered under the co-operatives society Act, 1912 or a Non-banking financial company registered with RBI; or
  - (viii) Any other person as may be recognized by the Authority to act as a corporate agent.
- (c) **Third Party Administrator:**

A company incorporated under the Companies Act, 2013 (18 of 2013);
- (d) **Surveyor and loss assessor**
  - (i) A company incorporated under the Companies Act, 2013 (18 of 2013); or
  - (ii) A limited liability partnership formed under the Limited Liability Partnership Act, 2008(6 of 2009).
- (3) An entity registered as an intermediary or insurance intermediary with IRDAI and willing to set up branch office in an IFSC shall meet with the following requirements:
  - (a) It holds a valid certificate of registration issued by IRDAI, which is not withdrawn, cancelled or suspended;
  - (b) It has acted as an insurance intermediary in such category for which it is registered for at least 5 years; and
  - (c) It has obtained a “No-objection Certificate” from IRDAI to establish branch office in IFSC.
- (4) An entity regulated as an insurance intermediary in a jurisdiction outside India and willing to set up a branch office in an IFSC shall meet the following requirements:
  - (a) It holds a valid certificate of registration issued by its home country regulatory or supervisory authority, which is not withdrawn, cancelled or suspended;
  - (b) It has acted as an insurance intermediary in such category for which it is registered for at least 5 years;



- (c) It is from a FATF compliant jurisdiction or a country;
  - (d) It is registered or certified in a National Regulatory Environment with whom the Government of India has signed Double Taxation Avoidance Agreement; and
  - (e) It has obtained “No-objection certificate” from its home country regulatory or supervisory body to establish a branch office in IFSC.
- (5) An entity not falling under categories mentioned in sub-regulations (3) and (4) and which is a company incorporated under the Companies Act, 2013 or a firm or a body corporate incorporated under the law of any country outside India shall meet the following requirements:
- (a) The applicant shall have minimum net worth or paid up equity capital, whichever is applicable, as prescribed in regulation 13;
  - (b) The applicant is from a FATF compliant jurisdiction or a country, and
  - (c) The applicant is registered or certified in a National Regulatory Environment with whom the Government of India has signed Double Taxation Avoidance Agreement.

**5. Consideration of application –**

- (1) An applicant desirous of operating as an insurance intermediary in IFSC shall submit an application to the Authority in Application form specified in SCHEDULE-VII of these regulations.
- (2) The application shall be accompanied by requisite documents as specified in SCHEDULE-VII and fees as may be specified by the Authority. The applicant shall pay the fee in such manner and within such period as may be specified by Authority.
- (3) The Authority while considering an application under regulation 4(4) and 4(5) of this regulation shall take into account, all matters which are necessary for carrying out of the functions of the insurance intermediary, including but not limited to the following:
  - (i) Whether the applicant is suffering from any of the disqualifications specified under sub-section (5) of section 42 D of the Insurance Act;

- (ii) Whether the applicant has the necessary infrastructure viz. adequate office space, equipment, trained manpower and IT infrastructure to effectively discharge its activities;
- (iii) Whether the head of the proposed IIO has minimum requisite qualification and experience as specified in SCHEDULE-IV of these regulations to conduct the business of insurance intermediary;

*Explanation:* If an IIO at any time does not comply with these condition, they shall not engage in any fresh business from this office till such a qualified person with necessary qualifications and experience as specified in SCHEDULE-IV of these regulations of these regulations is appointed.

- (iv) Whether any person, directly or indirectly connected with the applicant, has, in the past, been refused grant of a certificate of registration or license by the Authority;

*Explanation:—* For the purposes of this clause, the expression "directly or indirectly connected" means in the case of a firm or a company or a body corporate, an associate, a subsidiary, an interconnected undertaking or a group company of the applicant. It is hereby clarified that these terms shall have the same meanings as ascribed to them in the Companies Act, 2013 (18 of 2013)

- (v) Whether the applicant fulfils the Capital requirements, Net Worth requirement requirements as specified in regulation 13 and SCHEDULE-I of these regulations for that particular category of insurance intermediary;
- (vi) Whether in the opinion of the Authority the branch head of the applicant is suitable to be so appointed keeping in view his experience, preferably in the insurance sector;
- (vii) Whether the Principal Officer/ Director(s)/ Promoter(s)/ Partner(s)/ Key Management Personnel are Fit and Proper in the manner as specified by the Authority;
- (viii) Whether the promoters/ investors/ partners of the applicant are of sound financial position to make investment in the applicant entity;
- (ix) Whether the Authority has rejected the application for grant of certificate of registration for insurance intermediary or the applicant has withdrawn such application;

- (x) Whether the issue of certificate of registration will be in the interest of policyholders.
- (4) The Authority may require an applicant to furnish any additional information and/or clarification and/or documents, as it may deem necessary for the purpose of processing of the application.
- (5) The applicant shall forthwith bring to the notice of the Authority, on its own, such further information/or clarification, which might have a bearing on consideration of their application.

**6. Conditions for grant of registration–**

The registration granted under these regulations or the renewal of registration granted under these regulations shall, *inter-alia*, be subject to the following conditions-

- (i) The Insurance intermediary registered under these regulations shall act exclusively to carry on the business of an insurance intermediary for which the registration has been granted and as specified in SCHEDULE-II of these regulations;
- (ii) The Insurance intermediary shall comply with the provisions of the Insurance Act, 1938, IFSCA Act, 2019 and the Regulations, Circulars, Guidelines and any other instructions issued thereunder from time to time by the Authority;
- (iii) An IIOs shall comply with relevant Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines as issued by the Authority from time to time.
- (iv) The Insurance intermediary shall forthwith inform the Authority in writing, if any information or particulars previously submitted to the Authority by it is found to be false or misleading in respect of any material particular or if there is any material change in the information already submitted;
- (v) The Insurance intermediary shall take adequate steps for redressal of grievances of its clients;
- (vi) The Insurance intermediary shall solicit and procure reasonable number of insurance policies commensurate with their resources and the number of Broker Qualified Persons or Specified Person they employ;

- (vii) The Insurance intermediary shall maintain records in the format specified by the Authority which shall capture policy-wise details wherein each policy solicited by the Insurance Broker is tagged to the broker qualified person or other authorised persons, wherever applicable;
- (viii) The Insurance intermediary shall under no circumstance undertake multi-level marketing for solicitation and procuring insurance products;
- (ix) The Insurance Intermediary shall ensure compliance to Code of Conduct as specified in the SCHEDULE III of these regulations;
- (x) The Insurance intermediary shall maintain such books of accounts as specified in these regulations;
- (xi) While granting the registration, the Authority may impose additional conditions as it may deem fit.

**7. Procedure for issuance of Certificate of Registration –**

- (1) The Authority on being satisfied that the applicant fulfils the eligibility conditions as specified under Regulation 5(3), shall first issue an in-principle approval to the applicant for compliance with requirements viz, minimum capital infusion, training requirements of branch head, professional indemnity policy and such other requirements as may be deemed necessary by Authority for issuance of Certificate of Registration.
- (2) The Authority on being satisfied with the compliance under sub-regulation (1) and also the compliance required to be fulfilled under the provisions of the Act, Rules, regulations, circulars and guidelines may issue a Certificate of Registration in form specified in SCHEDULE-VI of these regulations stating the category for which registration is granted.
- (3) The certificate of registration granted under sub-regulation (2) shall be valid for a period of three years from the date of grant of registration.
- (4) If, after considering the application, the Authority is of the opinion that registration cannot be granted, it shall communicate the deficiencies to the applicant giving it thirty days' time to rectify them.
- (5) If the applicant fails to rectify such deficiencies to the satisfaction of the Authority within the specified time, the Authority may refuse to grant

registration and shall communicate the same to the applicant, giving reasons for such refusal.

*Provided* that no such refusal shall be made by the Authority without giving the applicant an opportunity to make written submissions on the grounds on which the registration is proposed to be refused.

- (6) An insurance intermediary registered under these regulations for a particular sub-category under regulation 4, may apply for permission to carry on business for any other sub-category of that particular category only, subject to the compliance with conditions applicable for such sub-category.
- (7) In case the Certificate of Registration is cancelled or surrendered or whose renewal is rejected by the Authority, the applicant may file a fresh application for registration only after one year from the date when such cancellation/surrender/refusal of renewal has become effective.

#### 8. **Scope of Operations –**

- (1) IIO registered to solicit direct insurance business is permitted to solicit direct insurance business from and within the IFSC, from other SEZs in India and from outside India;
- (2) IIO registered to solicit direct insurance business, shall not solicit direct insurance business from the Domestic Tariff Area (DTA) in India except in accordance with Section 2CB of the Insurance Act;
- (3) In case of solicitation of reinsurance business, the IIO may solicit reinsurance business from within the IFSC, from other SEZs in India, DTA and from outside India;
- (4) No IIO shall be permitted to transact a class of business, which is not permitted in its certificate of registration as issued by the Authority;
- (5) IIO registered in the category of insurance broker may also provide claims consultancy, risk management services within the IFSC, to clients in other SEZs in India and to the clients outside India;
- (6) The TPAs, Surveyors and Loss Assessors registered as IIO, shall not render services for the policies other than those issued by an IIO and an insurer domiciled outside India;

*Provided* that a TPA can service foreign travel policies and health policies issued by Indian insurers covering medical treatment or hospitalization outside India;

- (7) The IIIO shall ensure that other laws applicable to SEZ are complied with;
- (8) All financial transactions of the IIIO shall be carried out in freely convertible foreign currency other than Indian Rupee.

9. **Renewal of Certificate of Registration -**

- (1) The application for renewal of certificate of registration along with renewal fee as specified by the Authority shall be submitted by the insurance intermediary in SCHEDULE-VII of these regulations at least 90 days before the expiry of the certificate of registration.

*Provided* that the IIIO shall pay applicable additional fee by way of penalty, if the renewal application does not reach the Authority 30 days prior to the date on which the registration ceases to remain in force, but reaches before the date on which such registration expires;

*Provided* further an application for renewal of registration under this regulation may be considered if the application is filed within a period of 60 days from the date on which the registration ceases to remain in force along with the applicable additional fee by way of penalty, and the Authority is satisfied with the reasons for delay and have condoned the same.

*Provided* further a renewal application received after 60 days from the date on which the registration ceases to remain in force will be considered only after a lapse of 12 months from the date of submission of the late application. However, during the interregnum, the certificate of registration of the insurance intermediary shall cease to exist and it shall not solicit any new business, except servicing the existing policies till the expiry of the contract.

- (2) The provisions of regulations 6 and 7 as applicable to the grant of registration shall also apply to an application for renewal of registration of an insurance intermediary.
- (3) An insurance intermediary whose certificate of registration is expired and is pending for renewal, shall not engage in any fresh insurance business except for servicing the existing policyholders till the renewal of registration.

- (4) The Branch Head / Principal officer and/or Broker Qualified Persons or a Specified Person of an insurance intermediary before seeking a renewal of certificate of registration shall have completed the requisite training as specified in SCHEDULE-IV of these regulations from an institution recognized by the Authority. They shall ensure that they complete the required training within three years from the time the previous training was completed.
- (5) During processing of the application for renewal of CoR, the Authority may call for additional information /documents from the IIIO and it shall be the duty of the applicant to submit the required information/documents to the Authority within the specified time.
- (6) The Authority, on being satisfied that the applicant fulfils all the conditions for renewal of the certificate of registration, shall renew the certificate of registration as per format at SCHEDULE-VI of these regulations for a period of three years and send intimation to that effect to the IIIO.

**10. Procedure where a renewal of certificate of registration is not issued –**

- (1) If, after considering the application, the Authority is of the opinion that registration cannot be granted, it shall communicate the deficiencies to the applicant giving it thirty days' time to rectify them.
- (2) If the applicant fails to rectify such deficiencies to the satisfaction of the Authority within the specified time, the Authority may refuse to grant registration and shall communicate the same to the applicant, giving reasons for such refusal.

*Provided* that no such refusal shall be made by the Authority without giving the applicant an opportunity to make written submissions on the grounds on which the registration is proposed to be refused.

- (3) The refusal to renew certificate of registration shall be communicated by the Authority to the applicant stating therein the grounds on which the application has been rejected.

**11. Effect of refusal to renew the certificate of registration –**

- (1) Any applicant, whose application for renewal has been refused by the Authority, shall, on and from the effective date mentioned in the communication to the insurance intermediary, shall cease to act as an insurance intermediary.
- (2) The insurance intermediary, however, shall continue to be liable to provide services in respect of contracts already entered through it.

*Provided* that such a service shall continue only upto the period of expiry of those current contracts or for a maximum period of six months, whichever is earlier, within which suitable arrangements shall be made by it for having the contracts attended to by another registered insurance intermediary.

- (3) The Authority may seek the details of the arrangements as and when required.

## 12. **General obligations of Insurance Intermediary -**

- (1) The insurance intermediaries shall have the word ‘Insurance Broker’ / ‘Insurance Brokers’ / ‘Insurance Broking’ / ‘Third Party Administrator’ / ‘Surveyor or Loss Assessor’ in the name of the Insurance intermediary to reflect their line of activity and to enable the public to differentiate the insurance intermediary registered with the Authority from other non-registered insurance related entities.

*Provided* that the above requirement shall not be applicable for foreign insurance intermediary who is willing to set up its branch office in the IFSC. Foreign insurance intermediary may continue its name as may be approved by its home country regulatory or supervisory Authority.

- (2) Every insurance intermediary shall display-
  - (i) certificate of registration issued by the Authority at a prominent place in its office ;
  - (ii) in all its correspondences with all stakeholders, its name registered with the Authority, address of the Registered and Corporate Office, IFSCA registration number, the category for which it is registered, validity period of the registration.
- (3) Insurance intermediary shall not use any other name in its correspondence/ literature/ letter heads without the prior approval of the Authority.
- (4) An IIIO shall commence business, for which it has been authorised, within 180 days from the date of grant of Certificate of Registration by the Authority;

*Provided* that if an IIIO is not able to commence business within the specified period of twelve months, it can, before the time limit expires, but at least thirty days in advance, seek an extension of time in writing to Chairperson of the Authority for commencing business operations.



- (5) The Chairperson of the Authority, on receipt of the request, shall examine it and communicate the decision in writing.
- (6) No extension of time shall be granted by the Chairperson of the Authority beyond eighteen months from the date of grant of certificate of registration under these regulations.

### **CHAPTER-III REQUIREMENTS FOR INSURANCE INTERMEDIARY**

#### **13. Capital / Net-worth Requirement –**

- (1) An applicant seeking registration as an insurance intermediary under these regulations shall maintain minimum paid-up capital, net-worth as specified in the SCHEDULE-I of these regulations.

*Provided* that a branch office of an insurance intermediary shall maintain the minimum capital and net-worth at its head office to the extent specified under these regulations

- (2) The capital in the case of a company limited by shares shall be in the form of paid-up equity shares;
- (3) The shares of the applicant held as capital or contributions in case of LLP or equivalent shall not be pledged in any form or manner to secure credit or any other facility and shall at all times be unencumbered.
- (4) The investment in the applicant by the promoters/ shareholders/ partners shall be from their own funds and not from any other sources.

*Explanation:* For the purpose of these regulations own funds do not include funds arranged by way of borrowings or loans.

- (5) In case of shortfall in the net worth, the insurance intermediary shall immediately restore the same as specified and report compliance of the same.

*Explanation:* For the purposes of these regulations, “net worth” shall have the meaning assigned to it in the Companies Act, 2013

- (6) The Insurance intermediary shall submit to the Authority a net-worth certificate duly certified by its statutory auditor on half yearly basis.

#### **14. Professional indemnity insurance –**

Every insurance intermediary shall purchase and maintain at all times a professional indemnity insurance cover throughout the validity of the period of Registration issued to it by the Authority, as specified in SCHEDULE-V of these regulations.

*Provided* that the Authority, in appropriate cases, may allow a newly registered insurance intermediary to produce such a policy within twelve months from the date of grant of certificate of registration.

*Provided further* the applicant who has established IIIO in a branch form shall comply with the professional indemnity policy requirements at its head office and shall have endorsement on such policy to the effect that liabilities if any, arising out of operations at the IFSC branch office are also covered in such policy.

#### **CHAPTER IV OPERATIONS AND MANAGEMENT**

##### **15. Ownership and Control of Shares**

- (1) The beneficial ownership of shares or contribution and control of entity or equivalent in case of insurance intermediary incorporated in IFSC shall not be changed without the prior approval of the Authority.

*Provided* that the above requirement shall not be applicable in case if IIIO is established as a branch office in the IFSC.

- (2) In case the IIIO is established as branch in an IFSC, it shall inform the Authority about changes effected in beneficial ownership of shares or contribution and control of entity, within thirty days of such change.
- (3) The process of transfer of shares or contribution or equivalent in case of insurance intermediary shall be as specified by the Authority.

##### **16. Remuneration and reward to be received by an insurance intermediary from an insurer:** The payment of remuneration, reward, fee or any other payment to the insurance intermediary by an insurer, by whatever name called, shall be in the mode and manner as specified by the Authority.

##### **17. Board Approved Policy for comparison and distribution of insurance products –**

- (1) Every Insurance intermediary shall have a Board or its equivalent approved policy on the manner of soliciting and servicing insurance policies.

- (2) Such approved policy, amongst others, shall include the approach to be followed by the Insurance intermediary in having multiple tie-ups, type of products sold, mode of solicitation, grievance redressal mechanism, reporting requirements and any other item with regard to different business segments.
- (3) The Board of the Insurance intermediary shall review the same at least once in three years.

**18. Code of conduct for Insurance Intermediary –**

Every insurance intermediary shall abide by the Code of Conduct as specified in SCHEDULE-III of these regulations.

**19. Internal control and systems –**

Every insurance intermediary shall ensure that a proper system of internal audit is in place and that its internal controls and systems are adequate for the size, nature and complexity of its business.

**20. Manner of receipt and segregation of premium —**

- (1) The provisions of section 64VB of the Insurance Act shall continue to determine the question of assumption of risk by an insurer.
- (2) In the case of reinsurance contracts, it may be agreed between the parties specifically or as part of international market practices that the registered reinsurance broker or composite broker can collect the premium and remit to the reinsurer and/or collect the claims due from the reinsurer to be passed on to the insurer. In these circumstances the money collected by the registered insurance broker shall be dealt with in the manner as specified by the Authority.

**21. Maintenance of books of account, records, etc. –**

- (1) An insurance intermediary shall prepare following financial statements for every financial year –
  - (i) a balance sheet as at the end of each financial year;
  - (ii) a profit and loss account for that period, which shall be maintained on accrual basis;
  - (iii) a statement of cash/fund flow (direct method);

- (iv) Additional statements on its business as may be specified by the Authority.

*Explanation:* For the purposes of this regulation, the financial year:

- (i) for a branch established in an IFSC- shall refer to the financial year followed in its home country's regulatory or supervisory authority;
  - (ii) for an entity incorporated in IFSC- shall refer to a period of 12 months commencing from first April and ending on the 31st March.
- (2) The IIIO which is established in the branch form shall prepare the financial statements in accordance with the accounting standards as applicable for its applicant, as specified by their home country regulatory or supervisory authority. However, such financial statements shall be maintained at IIIO.
  - (3) Every insurance intermediary shall submit to the Authority, a copy of the audited financial statements referred to in sub-regulation (1) along-with the auditor's report thereon within 30 days of holding of the annual general meeting or before 30th September every year, whichever is earlier, along with the remarks or observations of the auditor, if any, on the conduct of the business, state of accounts, etc., and a suitable explanation on auditor's observations/remarks from the insurance intermediary.
  - (4) Every insurance intermediary shall, within ninety days from the date of the Auditor's report take steps to rectify the deficiencies, if any, made out in the auditor's report and inform the Authority accordingly.
  - (5) All the books of account, statements, document, etc., shall be maintained at the office of the insurance intermediary in an IFSC and shall be available for inspection by the Authority.
  - (6) All the books, documents, statements, contract notes etc., referred to in these regulation and maintained by the insurance intermediary shall be retained for a period of at least seven years from the end of the year to which they relate. However the documents pertaining to the cases where claims are reported and the decision is pending for a decision from courts, the documents are required to be maintained till the disposal of the cases by the court. In the case of reinsurance brokers, all other documents are required to be maintained till its natural expiry.

*Provided* that unless otherwise required in any other laws for the time being in force, all such books, documents, statements, accounts may be maintained in electronic retrieval form.

- (7) Financial statements shall include a note providing the insurer-wise (including insurer's group companies) details of all the incomes received by it and also the details of payments received by it from its group companies, associates, and related parties.
- (8) An insurance intermediary shall make disclosures of all related party transactions in its audited accounts and balance sheet.

**22. Ceiling on business from single client –**

- (1) The business of the insurance intermediary shall be carried in such a manner that not more than 50 percent of the remuneration shall emanate from any one client in a financial year.

*Note:* For the purposes of this regulation, the term “client” shall include, in the case of a firm or a company, an associate or a subsidiary or a group concern under the same management.

- (2) The decision of the Authority in determining as to whether an associate, subsidiary or a group concern of a company or a firm falls under the same management, shall be final.
- (3) The limit specified in sub-regulation (1) shall not be applicable if the remuneration from insurance or reinsurance business is received from a Government body or Public sector undertaking.
- (4) An insurance intermediary shall along with the audited accounts furnish an auditor's certificate, annually, confirming compliance with this regulation.

**23. Outsourcing of activities by insurance intermediary –**

An insurance intermediary can outsource the activities as may be specified by the Authority.

**24. Filing of Returns —**

The insurance intermediary shall file the periodical returns as may be specified by the Authority.

**25. Disclosures to the Authority –**

- (1) An insurance intermediary shall take prior approval of the Authority for the following;
  - (i) Change of Principal Officer;
  - (ii) Change of Director(s)/Partner(s) provided that in the event of resignation of the Director / Partner, the Authority may be informed;
  - (iii) Change in name of the company; or
  - (iv) Change in place of corporate/registered office.
- (2) An insurance intermediary shall furnish to the Authority the following information as and when there is a change/addition to the information furnished previously to the Authority:
  - (i) List of broker qualified persons or Specified Persons;
  - (ii) Claims under the professional indemnity policy.
- (3) The Authority may, require the insurance intermediary to furnish information/data/documents in such manner and at such interval, as may be specified.

**26. Amalgamation and Transfer of business –**

- (1) No insurance intermediary shall undertake any scheme of amalgamation or merger & acquisition or transfer of business except in accordance with these Regulations.
- (2) No scheme of amalgamation or merger or acquisition or transfer of business shall be implemented by an insurance intermediary without the prior approval of the Authority.

*Provided* that the above requirement shall not be applicable in case if IIIO is established as a branch office in the IFSC.

- (4) In case the IIIO is established as branch in an IFSC, it shall inform the Authority about changes effected by way of scheme of amalgamation or merger or acquisition or transfer of business, within thirty days of such change.
- (3) No scheme of transfer of business, whether wholly or partly, shall be implemented by an insurance intermediary where notwithstanding such transfer, the transferor continues to act as an Insurance intermediary, unless the

prior approval of the Authority is obtained. However, no transferor shall act as an intermediary for such transferred business beyond six months.

- (4) No scheme of transfer of business shall be implemented by an Insurance intermediary where such transfer results in voluntary surrender of registration by the transferor, without prior approval of the Authority.
- (5) The process for seeking approval shall be as specified by the Authority.

**27. Sale of Insurance through Digital Modes –**

- (1) Insurance intermediary may enter into an agreement with insurers for sale of insurance products online by linking to the web portals of the insurers.
- (2) An insurance intermediary may solicit insurance through digital modes subject to such conditions as may be specified by the Authority.
- (3) The procedure for sale of insurance products where leads are generated through online or off-line and completed through tele-marketing mode by Insurance intermediary shall be as specified by the Authority.

**CHAPTER V  
MISCELLANEOUS PROVISIONS**

**28. Power to specify procedures and issue clarification:**

For the purpose of implementation of these regulations and matter incidental thereto, or in order to facilitate and regulate financial services related to insurance and reinsurance business activities in an IFSC, the Authority may specify norms, procedures, processes, manners or provide relaxations, by way of guidelines or circulars in accordance with the provisions of the Act.

**29. Inspection, Investigation, and Information -**

The Authority shall have the power to inspect or investigate the affairs of the insurance intermediary including calling for any information from the IIIO or the applicant, so far as it relates to its activities as an IIIO.

**30. Action in case of Default -**

- (1) If pursuant to an inspection or investigation or otherwise, the Authority is of the opinion that the operations of an IIIO are not being conducted in accordance

with the provisions of the Act, rules or regulations made or circulars and guidelines issued thereunder or its activities are not in the interests of the International Financial Services Centres, the Authority may take appropriate disciplinary action against it including but not limited to suspension or cancellation of certificate or registration after giving an opportunity to the IIO, of making its submissions.

- (2) Without prejudice to the above, the Authority may take any other action as it deems fit, under the Act.

**31. Surrender of Certificate of Registration:**

An Applicant shall be allowed to close its IIO and surrender its Certificate of registration only with the prior approval of the Authority.

**32. Repeals and saving:**

- (1) On and from the commencement of these regulations, the provisions of the Insurance Regulatory and Development Authority of India Guideline No. IRDA/RI/GDL/MISC/012/01/2019 dated 16<sup>th</sup> Jan 2019, shall stand repealed;
- (2) Notwithstanding the above, anything done or any action taken or purported to have been done or taken in respect of the guidelines mentioned in sub-regulation (1) shall be deemed to have been done or taken under the corresponding provisions of these regulations;
- (3) An IIO operating in the IFSC prior to the notification of these regulations, shall comply with additional requirements, if any, introduced by these regulations, within a period of six months from the date of notification of these regulations or within such extended time as may be specified by the Authority.



**SCHEDULE - I**  
**(Refer Regulation 13)**

**MINIMUM CAPITAL/ NET-WORTH REQUIREMENTS FOR INSURANCE INTERMEDIARY**

<b>Category</b>	<b>Capital/contribution Requirement (INR)</b>	<b>Net Worth Requirements (INR)</b>
<b>Direct Insurance broker</b>	USD 100000	USD 80,000
<b>Reinsurance Broker</b>	USD 550,000	60% of min capital requirement
<b>Composite broker</b>	USD 675,000	60% of min capital requirement
<b>Corporate agent</b>	USD 75,000	USD 75,000
<b>Surveyor and Loss Assessor</b>	NIL	NIL
<b>Third Party Administrator</b>	USD 550,000	USD 150,000

**SCHEDULE-II**  
**(Refer Regulation 6(1))**

**FUNCTIONS AND ACTIVITIES OF INSURANCE INTERMEDIARY**

**PART-A: ACTIVITIES AND FUNCTIONS OF INSURANCE BROKERS:**

**1. General activities and functions:**

- (1) An insurance broker shall undertake the following activities and functions:
  - (i) Familiarize itself with the client's business and risk management or retention philosophy;
  - (ii) Render advice on appropriate insurance cover and terms;
  - (iii) Maintain a database of available insurance and reinsurance markets;
  - (iv) Act promptly on instructions from a client and provide it with written acknowledgements and progress reports;
  - (v) Negotiate with an insurer/reinsurer on client's behalf;
  - (vi) Maintain proper records of claims;
  - (vii) Maintain a register of its broking staff;
- (2) Risk Management Services –

- (i) An insurance broker may charge the client fee for the services rendered by it to the client for risk management services or other similar services;
  - (ii) The insurance broker can undertake this activity only for commercial risks based on the written confirmation from client for those fees;
  - (iii) The Insurance broker cannot receive both the remuneration and reward and fees for the same risk management services;
  - (iv) The insurance broker shall obtain a written mandate from the client to offer risk management services and shall keep a record of risk management services offered to the client which will include details such as name of the client, place of risk, nature and type of risk management services undertaken, amount of fee charged from the client and
  - (v) basis of fee charged, etc.
  - (vi) The insurance broker may charge fee for such other similar services as may be mutually decided between the insurance broker and the client.
  - (vii) In case the insurance broker does not have the necessary skills and resources, it may engage external experts or specialists for undertaking the risk management services or such other similar services.
  - (viii) In such case the insurance broker shall inform the client and shall keep a record of the risk management services or such other similar services offered to the client which will include details such as name of the expert, service rendered, fees paid, basis of fee paid, etc.
  - (ix) The insurance broker shall be responsible for all acts of the external experts for undertaking risks management services.
- (3) Claim Consultancy –
- a) Insurance brokers may undertake claims consultancy only for commercial lines of general insurance business, subject to the following conditions:
    - (i) for claims not exceeding USD 1.5 million, the insurance broker may undertake claims consultancy provided such claim does not emanate from a policy, which has been placed by the same insurance broker.
    - (ii) the insurance broker shall inform the Authority within 30 days of acceptance of such claims consultancy by providing details such as name of the client, place of risk, name of the insurer, name of the distribution channel, if any, amount of claim, date of occurrence of loss, mandate obtained from the client for the claims consultancy;

- (iii) for claims exceeding USD 1.5 million, the insurance broker may undertake claims consultancy with the prior approval of the Authority.
  - (iv) The application for seeking prior approval under clause (iii) above shall accompany the details such as name of the client, place of risk, name of the insurer, name of the insurance intermediary through whom the policy was originally placed, the reason for not providing the claims assistance to the client by the other intermediary, amount of claim, date of occurrence of loss, mandate obtained from the client for the claims consultancy.
  - (v) before offering the claims consultancy, the insurance broker shall obtain a written mandate from the client to represent the client with the insurer concerned for the claim for which consultancy has been sought by the client and offered by the insurance broker.
  - (vi) the insurance broker may charge fee for claims consultancy services as may be mutually decided between the insurance broker and the client. However, such fee shall not be expressed as a percentage of the claim.
  - (vii) Any dispute between two or more insurance brokers arising out of such claims consultancy arrangements shall be settled by way of arbitration or any other dispute resolution mechanism.
- (4) Co-broking
- (i) Two or more registered insurance brokers can jointly handle the broking of insurance requirements of any client with the written consent of the client.
  - (ii) It is open to a client to appoint in writing more than one insurance brokers to jointly handle the broking of its insurance requirements depending on the skills that the insurance brokers may bring to the activity and to decide the manner in which the remuneration or fee payable on the business may be shared among them.
  - (iii) In such a situation the registered insurance brokers shall enter into Terms of Business Agreement for providing insurance broking services to the specified client and the Agreement shall include, amongst other things, the manner defining the duties and responsibilities of each registered insurance brokers, the manner of sharing of remuneration or fee among themselves, the reason for providing insurance broking services jointly.
  - (iv) The way the remuneration is shared among the co-brokers shall be disclosed to the insurer.
  - (v) Direct Co-broking

- (a) Each of the direct insurance co-brokers shall be insurance broker who is holding valid certificate of registration in the class of business concerned and each co-broker shall be responsible to ensure compliance with the co-broking provisions issued by the Authority from time to time.

*Provided* where an insurance placement is co-broked with other insurance brokers not registered with the Authority, the registered broker in IFSC shall only use insurance co-brokers who agree to comply with the requirements of these guidelines and shall be responsible to secure compliance with these regulations or other guidelines to the extent applicable, by the other co-brokers.

- (b) The insurer will be guided by the instructions of the client with regard to payment of remuneration to each co-broker for their share.
- (c) Co-broking is not permitted for individual and retail lines of insurance business.

(vi) Reinsurance Co-broking -

- (a) Each of the co-brokers on a reinsurance placement shall also be responsible to ensure that these regulations are complied with by them and also by other insurance brokers engaged by them.
- (b) Where a reinsurance placement is co-broked with other reinsurance brokers not registered with the Authority, the registered broker shall only use reinsurance co-brokers who agree to comply with the requirements of these regulations and shall be responsible to secure compliance with these regulations or other guidelines to the extent applicable, by the other co-brokers.
- (c) The insurer will be guided by the instructions of the client with regard to payment of remuneration to each co-broker for their share or to the lead co-broker who will then be responsible to pay the other co-brokers.
- (d) The name and other particulars of the foreign reinsurance co-broker shall be disclosed to the insurer.

- (5) Any other function as may be specified by the Authority.

**2. Specific functions of direct insurance broker-**

- (1) A direct insurance broker shall additionally undertake the following activities and functions:

- (i) Providing requisite underwriting information as required by an insurer in assessing the risk to decide pricing and other terms and conditions for cover;
- (ii) Assisting clients in paying premium;
- (iii) Assisting in opening of e-insurance accounts and in issuing e-insurance policies, wherever applicable.

### **3. Specific functions of reinsurance brokers**

- (1) A reinsurance broker shall additionally undertake the following activities and functions:
  - (i) Selecting, recommending and exercising due diligence at the time of selection of a reinsurer or a group of reinsurers or international insurance brokers;
  - (ii) Assisting in case of commutation of reinsurance contracts placed by them;
  - (iii) Collecting and remitting premiums and claims/refunds within such time as agreed upon;
  - (iv) Rendering preliminary loss advice (PLA) within reasonable time;
  - (v) Creating of market capacity and facility for new, stressed, emerging and existing business and asset class for and from both, direct insurers and reinsurers;
  - (vi) Following separate norms for inward and outward business;
  - (vii) To complying with the laws and other requirements of the local jurisdiction while arranging insurance/ reinsurance for clients/ insurance companies based outside India.

### **4. Specific functions of composite brokers**

In addition to responsibilities in sub-clauses -regulations 1, 2 and 3 of PART – A above, if a composite broker is appointed by a client to act as direct insurance broker, it shall not influence the insurer concerned to appoint him as reinsurance broker for arranging reinsurance on the same contract, and if so appointed, have adequate systems and controls in place to ensure that interest of client and insurer are not prejudiced.

## **PART-B: FUNCTIONS AND ACTIVITIES OF CORPORATE AGENTS**

- (1) A corporate agent shall, for the purposes of soliciting, procuring and servicing of insurance business, have arrangements with a maximum of 3 general insurers, 3 life insurers and 3 health insurers.

- (i) Arrangements with insurers for distribution of products:
  - (a) Registered corporate agents shall enter into arrangements with insurers for distribution of their products which shall be disclosed to the Authority within 15 days of entering into such arrangements;
  - (b) While entering into such arrangements, no corporate agent shall promise nor will be compelled by the insurer to distribute its products , and no arrangements shall be made against the interests of policyholders;
  - (c) Arrangements shall have provisions to include duties and responsibilities of corporate agents towards the policyholders, duties and responsibilities of insurers and corporate agents, terms and conditions for termination of arrangement;
  - (d) In case a corporate agent or insurer wishes to terminate arrangement with any insurer or a corporate agent, they may do so after informing the insurer or corporate agent, respectively, and the Authority, the reasons for termination of arrangement.
  - (e) In case of termination as mentioned in (iv) above, the corporate agent or insurer, as the case may be, shall service the policies till the expiry of the policies, or six months, whichever is earlier.
  - (f) No insurer shall pay and no corporate agent shall receive any signing fee or any other charges by whatever name called, except those permitted by the Authority under these regulations for becoming its corporate agent;
  - (g) No insurer shall directly pay incentives to the principal officer, specified persons and other employees of the corporate agents;
  - (h) The Authority may, at any point in time, direct any insurer or corporate agent to terminate the distribution arrangements by recording the reasons there for.
- (ii) Servicing of policyholder:
  - (i) A corporate agent registered under these regulations shall have the duty to service its policyholders during the entire period of contract, which includes:
    - (a) Assisting in payment of premium;
    - (b) Providing necessary assistance and guidance in the event of a claim;

- (c) Providing all other services and guidance on issues which arise during the course of an insurance contract.

#### **PART-C: FUNCTIONS AND ACTIVITIES OF SURVEYOR AND LOSS ASSESSOR**

- (1) It shall be the duty of every registered Surveyor and Loss Assessor to investigate, manage, quantify, validate and deal with losses (whether insured or not) arising from any contingency, and report thereon to the insurer or insured, as the case may be.
- (2) The following, shall, *inter-alia*, be the duties and responsibilities of a Surveyor and Loss Assessor:-

- (i) declaring whether he has any interest in the subject-matter in question or whether it pertains to any of his relatives, business partners or through material shareholding;

*Explanation:* For the purpose of this clause 'relatives' shall mean any of the relatives as defined in subsection (77) of Section 2 of the Companies Act, 2013;

- (ii) maintaining confidentiality and neutrality without jeopardising the liability of the insurer and claim of the insured;
- (iii) conducting inspection and re-inspection of the subject-matter in question suffering a loss;
- (iv) examining, inquiring, investigating, verifying and checking upon the causes and the circumstances of the loss in question including extent of loss, nature of ownership and insurable interest;
- (v) conducting spot and final surveys, as and when necessary and comment upon franchise, excess/under insurance and any other related matter;
- (vi) estimating, measuring and determining the quantum and description of the subject-matter under loss;
- (vii) advising the insurer and the insured about loss minimisation, loss control, security and safety measures, wherever appropriate, to avoid further losses;
- (viii) commenting on the admissibility of the loss as also observance of warranty conditions under the policy contract;
- (ix) surveying and assessing the loss on behalf of insurer or insured;
- (x) assessing liability under the contract of insurance;
- (xi) pointing out discrepancy, if any, in the policy wordings;
- (xii) satisfying queries of the insured/insurer and of persons connected thereto in respect of the claim/loss;

- (xiii) recommending applicability of depreciation, percentage and quantum of depreciation;
  - (xiv) giving reasons for repudiation of claim, in case the claim is not covered by policy terms and conditions;
  - (xv) taking expert opinion, wherever required;
  - (xvi) commenting on salvage and its disposal wherever necessary.
- (3) A surveyor or loss assessor whether appointed by insurer or insured, shall submit its report to the insurer as expeditiously as possible, but not later than 30 days of its appointment, with a copy of the report to the insured giving its comments on the insured's consent or otherwise on the assessment of loss.
- (4) In circumstances due to its special and complicated nature, the surveyor shall under intimation to the insured, seek an extension, in any case not exceeding six months from the insurer for submission of his report. In special circumstances beyond the control of surveyor, it may seek an extension from insurer, under intimation to insured, for a period not exceeding six months for submission of report.
- (5) In cases where the Survey report is pending due to non completion of documents, the surveyor may issue the final survey report independently based on the available documents on record, giving minimum three reminders in writing to the insured.
- (6) If an insurer, on the receipt of a survey report, finds that it is incomplete in any respect, it may require the surveyor under intimation to the insured, to furnish an additional report on such incomplete issues. Such a request may be made by the insurer within 15 days of the receipt of the original survey report.
- Provided* that the facility of calling for an additional report by the insurer shall not be resorted to more than once in the case of a claim.
- (7) The surveyor shall furnish such additional report within three weeks of the date of receipt of the communication.

**PART-D: FUNCTIONS AND ACTIVITIES OF THIRD PARTY ADMINISTRATOR**

- (1) A TPA may render the following services to an insurer under an agreement in connection with health insurance business:
- (i) servicing of claims under health insurance policies by way of pre-authorization of cashless treatment or settlement of claims other than cashless claims or both, as per the underlying terms and conditions of the respective policy and within the framework of the guidelines issued by the insurers for settlement of claims;
  - (ii) servicing of claims for Hospitalization cover, if any, under Personal Accident Policy and travel policy;



- (iii) facilitating carrying out of pre-insurance medical examinations in connection with underwriting of health insurance policies;

*Provided* that a TPA can extend this service for life insurance policies also

- (iv) servicing of non-insurance healthcare schemes;
  - (v) While performing the services as indicated above, a TPA shall not procure or solicit insurance business directly or indirectly; or
  - (vi) any other services as may be specified by the Authority.
- (2) A TPA can provide health services to more than one insurer and an insurer may engage more than one TPA for providing health services to its policyholders or claimants.
  - (3) A TPA may enter into an agreement for providing the defined health services with an insurer and hospitals, in respect of health insurance policies covering hospitalization benefits.
  - (4) The insurers and the TPAs shall ensure that discounts received or agreed to be received from the hospitals towards health services are passed on to the policyholder or claimant.

### **SCHEDULE -III (Refer Regulation 18)**

#### **CODE OF CONDUCT**

##### **PART-A: INSURANCE BROKER**

- (1) Every insurance broker shall follow recognised standards of professional conduct and discharge its functions in the interest of the clients or policyholders.
- (2) Conduct in matters relating to clients relationship— Every insurance broker shall:
  - (i) conduct its dealings with clients with utmost good faith and integrity at all times;
  - (ii) act with care and diligence;
  - (iii) ensure that the client understands their relationship with the insurance broker and on whose behalf the insurance broker is acting;
  - (iv) treat all information supplied by the prospective clients as completely confidential to themselves and to the insurer(s) to which the business is being offered;
  - (v) take appropriate steps to maintain the security of confidential documents in their possession;
  - (vi) hold specific authority of client to develop terms;

- (vii) understand the type of client it is dealing with and the extent of the client's awareness of risk and insurance;
  - (viii) obtain written mandate from client to represent the client to the insurer and communicate the grant of a cover to the client after effecting insurance. Unless it is specifically mentioned otherwise, the written mandate obtained from the client shall be valid for a period of one year if the mandate has no validity period mentioned. However, in the case of pre-underwritten policies or retail/individual policies there is no requirement of obtaining mandate from the client;
  - (ix) obtain written mandate from client to represent the client to the insurer/reinsurer; and confirm cover to the insurer after effecting re-insurance, and submit relevant reinsurance acceptance and placement slips;
  - (x) avoid conflict of interest;
  - (xi) Obtain necessary documents required under KYC norms and share with insurance company;
  - (xii) Assist the client in opening e-insurance account.
- (3) Conduct in matters relating to Sales practices— Every insurance broker shall:
- (i) confirm that he does not employ agents or canvassers to bring in business;
  - (ii) identify itself and explain as soon as possible the degree of choice in the products that are on offer;
  - (iii) ensure that the client understands the type of service it can offer;
  - (iv) ensure that the policy proposed is suitable to the needs of the prospective client;
  - (v) give advice only on those matters in which it is knowledgeable and seek or recommend other specialist for advice when necessary;
  - (vi) not make inaccurate or unfair criticisms of any insurer;
  - (vii) explain why a policy or policies are proposed and provide comparisons in terms of price, cover or service where there is a choice of products;
  - (viii) state the period of cover for which the quotation remains valid if the proposed cover is not effected immediately;
  - (ix) explain when and how the premium is payable and how such premium is to be collected, where another party is financing all or part of the premium, full details shall be given to the client including any obligations that the client may owe to that party;

- (x) explain the procedures to be followed in the event of a loss;
  - (xi) not indulge in any sort of money laundering activities;
  - (xii) ensure that the insurance broker does not indulge in sourcing of business by themselves or through call centers by way of misleading calls or spurious calls.
- (4) Conduct in relation to furnishing of information — Every insurance broker shall:
- (i) ensure that the consequences of non-disclosure and inaccuracies are pointed out to the prospective client;
  - (ii) avoid influencing the prospective client and make it clear that all the answers or statements given by the client are clients own responsibility;
  - (iii) ensure that the information provided by the client on the basis of which the risk is accepted by the insurer is made part of the proposal form and shared with the client and the insurer. Any wrongful submission of information may be dealt as per the terms and conditions of the insurance contract;
  - (iv) ask the client to carefully check details of information given in the documents and request the client to make true, fair and complete disclosure where it believes that the client has not done so and in case further disclosure is not forthcoming it should consider declining to act further;
  - (v) explain to the client the importance of disclosing all subsequent changes that might affect the insurance throughout the duration of the policy;
  - (vi) disclose on behalf of its client all material facts within its knowledge and give a fair presentation of the risk.
- (5) Conduct in relation to explanation of insurance contract — Every insurance broker shall:
- (i) provide the list of insurer(s) participating under the insurance contract and advise any subsequent changes thereafter;
  - (ii) explain all the essential provisions of the cover afforded by the policy recommended by him so that, as far as possible, the prospective client understands what is being purchased;
  - (iii) quote terms exactly as provided by insurer;
  - (iv) draw attention to any warranty imposed under the policy, major or unusual restrictions, exclusions under the policy and explain how the contract may be cancelled;

- (v) provide the client with prompt written confirmation that insurance has been effected.
  - (vi) If the final policy wording is not included with this confirmation, the same shall be forwarded as soon as possible;
  - (vii) notify changes to the terms and conditions of any insurance contract and give reasonable notice before any changes take effect;
  - (viii) advise its clients of any insurance proposed on their behalf and, if appropriate, of the possible risks involved;
  - (ix) not to favour any particular insurer while arranging insurance contracts to the clients.
- (6) Conduct in relation to renewal of policies — Every insurance broker shall:
- (i) ensure that its client is aware of the expiry date of the insurance even if it chooses not to offer further cover to the client;
  - (ii) ensure that renewal notices contain a warning about the duty of disclosure including the necessity to advise changes affecting the policy, which have occurred since the policy inception or the last renewal date;
  - (iii) ensure that renewal notices contain a requirement for keeping a record (including copies of letters) of all information supplied to the insurer for the purpose of renewal of the contract;
  - (iv) ensure that the client receives the insurer's renewal notice well in time before the expiry date.
- (7) Conduct in relation to claim by client— Every insurance broker shall : -
- (i) explain to its clients their obligation to notify claims promptly and to disclose all material facts and advise subsequent developments as soon as possible;
  - (ii) request the client to make true, fair and complete disclosure where it believes that the client has not done so. If further disclosure is not forthcoming it shall consider declining to act further for the client;
  - (iii) give prompt advice to the client of any requirements concerning the claim;
  - (iv) forward any information received from the client regarding a claim or an incident that may give rise to a claim without delay, and in any event within three working days;
  - (v) advise the client without delay of the insurer's decision or otherwise of a claim; and give all reasonable assistance to the client in pursuing his claim.
- (8) Conduct in relation to receipt of complaints — Every insurance broker shall: —

- (i) ensure that letters of instruction, policies and renewal documents contain details of complaints handling procedures;
  - (ii) accept complaints either by phone or in writing, including through electronic mode;
  - (iii) acknowledge a complaint within fourteen days from its receipt, advise the member of staff who will be dealing with the complaint and the timetable for dealing with it;
  - (iv) ensure that response letters are sent along with information about remedies available, if complainant is not satisfied with the response;
  - (v) ensure that complaints are dealt with at a suitably senior level;
  - (vi) have in place a system for recording and monitoring complaints.
- (9) Conduct in relation to documentation — Every insurance broker shall:—
- (i) ensure that any documents issued by it, comply with all statutory or regulatory requirements from time to time in force;
  - (ii) send policy documentation without avoidable delay;
  - (iii) make available, with policy documentation, advice that the documentation shall be read carefully and retained by the client;
  - (iv) not withhold documentation from its clients without their consent, unless adequate and justifiable reasons are disclosed in writing and without delay to the client. Where documentation is withheld, the client must still receive full details of the insurance contract;
  - (v) acknowledge receipt of all monies received in connection with an insurance policy;
  - (vi) ensure that the reply is sent promptly or use its best endeavours to obtain a prompt reply to all correspondence;
  - (vii) ensure that all written terms and conditions are fair in substance and set out, clearly and in plain language, client's rights and responsibilities;
  - (viii) subject to the payment of any monies owed to it, make available to any new insurance broker instructed by the client all documentation to which the client is entitled and which is necessary for the new insurance broker to act on behalf of the client;
  - (ix) Assist the client in obtaining / receiving electronic insurance policies.
- (10) Conduct in matters relating receipt of remuneration — Every insurance broker shall:—

if requested by a client, disclose the amount of remuneration and reward and the basis of such remuneration and reward it receives as a result of effecting insurance for that client and whether there is any relation between him and the insurer.

- (11) Conduct in relation to matters relating to training — Every insurance broker shall:
- (i) ensure that its staff, particularly broker qualified persons, are aware of and adhere to the standards expected of them by this code;
  - (ii) ensure that staff, particularly broker qualified persons, are competent, suitable and have been given adequate training;
  - (iii) ensure that there is a system in place to monitor the quality of advice given by broker qualified persons engaged by it;
  - (iv) ensure that members of staff, particularly broker qualified persons, are aware of legal requirements affecting their activities; and only handle classes of business in which they are competent;
  - (v) draw the attention of the client to Section 41 of the Insurance Act, which prohibits rebating and sharing of commission or remuneration or reward.
- (12) Information and Education common to direct & reinsurance brokers
- (a) The insurance broker will support industry education initiatives aimed at explaining insurance to consumers and the community.
  - (b) The insurance broker will make readily available to client:
    - (i) Up-to-date information on insurance;
    - (ii) Information to assist insured to determine the level of insurance cover they may require;
    - (iii) Information about insurance products and services, and this Code.
- (13) Every insurance broker shall display in every office where it is carrying on business and to which the public have access a notice to the effect that a copy of the code of conduct is available upon request and that if a member of the public wishes to make a complaint or requires the assistance of the Authority in resolving a dispute, he may write to the Authority.
- (14) An insurance broker as defined in these regulations shall not act as an insurance agent of any insurer under section 42 of the Insurance Act.

(15) Every insurance broker shall abide by the provisions of the Insurance Act, 1938 (4 of 1938), IFSCA Act, 2019, rules and regulations made there under which may be applicable and relevant to the activities carried on by them as insurance brokers.

(16) Additional Code of Conduct for Reinsurance Broker and Composite Broker

(a) The reinsurance broker/composite broker while arranging reinsurance covers to its clients shall enter into a Terms of Business Agreement (TOBA) with the (re)insurer. The TOBA shall include, amongst the other things, the following:

- (i) Nature and Scope;
- (ii) Disclosures and documentation;
- (iii) Premium Payment Terms including expected time of remittance of premiums/claims;
- (iv) Handling of clients money;
- (v) Roles and responsibilities of each parties to the Agreement;
- (vi) Regulatory compliance;
- (vii) Remuneration;
- (viii) Payment of Taxes;
- (ix) Claims;
- (x) Dispute Resolution.

(b) The reinsurance broker/composite broker shall adhere to the following additional code of conduct-

I. General (applicable to all contracts of reinsurance)

- (a) The insurance broker shall not enter the reinsurance markets either to develop terms for reinsurance cover or to place reinsurance on any risk without the specific written authorization of the insurer insuring the risk or insurer/reinsurer who has been asked to quote terms for the risk.
- (b) The broker shall not block reinsurance capacity in anticipation of securing an order to place reinsurance.
- (c) The insurance broker shall provide to the insurer/reinsurer, a true and complete copy of the reinsurance placement slip to be used, before entering the market. The insurance broker shall

incorporate any modifications or corrections proposed by the insurer/reinsurer in the placement slip.

- (d) The insurance broker shall put up to the insurer/reinsurer, all the terms (including the reinsurance commission and brokerage allowed) obtained by it from various reinsurers and indicate the share the lead reinsurer is willing to write at those terms and the expectation of the insurance broker about placement of the required reinsurance at the terms quoted, with acceptable reinsurance security.
- (e) The insurance broker shall furnish to the insurer/reinsurer, a true copy of the placement slip signed by the lead reinsurer quoting terms, indicating thereon, the signed line of the reinsurer.
- (f) Where reinsurance on a risk is proposed to be placed with different reinsurers at different terms, the fact that terms for all reinsurers are not uniform, shall be disclosed to reinsurers suitably.
- (g) Once the insurer/reinsurer has accepted the reinsurance terms quoted, the insurance broker shall place the required reinsurance cover and shall keep the insurer/reinsurer informed about the progress of placement from time to time. Where the reinsurance is over placed, the signing down shall be done in consultation with the insurer/reinsurer in a manner consistent with good market practice.
- (h) The insurance broker shall confirm to the insurer the remittance of premium and receipt of the same by the reinsurer concerned within ten days of such remittance.
- (i) Immediately after completion of placement of reinsurance, the insurance broker may issue an insurance broker's cover note giving the terms of cover and the names of reinsurers and the shares placed with each of them. The cover note may contain a listing of all important clauses and conditions applicable to the reinsurance and where the wordings of clauses are not market standard, the wordings to be used in the reinsurance contract shall be attached to the insurance broker's cover note.
- (j) The insurance broker shall follow up the cover note by a formal signed reinsurance policy document or other acceptable evidence of the reinsurance contract signed by the reinsurers concerned, within one month of receipt of reinsurance premium.
- (k) The insurance broker shall have a security screening procedure in-house or follow credit ratings given by recognized credit



rating agencies and answer without any delay, any questions raised by the insurer about the credit rating of one or more reinsurers. Where the insurer/reinsurer declines to accept a particular reinsurer for whatever reason and asks the insurance broker to replace the security before commencement of risk, the insurance broker shall do so promptly and advise the insurer/reinsurer of the new reinsurer brought on the cover.

## II. Placement of Proportional Treaty or Non-proportional Treaty

- (i) The insurance broker invited to place a proportional treaty shall prepare the treaty offer slip and supporting information with the cooperation of the insurer and secure the insurer's concurrence to the slip and information before entering the market.
- (ii) Where a reinsurance treaty is placed at different terms with different reinsurers, the fact that such is the practice shall be made known to all the reinsurers suitably.
- (iii) Where a reinsurer accepts a share in a treaty subject to any condition, the conditions shall be made known to the ceding insurer and its agreement obtained before binding the placement.
- (iv) The insurance broker shall advise the progress of placement of the treaty from time to time. Immediately after completion of placement, the insurance broker shall issue a cover note setting out the treaty terms and conditions and list of reinsurers with their shares. Where a treaty is over-placed, the insurance broker shall sign down the shares in consultation with the insurer in a manner consistent with good market practice.
- (v) The insurance broker shall secure signature of formal treaty wordings or other formal reinsurance contract documentation within three months of completion of placement.

## III. Placement of Foreign Inward Reinsurance

- (i) The insurance broker shall ensure that Reinsurer(s) in India or in the IFSC shall receive the reinsurance premium from the overseas insurer as per the premium payment condition stipulated in the reinsurance contract.
- (ii) The insurance broker shall not enter the Indian or the IFSC reinsurance markets either to develop terms for reinsurance cover or to place reinsurance on any risk without the specific written authorization of the overseas insurer insuring the risk or insurer who has been asked to quote terms for the risk.
- (iii) The insurance broker shall provide to the Reinsurer in India or in the IFSC, a true and complete copy of the placement slip to be

used, before committing any terms to the overseas insurer. The insurance broker shall incorporate any modifications or corrections proposed by the Reinsurer in the placement slip.

- (iv) The insurance broker shall put up to the overseas insurer, all the terms (including the reinsurance commission and brokerage allowed) obtained by it from various Indian / the IFSC reinsurers and indicate the share the reinsurer(s) is willing to write at those terms and the expectation of the insurance broker about placement of the required reinsurance at the terms quoted, with acceptable reinsurance security.
- (v) The insurance broker shall furnish to the overseas insurer, a true copy of the placement slip signed by the Indian / the IFSC reinsurer quoting terms, indicating thereon, the signed line of the reinsurer.
- (vi) Where reinsurance on a risk is proposed to be placed with different reinsurers at different terms, the fact that terms for all reinsurers are not uniform, shall be disclosed to reinsurers suitably.
- (vii) The insurance broker shall provide complete information as desired by the Indian / the IFSC reinsurer(s) to process the claim arising out of any Inwards business.

#### IV. Reinsurance business placed with overseas reinsurers

- (i) The Reinsurance broker shall ensure the compliance of any taxation, foreign exchange, Anti Money laundering or any other applicable statutory laws at the time of placing the reinsurance business.
- (ii) Reinsurance broker shall ensure that, while placing reinsurance business of a foreign insurer with any other foreign insurer/reinsurer, they comply with the applicable Laws of those jurisdictions.

#### V. Responding to Catastrophes and Disasters

The insurance broker shall respond to catastrophes and disasters, such as floods, earthquakes, cyclones, severe storms and hail which result in a large number of claims, in a timely, professional and practical way and in a compassionate manner.

#### VI. Conduct in relation to explanation of Reinsurance contract — Every Reinsurance or Composite broker shall:

- (i) provide the list of Reinsurer(s) participating under the Reinsurance contract and advise any subsequent changes thereafter;
- (ii) explain all the essential provisions of the cover afforded by the policy recommended by him so that, as far as possible, the prospective insurer understands what is being purchased;
- (iii) quote terms exactly as provided by Reinsurer;
- (iv) draw attention to any warranty imposed under the policy, major or unusual restrictions, exclusions under the policy and explain how the contract may be cancelled;
- (v) provide the insurer/reinsurer with prompt written confirmation that Reinsurance has been effected. If the final policy wording is not included with this confirmation, the same shall be forwarded as soon as possible;
- (vi) notify changes to the terms and conditions of any Reinsurance contract and give reasonable notice before any changes take effect.

**PART-B: THIRD PARTY ADMINISTRATORS (TPAs)**

- (1) A TPA registered under these regulations shall act in the best professional manner. The Chief Executive Officer or the Chief Administrative Officer or Branch Head of a TPA shall be responsible for the proper day to day administration of a TPA as well as regulatory compliances.
- (2) In particular and without prejudice to the generality of the provisions contained in these regulations, it shall be the duty of every TPA, its Chief Administrative Officer or Chief Executive Officer or Branch Head and Chief Medical Officer and its employees or representatives to-
  - (a) establish their identity to the insured, claimant, policyholder and that of the insurer with which it has entered into an agreement, other entities and the public;
  - (b) disclose its certificate of registration on demand to the insured, policyholder, claimant, prospect, public or to any other entity relating to the services under a policy issued by an insurer;
  - (c) disclose on demand to the insured, policyholder, claimant, prospect, public or to any other entity the details of the services it is authorized to render in respect of health insurance products under an agreement with an insurer;
  - (d) bring to the notice of the insurer with whom it has an agreement any adverse report or inconsistencies or any material fact that is relevant for the insurer concerned;

- (e) obtain all the requisite documents pertaining to the examination of an insurance claim arising out of an insurance contract;
- (f) render such assistance as mentioned under the agreement and advice to policyholders or claimants or beneficiaries to comply with the requirements for settlement of claims with the insurer;
- (g) conduct itself or himself in a courteous and professional manner;
- (h) refrain from acting in a manner which may influence, either directly or indirectly, the insured or policyholder of a particular insurer to migrate from one insurer to another;
- (i) refrain from dissuading or discouraging policyholder from approaching specific hospital of his / her choice or persuade or encourage the policy holder to approach any specific Hospitals which are in their Network, other than offering advice and guidance when specifically sought for;
- (j) have effective grievance management systems in place and ensure timely resolution of grievances;
- (k) ensure to resolve the grievances or disputes with hospitals or network providers expeditiously and ensure that the policyholder is not adversely affected due to such disputes;
- (l) refrain from trading on information and records of its business;
- (m) maintain the confidentiality of the data collected by it and not share the same;
- (n) refrain from issuing advertisements of its business or the services carried out by it on behalf of a particular insurer, without prior written approval of the insurer:

*Provided* that a TPA can issue advertisement about the activities or the services carried out by it, for publicity or promoting public awareness.

*Provided further* that, as part of its Corporate Social Responsibility, a TPA may promote the need for and benefits of health insurance in general without specifically referring to any insurer, insurance policy, network provider or hospital.

- (o) refrain from inducing an insured, policyholder, network provider to omit any material information or submit wrong information;
- (p) refrain from demanding or receiving a share of the proceeds or a part of the claim amount from the policy holder, claimant, network provider;

- (q) comply with the regulations, circulars, guidelines and directions that may be issued by the Authority from time to time;
- (r) refrain from lending or granting any loan to any other company, entity or individual not connected with its TPA business. However, this does not prevent a TPA from granting any loans or temporary advances either on hypothecation of property or on personal security or otherwise, as part of the benefits to the fulltime employees of the TPA as per the scheme duly approved by its Board of Directors;
- (s) refrain from submission of any wrong, incorrect, misleading data or information or undertaking to the Authority or to the insurer or to any other stake holder of the TPA business;
- (t) refrain from accepting any kind of incentives other than the fees agreed towards service fees or any inducement for maintaining low claims ratio;
- (u) refrain from outsourcing the job of servicing of those insurance policies for which he is appointed as TPA to any other registered entity including TPA or unregistered entity;
- (v) refrain from publishing on its website any incorrect or misleading information or display any content or matter which is not in line with these regulations;
- (w) ensure that no claim is concurred or disputed by a medical practitioner unless he is from the same stream of medicine relating to which the treatment was provided and claim is preferred;
- (x) disclose on demand, the fee received for servicing of Health Insurance policy to the policy holder, insured or claimant;
- (y) follow claim guidelines as issued by insurers from time to time;
- (z) ensure that at no point of time contact numbers of a TPA like phone number, toll free number as published or provided to policy holders shall be out of service or closed. Further, any change in details referred herein shall be notified suitably to all the policyholders within seven days of such change;
- (aa) disclose the list of network hospitals with whom it has valid agreement to policy holders, prospects and general public. Further, any change in details referred herein shall be notified suitably to all the policyholders within seven days of such change.
- (bb) have systems in place for assisting the policyholder or claimant during hospitalization with respect to concerned health insurance policy terms and conditions and services for cashless facility;
- (cc) abide by the timelines for rendering health services and shall make public disclosures on their websites or disseminate information through call centers;

- (dd) clearly explain cashless service procedures at hospitals and also on their website and through call centers;
  - (ee) communicate promptly to the claimant under intimation to the insurer concerned about any delay which is unavoidable or owing to the customer or hospital;
  - (ff) have systems in place to identify, monitor, control and deal with fraud including hospital abuse, by various agencies including healthcare providers;
  - (gg) put in place systems and internal processes for detection of fraud and its mitigation, delineate and disseminate information on fraudulent cases to the concerned insurer within three days of detection;
  - (hh) refrain from sharing of information or data relating to the group insurance policies of one insurer with any other insurer or any other third party. For the purpose of underwriting, a TPA, with the explicit written approval of the concerned insurer and the Group Insurance Policyholder, may share information or data to any other insurer;
  - (ii) refrain from canvassing business of rendering health services directly from policyholders or prospects.
- (3) The director(s), promoter(s), shareholder(s), CAO, CEO, Branch head, CMO and Key managerial person(s) of a TPA shall not engage directly or indirectly in any other insurance or insurance related activities that may lead to conflict of interest.

#### **PART-C: SURVEYOR AND LOSS ASSESSOR**

- (1) Every Surveyor and Loss Assessor shall-
- (a) behave ethically and with integrity in the professional pursuits. Integrity implies not merely honesty but fair dealings and truthfulness;
  - (b) strive for objectivity in professional and business judgment;
  - (c) act impartially, when acting on instructions from an insurer in relation to a policy holder's claim under a policy issued by that insurer;
  - (d) conduct himself with courtesy and consideration to all people with whom he comes into contact during the course of his work;
  - (e) not accept or perform survey works in areas for which he does not hold a license;
  - (f) not accept or perform work which he is not competent to undertake, unless he obtains some advice and assistance, as will enable him to carry out the work competently;

- (g) carry out his professional work with due diligence, care, skill and with proper regard to technical and professional standards expected of him;
- (h) keep himself updated with all developments relevant to his professional practice;
- (i) at all times maintain proper record for the work done by him and comply with all relevant laws;
- (j) assist and encourage his colleagues to obtain professional qualifications, and, in this behalf, provide free article ship and/or practical training for a period of twelve months;
- (k) work only as Surveyor and Loss Assessor in insurance business and not undertake any business advisory or consultancy service or work which could give rise to conflict of interest;
- (l) not perform any outsourced activity other than those permitted by the Authority;
- (m) acknowledge receipt of all monies received in connection with fee or remuneration received for carrying out survey work;
- (n) disclose to all parties concerned his appointment, where the acceptance or continuance of such an engagement may materially prejudice, or could be seen to materially affect the interests of any interested party. As soon as a conflict of interest is foreseen, every Surveyor and Loss Assessor shall notify all interested parties immediately and seek instructions for his continuance;
- (o) not disclose any information, pertaining to a client or employer or policy holder acquired in the course of his professional work, to any third party, except, where consent has been obtained from the interested party, or where there is a legal right or duty enjoined upon him to disclose;
- (p) neither use nor appear to use, any confidential information acquired or received by him in the course of his professional work, to his personal advantage or for the advantage of a third party;
- (q) shall undertake survey jobs in a company /firm only as an employee/ director/ partner;
- (r) Every Surveyor and Loss Assessor who is an employee of an insurer shall only survey and assess the loss and not involve himself/ herself in settlement of claim;
- (s) Comply with all the provisions of the Insurance Act, the IFSCA Act, the Rules and Regulations made there under and other orders, directions and guidelines issued by the Authority from time to time.

#### **PART-D: CORPORATE AGENT**

1. **General Code of Conduct:**

Every corporate agent shall follow recognized standards of professional conduct and discharge their duties in the interest of the policyholders. While doing so –

- (a) conduct its dealing with clients with utmost good faith and integrity at all times;
- (b) act with care and diligence;
- (c) ensure that the client understands his relationship with the corporate agent and on whose behalf the corporate agent is acting;
- (d) treat all information supplied by the prospective clients as completely confidential to themselves and to the insure(s) to which the business is being offered;
- (e) take appropriate steps to maintain the security of confidential documents in their possession;
- (f) No director of a company or a firm or the chief executive or a principal officer or a specified person shall hold similar position with another corporate agent.

2. **Every Corporate Agent shall**

- (a) be responsible for all acts of omission and commission of its principal officer and every specified person;
- (b) ensure that the principal officer and all specified person are properly trained, skilled and knowledgeable in the insurance products they market;
- (c) ensure that the principal officer 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 cooperation 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 agreements with the insurers in which the duties and responsibilities of both are defined.



### 3. **Pre-sale Code of Conduct**

Every corporate agent or Principal officer or a specified person shall also follow the code of conduct specified below:

- (1) Every corporate agent/ principal officer/specified person shall,-
  - (i) identify himself and disclose his registration/certificate to the prospect on demand;
  - (ii) disseminate the requisite information-on in respect of insurance products offered for sale by the insurers with whom they have arrangement and into account the needs of the prospect while recommending a specific insurance Plan;
  - (iii) disclose the scale of commission in respect of the insurance product offered for sale, if asked by the prospect;
  - (iv) indicate the premium to be charged by the insurer for the insurance product offered for sale;
  - (v) 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 insurance contract;
  - (vi) bring to the notice of the insure any adverse habits or income inconsistency of the prospect, in-the form of a 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 tic proposal' by making all reasonable enquiries about the prospect;
  - (vii) inform promptly the prospect about the acceptance or rejection of the proposal by the insurer;
  - (viii) obtain the requisite documents at the time of filling the proposal form with the insure; and other documents subsequently asked for by the insurer for completion of the proposal by the insurer; and other documents subsequently asked for by the insurer for the insure for completion of the proposal.
- (2) **No corporate agent/ principal officer / specified person shall-**
  - (a) solicit or procure insurance business without holding a valid certificate of registration;
  - (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 condition other than those offered by the insurer;
- (g) 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;
- (h) No corporate agent shall have a portfolio of insurance business from one person or one organization or one group of organization under which the premium is in excess of fifty percent of total premium procured in any year;
- (i) become or remain a director of any insurance company, except with the prior approval of the Authority;
- (j) indulge in any sort of money laundering activities;
- (k) indulge in sourcing of business by themselves or through call centres by way of misleading calls or spurious calls;
- (l) undertake multi-level marketing for soliciting and procuring of insurance products;
- (m) engage untrained and unauthorised persons to bring in business;
- (n) provide insurance consultancy or claims consultancy or any other insurance related services except soliciting and servicing of insurance products as per the certificate of registration;
- (o) Engage, encourage, enter into a contract with or have any sort of arrangement with any person other than a specified person, to refer, solicit, generate lead, advise, introduce, find or provide contact details of prospective policyholders in furtherance of the distribution of the insurance product;
- (p) Pay or allow the payment of any fee, commission, incentive by any other name whatsoever for the purpose of sales, introduction, lead generation, referring or finding to any person or entity.

#### 4. **Post-Sale Code of Conduct**

- (1) Every Corporate Agent shall-

- (a) 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, whenever necessary;
- (b) 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;
- (c) ensure that its client is aware of the expiry date of the insurance even if it chooses not to offer further cover to the client;
- (d) ensure that renewal notices contain a warning about the duty of disclosure including the necessity to advise changes affecting the policy, which have occurred since the policy inception or the last renewal date;
- (e) ensure that renewal notices contain a requirement for keeping a record (including copies of letters) of all information supplied to the insurer for the purpose of renewal of the contract;
- (f) ensure that the client receives the insurer's renewal invitation well in time before the expiry date;
- (g) render necessary assistance to the policyholders or claimants or beneficiaries in complying with the requirements for settlement of claims by the insurer;
- (h) explain to its clients their obligation to notify claims promptly and to disclose all material facts and advice subsequent developments as soon as possible;
- (i) advise the client to make true, fair and complete disclosure where it believes that the client has not done so. If further disclosure is not forthcoming it shall consider declining to act further for the client;
- (j) give prompt advice to the client of any requirements concerning the claim;
- (k) forward any information received from the client regarding a claim or an incident that may give rise to a claim without delay, and in any event within three working days;
- (l) advise the client without delay about the insurer's decision on a claim and give all reasonable assistance to the client in pursuing his claim;
- (m) shall not demand or receive a share of proceeds from the beneficiary under an insurance contract;
- (n) ensure that letters of instructor, policies and renewal documents contain details of complaints handling procedures;

- (o) accept complaints either by phone or in writing;
- (p) acknowledge a complaint within fourteen days from the receipt of correspondence, advise the member of staff who will be dealing with the complaint and the timetable for dealing with it;
- (q) ensure that response letters are sent and inform the complainant of what he may do if he is unhappy with the response;
- (r) ensure that complaints are dealt with at a suitably senior level;
- (s) have in place a system for recording and monitoring complaints.

**SCHEDULE -IV**  
**(Refer Regulation 5(3)(iii))**

**QUALIFICATION, TRAINING AND EXAMINATION REQUIREMENTS**

**PART-A: INSURANCE BROKER**

**Part I : Requirements for Principal Officer and Broker Qualified Persons**

**Section 1: Minimum Educational Qualifications –**

- (1) Bachelors degree in Arts, Science, or Social Sciences or Commerce or engineering or law or its equivalent from any institution/ university recognized by any State Government or the Central Government;
- (2) Masters in Business Administration or its equivalent from any institution/ university recognized by any State Government or the Central Government;
- (3) Associate/ Fellow of the Insurance Institute of India, Mumbai;
- (4) Associate/Fellow of the Institute of Risk Management, Mumbai;
- (5) Any post graduate qualification of the Institute of Insurance and Risk Management, Hyderabad;
- (6) Associate/ Fellow of the Institute of Chartered Accountants of India, New Delhi;
- (7) Associate/ Fellow of the Institute of Cost and Works Accountants of India, Kolkata;
- (8) Associate/ Fellow of the Institute of Company Secretaries of India, New Delhi;

- (9) Associate/ Fellow of the Institute of Actuaries of India;
- (10) Associate/Fellow of Chartered Insurance Institute, London;
- (11) Chartered Financial Analyst of Institute of Chartered Financial Analyst of India;
- (12) Certified Associateship of the Indian Institute of Bankers, Mumbai; or
- (13) any other qualification specified from time to time by the Authority.

*Provided* that equivalent minimum educational qualification from any institution / university outside India may also considered by the Authority.

## **Section 2: Certification through a Professional Training and Examination:**

- (1) The Principal Officer and Broker Qualified Persons of the applicant should have completed the prescribed fifty hours of theoretical and practical training from an institution recognised by the Authority from time to time, and should have passed an examination, at the end of the period of training.
- (2) The theoretical and practical training from an institution recognised by the Authority from time to time as mentioned in (a) above shall be twenty five hours in cases where the principal officer and Broker Qualified Persons of the applicant has fulfilled minimum education qualification as specified under point no (3) to (11) under Section I above.
- (3) The candidate who is covered by (2) above, shall be required to pass the examination within one year from the end of the period of training.

## **Part II : Certificate for Principal Officer and Broker Qualified Person:**

- (1) The Principal Officer and Broker Qualified Person of the applicant shall fulfill the following requirements –
  - (a) The Principal Officer and Broker Qualified Person of the applicant shall have valid certificate issued by any institution recognized by Authority.
  - (b) The certificate shall be valid for a period of three years from the date of issue.
  - (c) The certificate issued to the principal officer and the broker qualified person will carry the name of the broker who has sponsored the individual as well the individual's identity number or any other field that may be mandated by the Authority.
  - (d) In case the principal officer or broker qualified person of an insurance broker wishes to work for any other insurance broker, he shall do so by applying to the body recognized by the Authority through the proposed insurance broker along with a no objection certificate issued by the present insurance broker.

- (e) In case, the present insurance broker does not issue a no objection certificate within 30 days, it shall be deemed that the insurance broker has no objection to his switching over.
- (f) After receipt of request from the insurance broker, a revised certificate changing the name of the insurance broker shall be issued by the institute recognized by the Authority.

## **PART-B: THIRD PARTY ADMINISTRATOR**

### **Qualification Criteria to be complied by TPA**

- (1) Every TPA shall appoint, with due intimation to the Authority, from amongst its directors or senior employees, either a Chief Executive Officer (CEO), or a Chief Administrative Officer (CAO) or Branch Head who shall possess the educational qualifications mentioned in point 4 of Part-B of this schedule and shall also undergo training as stipulated by the Authority from time to time, with any institution recognized by it. Such a Chief Executive Officer or Chief Administrative Officer shall be responsible for the day-to-day administration of the affairs of the TPA and for ensuring compliance of regulatory requirements.
- (2) Every TPA shall have a Chief Medical Officer (CMO) who shall be a person having a minimum qualification of MBBS, holding a valid registration from the Medical Council of India or Medical Council of any state of India being thereby entitled to practice medicine within its jurisdiction or its equivalent from any institution/ university in any other jurisdiction; and is acting within the scope and jurisdiction of such registration. Such a Chief Medical Officer shall be a full time employee of the TPA.
- (3) The appointment of any of the officials referred in clause (1) and (2) above and the appointment of any of the Directors to the Board of TPA shall be intimated to the Authority within thirty days of the date of appointment;

*Provided* that the Authority, for the reasons recorded in writing, may direct the TPA to terminate the services of CEO, CAO, Branch Head, CMO or any of the Directors of the TPA within such time as may be mentioned therein and the TPA shall terminate the services of such persons within such time

*Provided further* that before issuing such direction, the Authority shall give the TPA an opportunity of being heard.

*Provided further* that the Chief Executive Officer or Chief Administrative Officer or Branch Head and Chief Medical Officer shall not suffer from disqualifications mentioned under Section 42D of the Insurance Act.

- (4) A CEO or CAO or Branch Head shall possess the following qualifications—
  - (i) a bachelor's degree from a recognised University its equivalent from any institution/ university;

- (ii) a pass in the Associateship examination conducted by the Insurance Institute of India or its equivalent from any institution/ university; and
- (iii) completion of training with an institution recognised by the Authority for these purposes, as may be specified by the Authority.

## **PART-C: CORPORATE AGENT**

### **Qualification Criteria to be complied by Corporate Agent**

- (1) Whether the principal officer or branch head of the applicant is a graduate and has received at least fifty hours of theoretical and practical training from an institution recognized by the Authority, and has passed an examination, at the end of the period of training mentioned above, conducted by such institution.

*Provided* that where the principal officer or branch head of the applicant is an Associate/ Fellow of the Insurance Institute Of India, Mumbai, or Associate /Fellow of the CII, London; or Associate/Fellow of the Institute Of Actuaries Of India, or holds any post graduate qualification of the Institute of Insurance and Risk Management, Hyderabad, the theoretical and practical training shall be twenty five hours.

- (2) The specified persons of the Applicant shall fulfil the following requirements –
  - (a) Having passed minimum of 12<sup>th</sup> Class or its equivalent from any institution/ university.
    - (i) The Specified person shall have undergone at least fifty hours of training, for the Specified Category of life, general, health for which registration is sought for, from an institution recognized by the Authority and shall have passed the examination conducted by such institution.
    - (ii) The specified person of corporate agent (composite) shall have undergone at least seventy-five hours of training from an institution recognized by the Authority and shall have pass the examination conducted by such institution.

## **PART-D: SURVEYOR AND LOSS ASSESSOR**

### **Qualification Criteria for Enrolment and Licensing of Surveyors and Loss Assessors**

- (1) Every person who is a Student Member of the IISLA or its equivalent from any other institute/ university may act as a Surveyor and Loss Assessor in respect of general insurance business
- (2) Eligibility Criteria
  - (a) Qualifications:

- (i) academic / technical/ professional/Insurance qualifications given in table below.
- (ii) Other qualifications as may be specified by the Authority from time to time.
- (iii) Shall be a “Member” of the IISLA

*Provided* that equivalent minimum educational qualification or membership from any institution / university outside India may also considered by the Authority.

(b) Training :

- (i) Practical training for a period of not less than twelve months from a licensed surveyor and loss assessor;
- (ii) Such other training which the Authority may specify from time to time.

*Explanation:* Any person who has undergone the requisite training for obtaining a license to act as a Surveyor and Loss Assessor, as stated above may have to undergo such other training as may be specified by the Authority.

(c) Examination:

Passing of relevant paper(s) of Surveyor and Loss Assessor Examination conducted by any Institute recognized by the Authority.

*Explanation:* Any person who has, as on the date of notification of these Regulations, successfully completed the examination for obtaining a license to act as Surveyor and Loss Assessor, is exempt from taking examination once again stated above.

S.NO	Department	Academic/technical/Professional/Insurance Qualifications
1	Fire	B.E./ B. Tech./ B.Sc. (Engg.)/ A.I.M.I.E. or its equivalent, C.A./ I.C.W.A., A.I.I.I./ F.I.I.I./Post Graduate Diploma in Insurance from IIRM.
2	Marine Cargo	B.E./ B.Tech./ B.Sc. (Engg.)/ A.I.M.I.E. or its equivalent thereof (Marine Engineering/ Naval Architecture),/ certificate of competency as Master of Ship or as First Class Marine Engineer issued by a recognized authority, Degree or diploma in Naval Architecture of a recognized University or Institute./ A.I.I.I./ F.I.I.I./ Post Graduate Diploma in Insurance from IIRM.
3	Marine Hull	B.E./ B.Tech./ B.Sc. (Engg.)/ A.I.M.I.E. or its equivalent thereof (Marine Engineering/ Naval Architecture)/ certificate of competency as Master of Ship or as First Class Marine Engineer issued by a recognized authority.



4	Engg	B.E./ B.Tech./ B.Sc. (Engg.)/ A.I.M.I.E. or its equivalent , Diploma of 3 years duration from a recognised institution.
5	Motor	B.E./ B.Tech./ B.Sc. (Engg.)/ A.I.M.I.E. or its equivalent thereof (Mechanical/ Automobile); Diploma in Mechanical Engineering/ Automobile Engineering of 3 years duration from a recognised institution.
6	Misc	B.E./ B.Tech./ B.Sc. (Engg.)/ A.I.M.I.E. or its equivalent; Diploma of 3 years duration from a recognised institution or its equivalent; C.A./ I.C.W.A.; A.I.I.I./ F.I.I.I./ Post Graduate Diploma in Insurance from IIRM.
7	LOP	C.A./ I.C.W.A; A.I.I.I./ F.I.I.I.
8	Crop Insurance	B. Sc. in Agricultural Science from a recognised University.

**SCHEDULE -V**  
**(Refer Regulation 14 )**

**PROFESSIONAL INDEMNITY INSURANCE REQUIREMENTS**

**PART-A: INSURANCE BROKER**

**Maintenance of Professional Indemnity Insurance**

- (1) The insurance cover must indemnify an insurance broker against –
- (i) any error or omission or negligence on their part or on the part of their employees and directors;
  - (ii) any loss of money or other property for which the insurance broker is legally liable in consequence of any - fraudulent act or omission;
  - (iii) any loss of documents and costs and expenses incurred in replacing or restoring such documents;
  - (iv) dishonest or fraudulent acts or omissions by insurance brokers' employees or former employees.
- (2) The indemnity cover —
- (i) shall be on a yearly basis for the entire period of registration;
  - (ii) shall not contain any terms to the effect that payments of claims depend upon the insurance broker having first met the liability;
  - (iii) shall indemnify in respect of all claims made during the period of the insurance regardless of the time at which the event giving rise to the claim may have occurred.

*Provided* that an indemnity insurance cover not fully conforming to the above requirements may be permitted by the Authority in special cases for reasons to be recorded by it in writing.

- (3) Limit of indemnity for any one claim and in the aggregate for the year in the case of insurance brokers shall be as follows-

<b>Category of insurance broker</b>	<b>Limit of indemnity</b>
a) Direct broker	Two times of remuneration received at the end of every financial year subject to a minimum limit of USD 150,000 and atleast USD 700,000 , if twice the remuneration limit is equal to or more than USD 700,000.
(b) Reinsurance broker	Two times of remuneration received at the end of every financial year subject to a minimum limit of USD 550,000 and atleast USD 10 million, if twice the remuneration limit is equal to or more than USD 10 million
(c) Composite broker	Two times of remuneration received at the end of every financial year subject to a minimum limit of USD 700,000 and atleast USD 13.5 million, if twice the remuneration limit is equal to or more than USD 13.5 million

- (4) The un-insured excess in respect of each claim shall not exceed five percent of the capital employed by the insurance broker in the business.
- (5) The AOA: AOY limit shall be 1:1
- (6) The retroactive date shall begin from the date of grant of license / certificate of registration.
- (7) The insurance policy shall be obtained from any registered insurer who has agreed to-
- (i) provide the insurance broker with an annual certificate containing the name and address, including the registration number of the insurance broker, the policy number, the limit of indemnity, the excess and the name of the insurer as evidence that the cover meets the requirements of the Authority;
  - (ii) send a duplicate certificate to the Authority as and when called for; and
  - (iii) inform the broker immediately of any case of voidance, non-renewal or cancellation of cover mid-term.
- (8) Every insurance broker shall—
- (i) inform immediately the Authority should any cover be cancelled or voided or if any policy is not renewed;
  - (ii) inform immediately the insurer in writing of any claim made by or against it;

- (iii) advise immediately the insurer of all circumstances or occurrences that may give rise to a claim under the policy ; and
- (iv) advise the Authority as soon as an insurer has notified that it intends to decline indemnity in respect of a claim under the policy.

## **PART-B: CORPORATE AGENT**

### **Maintenance of Professional Indemnity Insurance**

- (1) Every corporate agent, where the revenues from its insurance intermediation activities is more than fifty per cent of its 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.

*Provided* that the Authority shall in suitable cases allow a newly registered corporate agent to produce such a policy within twelve months from the date of issue of original registration.

- (2) The limit of indemnity shall be two times the total annual remuneration of the corporate agent derived from its insurance intermediation activities in a year subject to a minimum of USD 25,000 and a maximum of USD 13.5 million.
- (3) The insurance cover must indemnify a corporate agent against –
  - (a) an error or omission or negligence on its part or on the part of its employees and directors;
  - (b) any loss of money or other property for which the corporate agent is legally liable in consequence of any fraudulent act or omission;
  - (c) any loss of documents and costs and expenses incurred in replacing or restoring such documents;
  - (d) dishonest or fraudulent acts or omissions by corporate agent's employees or former employees.
- (4) The indemnity cover:
  - (a) shall be on a yearly basis for the entire period of registration;
  - (b) shall not contain any terms to the effect that payment of claims depend upon the corporate agent having first met the liability;
  - (c) shall indemnify in respect of all claims made during the period of the insurance regardless of the time at which the event giving rise to the claim may have occurred.

*Provided* that indemnity insurance cover not fully conforming to the above requirements may be permitted by the Authority in special cases for reasons to be recorded by it in writing.

- (5) The un-insured excess in respect of each claim shall not exceed five *per cent.* of the capital employed by the corporate agent in the business.
- (6) The insurance policy shall be obtained from any registered insurer who has agreed to:
  - (a) provide the corporate agent with an annual certificate containing the name and address' including the registration number of the corporate agent, the policy number, the limit of indemnity, the excess and the name of the insurer as evidence that the cover meets the requirements of the Authority;
  - (b) send a duplicate certificate to the Authority at the time the certificate is issued to the corporate agent;
  - (c) inform the corporate agent immediately of any case of avoidance, non-renewal or cancellation of cover mid-term.
- (7) Every corporate agent firm shall-
  - (a) inform immediately the Authority should any cover be cancelled or voided or if any policy is not renewed;
  - (b) inform immediately the insurer in writing of any claim made by or against it;
  - (c) inform immediately the insurer of all circumstances or occurrences that may give rise to a claim under the policy; and
  - (d) inform the Authority as soon as an insurer has notified that it intends to decline indemnity in respect of a claim under the policy.

**SCHEDULE -VI**  
**(Refer Regulation 7(2) and 9(6))**

**CERTIFICATE OF REGISTRATION**

**PART A: CERTIFICATE OF REGISTRATION**

**INTERNATIONAL FINANCIAL SERVICE CENTRES AUTHORITY**

**CERTIFICATE OF REGISTRATION**

**Registration number:**

In exercise of the powers conferred by section 12 and 13 of IFSCA Act, 2019 read with sub-section (1) of section 42D of the Insurance Act, 1938 (4 of 1938), the Authority hereby grants a certificate of registration to (entity name) to act as (category of insurance intermediary).

(2) This certificate of registration shall be valid from (dd/mm/yyyy) to (dd/mm/yyyy).

(3) This certificate of registration is subject to the provisions of The International Financial Service Centres Authority Act, 2019, The Insurance Act, 1938, and IFSCA (Insurance Intermediary) Regulations, 2021.

Place: \_\_\_\_\_

Date: \_\_\_\_\_

By Order  
For and on behalf of International Financial  
Service Centres Authority Act

**PART B: CERTIFICATE OF RENEWAL OF REGISTRATION**

**INTERNATIONAL FINANCIAL SERVICE CENTRES AUTHORITY**

**CERTIFICATE OF RENEWAL OF REGISTRATION**

**Registration Number:**

The certificate of registration of           (name of entity)           category           (category of intermediary)           is hereby renewed under regulation 8(6) of the IFSCA (Insurance Intermediary) Regulations, 2021 and the Insurance Act, 1938 (4 of 1938).

(2) Issued on \_\_\_\_ day of \_\_\_\_ of Two thousand\_\_\_\_\_.

(3) The certificate of renewal of registration shall be valid from (dd/mm/yyyy) to (dd/mm/yyyy).

(4) This certificate of renewal of registration is subject to the provisions of The International Financial Service Centres Authority Act, 2019, The Insurance Act, 1938, and IFSCA (Insurance Intermediary) Regulations, 2021.

Place:\_\_\_\_\_

Date: \_\_\_\_\_

By Order  
For and on behalf of International  
Financial Service Centres Authority Act

**SCHEDULE VII**  
**(Refer Regulation 5(1) and 9(1))**

**APPLICATION FORM AND DOCUMENTS REQUIRED**

**International Financial Service Centres Authority**  
**(Insurance Intermediary) Regulation, 2021**

APPLICATION FOR GRANT OF FRESH AND RENEWAL CERTIFICATE OF  
REGISTRATION

NAME OF THE APPLICANT:

CATEGORY APPLIED FOR INSURANCE INTERMEDIARY - \_\_\_\_\_

(Mention category for which application is made)

1. **Direct Broker**
2. **Reinsurance Broker**
3. **Composite Broker**
4. **Third Party administrator**
5. **Surveyor and Loss assessor**
6. **Corporate Agent**

**Instructions for filling up the form:**

1. It is important that before this application form is filled in, the regulations made by the Authority are studied carefully.
2. Applicant must submit a duly completed application form together with all appropriate, supporting documents to the Authority.
3. Application for registration will be considered only if it is complete in all respects.
4. Information which needs to be supplied in more details may be given on separate sheets which should be attached to the application form.
5. If the applicant is not a company, the information called for in this Form shall be supplied by adapting the requirements suitably.

---

**1. PARTICULARS OF THE APPLICANT**

1.1 Name of the Applicant : \_\_\_\_\_

1.2 (A) Address - Principal Place of business / Registered Office.

\_\_\_\_\_  
\_\_\_\_\_

Pin/Zip code: \_\_\_\_\_ Telephone No: \_\_\_\_\_

E-mail: \_\_\_\_\_ Fax No: -----

(B) Address for Correspondence:

\_\_\_\_\_  
\_\_\_\_\_

Pin/Zip code: \_\_\_\_\_ Telephone No: \_\_\_\_\_

E-mail: \_\_\_\_\_ Fax No: \_\_\_\_\_

C) Address of Branch Office:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D) Details of the proposed/existing branch office(s) where applicant proposes to distribute insurance (Applicable only for Corporate Agent)

Place	Address	Name of Specified person	Educational qualification of specified person	Exam pass cert. of Specified person

E) Name and particulars of the Principal Officer/CAO/CEO

Name	Address & Contact Details	Qualification	Experience in Insurance Broking services and related areas	Share in applicant firm /company	Directorship in other companies	DIN No. (If applicable)	Aadhaar No/Pass port no

## 2. ORGANISATION - STRUCTURE

2.1 Status of the Applicant:

(e.g. limited company-Private/Public, partnership, others. If listed, names of StockExchanges and latest share price to be given)

2.2. Date and Place of Incorporation:

Day                      Month                      Year                      Place

2.3 Scope of business as described in the Memorandum of Association

(To be given in brief along with copy of Memorandum and Articles of Association or Partnership Deed).

2.4 Details of Promoters/Investors/Member

Shareholding as on:

Name of Promoter/Investor/ Member	Address and contact details	Aadhaar No.or Passport no (Individual)/	No. of Shares held/ Amount of contribution	% age of total paid-up capital/ total contribution
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		National identification no/ PAN No (entities)		

2.5 Particulars of all Directors/Partners/Proprietor:-

Name	Qualification	Experience in insurance services and related areas	Share in applicant firm/company	Directorship in other companies	DIN no	Aadhaar No.or Passport no (Individual)/National Id No./ PAN No (entities)

2.6 Whether any of the associate company of applicant is interested in the applicant's business? If yes, give following details of associate companies

Name of Company/ Firm	Address	Type of activity handled	Nature of Interest of Promoter/ Director	Nature and interest of applicant company

2.7 Name and Address of the Principal bankers of the applicant

2.8 Name and address of the statutory auditors:

**3. BUSINESS INFORMATION**

- 3.1 Three years business plan document with projected volume of activities and income for which registration sought is to be specifically given.
- 3.2 Organization Chart separately showing functional responsibilities to be enclosed.
- 3.3 Particulars of Key Management Personnel (Not applicable for Corporate Agent)

Name	Address & contact details	Qualification	Experience in Insurance and related areas	Share in Applicant firm/company	Directorship in other companies	Key Management position	Aadhaar No or passport no (Ind)

- 3.4 Details of infrastructure like office space, equipment and manpower available with the applicant

- 3.5 Details of IT infrastructure like hardware, software, networking, disaster recovery, businesscontinuity plans, cyber-security, data privacy, virus and hacking protection, security certification, etc available with the applicant
- 3.6 Details of experience in insurance and other related services: (History, major events and present activities (Experience outside India may also be indicated):
- 3.7 Any other information considered relevant to the nature of services to be rendered by the applicant.

**4. FINANCIAL INFORMATION**

4.1 Capital Structure (in USD in million)

Capital Structure	Year prior to the preceding year of current year	Preceding year	Current year
a) Authorized Capital b) Issued capital c) Paid-up capital d) Free reserves (excluding re- valuation reserves) e) Total (c) + (d)  Note: - 1. In case of LLPs, please indicate capital minus drawings and/or loans to partners.  2. In case of LLPs, please indicate the financial position, means and net worth of the partners.			

4.2 Net-worth of the applicant (Duly certified by a practicing-chartered accountant or its equivalent)

4.3 Deployment of Resources (Not applicable for Corporate Agent) (in USD in million)

Particulars	FY prior to the preceding year of current year	FY of Preceding year	FY of Current year
a) Fixed Assets b) Plant & Machinery c) Office Equipment d) Quoted Investments e) Unquoted Investments f) Details of Liquid Assets g) Others			

(Details of Investments, Loans & Advances made to Associate Companies/Firms where Promoters/Directors have an interest is to be separately given).

4.4 Income and Profit before Tax (PBT) (in USD in million)  
(Not applicable for Corporate Agent)

Particulars Income and Profit Before Tax	FY prior to the preceding year of current year	FY of Preceding year	FY of Current year

4.5 Dividend (in USD in million)  
(Not applicable for Corporate Agent)

Particulars	FY prior to the preceding year of current year	FY of Preceding year	FY of Current year
Amount			
Percentage			

Note: Please enclose three years audited annual accounts. Where unaudited reports are submitted, give reasons. If minimum capital requirement has been met after last audited annual accounts, audited statement of accounts for the period ending on a later date should also be submitted.

**5. OTHER INFORMATION, IF ANY**

5.1 Details of all settled and pending disputes against promoter/applicant/  
shareholder:

Nature of dispute	Name of the party	Pending/settled	Date of settlement

5.2 Details, if any, of any economic offences by the applicant or any of the Partners/ Directors, or key managerial Personnel in the last three years.

**6. Documents attached:**

**7. Fee Payment:**

Note: A non-refundable fee as specified by the Authority.

Details of Payment: Transaction number ----- Date: -----

Name of the bank:

**8. Undertaking**

8.1 The applicant in case of each category of business shall maintain an arms length relationship in financial matters between its activities as insurance intermediary.

8.2 No person, directly or indirectly connected to the applicant has been refused for the licence/certificate of registration in the past, if yes, give details;

Name of the persons	relationship with the applicant

*for the purpose of this sub-clause, the expression “directly or indirectly connected” means a relative in the case of any individual, and in the case of a firm or a company or a body corporate- an associate, a subsidiary, an interconnected undertaking or a group company of the applicant.*

### 9. Details of the contact person

Name	Designation	e-mail address	Phone number

### 10. DECLARATION

THIS DECLARATION IS TO BE SIGNED BY TWO OF THE DIRECTORS, TWO OF THE PARTNERS AS THE CASE MAY BE.

- (A) We hereby apply for registration.
- (B) We have gone through the IFSCA (Insurance Intermediary) Regulations, 2021 and are satisfied that:
  - a. We are eligible to apply for the registration as insurance intermediary.
  - b. We state that we have truthfully and fully answered the questions above and provided all the information which might reasonably be considered relevant for the purposes of our registration.
  - c. We declare that the information supplied in the application form is complete and correct.
  - d. We undertake that we shall not allow or offer to allow, either directly or indirectly, as an inducement to any person, any rebate of the whole or part of the remuneration or reward earned by us during the registration period.
  - e. We undertake to service the run-off business on the books at the time of cancellation or non-renewal of registration subject to the applicable norms.

For and on behalf of

\_\_\_\_\_

(Signature & Name)  
{Block Letters}

Director

Name of the Applicant

Place:

Date:

(Signature & Name)  
{Block Letters}

Director

Name of the Applicant

Place:

Date:

---

**Particulars of Principal Officer/Branch Head/Directors/Partners/Promoters/ Key Management Personnel**

(This form shall be filed separately for each KMP)

<b>Personal details of Principal Officer/ Directors/ Partners/ Promoters/ Key Management Personnel</b>			
<b>Full Name</b>			<b>Mention Mr. / Mrs.</b>
Address			
<b>Date of Birth</b>		<b>Phone No</b>	
<b>Nationality</b>		<b>Cell No</b>	
Position in the Organisation		FAX No	
DIN No. (if applicable):		Aadhaar No/passport No (if applicable):	
<b>Current Position held from</b>		<b>Email id</b>	
		Web Address	
<b>Description of Duties / Responsibilities</b>			
Qualifications Experience and Achievements			
Name of the Institute	Country	Qualifications	Year of Study / Graduation
Professional Qualification.			

<b>Present Shareholding/contribution in this Company/firm – Position as on _</b>		
Name of the Company/firm	No of shares held/ contribution made	% of shares held in the company/ contribution made
Equity Interest in other Companies / Shareholding held in other companies		

Name of the Company	No of shares held	% of shares held in the company	
Directorship / Partnership / Proprietor positions held in other companies			
Name of the company	Position held in the Organisation	Period (from____to ____)	

<b>Working Experience</b>				
Name of the employer	Nature of Business	Designation	Description of duties	Period

- 1) I declare that all information given in this application above is true and correct.
- 2) I declare that I have filled in the FIT and Proper statement.

Signature of KMP whose details are given:

Name:

Date:

## **Documentation requirements for obtaining Fresh Insurance intermediary certificate of registration**

### **Submission of Completed Application.**

- a) Submission of relevant information as required in the Application form.
- b) Remittance of requisite fee as per category of insurance intermediary as specified by the Authority.
- c) Submission of printed copy of applicant's Memorandum and Articles of Association/Partnership deed or its equivalent
- d) Submission of printed copy of certificate of incorporation issued by Registrar of companies, if applicable.
- e) Undertaking for ensuring compliance of the training requirements as specified in these regulations within three months from the date of grant of Certificate of registration.
- f) Particulars of Principal Officer/Branch head/Directors/Partners/Specified person/Broker Qualified person/KMP as mentioned in this schedule along with the FIT and Proper criteria format as specified by Authority.
- g) Board resolution in support of filing of the application and person authorized to sign the application.
- h) Principal Officer to submit a declaration that the applicant (directors/partners, principal officer and key management personnel of the company) are not suffering from any of the disqualifications specified under section 42 D of the Insurance Act, 1938.
- i) List of broker qualified persons or specified person or CMO, as applicable who will be responsible for day to day activities along-with their qualifications in the form specified.
- j) Details of statutory auditors and Principal Bankers along with the Bank Account Number of applicant.
- k) Details of infrastructure including IT infrastructure along with supporting evidence thereof like ownership/ lease agreement papers with regard to office space/ equipment/ trained manpower, etc. for the registered office with photographs of premises and the future planning for opening branch offices at various locations in the country and the estimated

time frame.

- l) Projections of administrative expenses, salaries and wages and other expenses, draw the revenue account, the profit and loss account and the balance sheet for the projected 3 years.
- m) Organization chart giving complete picture of the company's activities like Information Technology, underwriting, risk assessment, claims settlement, marketing, accounts, back office etc.
- n) List of experienced personnel inducted from insurance background with good knowledge and experience of working in the areas of risk assessment, underwriting and claims management etc. Submit detailed CV, copies of educational qualifications along with their appointment/joining letters.
- o) For Surveyor and Loss assessor, following documents shall be provided:
  - (i) Copy of membership certificate issued by Indian Institute of Insurance Surveyor and Loss Assessors or its equivalent institute to the directors/partners, indicating membership no., date of issue etc.
  - (ii) Copy of surveyor and loss assessor license issued to directors/partners of applicant
- a. Any other information, which is relevant to the nature of services rendered by the applicant for the growth and promotion of insurance business.
- b. Any other requirements as deemed necessary by the Authority.

### **Signatories.**

- a) Two Directors and the Principal Officer, duly authorized, should sign the Application Form and the various formats mentioned above.

The above list of documents/requirements is indicative only and not exhaustive. The additional documents will be advised based on the category of registration applied, pattern of shareholding, any other compliance matter required as per these Regulations.



## Personal Presentation

The applicant on fulfilling the given requirements to the satisfaction of the Authority may be required to appear before the Authority for a presentation of business plans in connection with the application.

### FORM – B

#### **APPLICATION SEEKING FRESH/RENEWAL CERTIFICATE OF REGISTRATION BY AN INSURANCE INTERMEDIARY FOR ESTABLISHING IIIO IN THE FORM OF BRANCH**

S.No.	Particulars	Applicant's Response	Remarks
<b>Section A : Company Profile</b>			
1	Name of the applicant		
2	Registered office address		
3	Date of incorporation: [DD/MM/YYYY]		Certificate of incorporation/Deed of Covenant/Other valid proof
4	Registration No. (issued by the regulatory Authority in the country of the applicant's domicile, if any) and date of first registration [DD/MM/YYYY]		Copy of the registration certificate
5	Current lines of insurance intermediary a. Broker- Direct/Composite/Reinsurance b. Corporate Agent c. Third Party Surveyor d. Surveyor and loss assessor		
6	Amount of Authorised capital, Subscribed capital and Issued Capital & Face value of shares and their numbers/ Total contribution by partners/members and individual contribution by each partner/member		
7	Name, Address and contact details of the person responsible for the affairs of the proposed IIIO and further correspondence		Provide a certified copy of board resolution appointing the person responsible for affairs of IIIO
8	Name ,designation, address and contact details (e-mail id) of officer for further correspondence		
9	Net Worth duly certificated by a chartered accountant or its equivalent		
10	<b>Board Resolution</b> Provide a copy of the resolution by the applicant's board in support of the commitment to set up an IIIO.		Annexure -
11	<b>Regulatory approvals in India</b>		Annexure -

	<p>a. Provide certificates of approval from the appropriate authority for opening of an office/conducting of business in the SEZ.</p> <p>b. Permanent Account number (if allotted by IT authorities)</p> <p>c. Service Tax Registration details (if allotted)</p>		
<b>12</b>	<p><b><i>Certificate from CA</i></b> Provide a certificate from a practicing Chartered Accountant in India or a practising Company Secretary in India certifying that all the requirements of the Act read with IFSCA(Insurance Intermediary)Regulations, 2021 and rules, circulars have been complied with by the applicant</p>		Annexure -
<b>13</b>	<p><b><i>Annual Reports</i></b> Annual reports for the past 5 years.</p>		Annexure -
<b>14</b>	Compliance with training and experience requirements		
<b>15</b>	Details of the office proposed to be opened:	<p>(a) Name of the Office:</p> <p>(b) Office Address(representative address or company address if the IIO office address is not available):</p> <p>(c) Address for Communications (state the name of the Principal Officer, telephone numbers, fax numbers, mobile number, e-mail address and such other details:</p> <p>(d) Principle Officer &amp; Key Management Personnel and allocation of responsibilities.(Propose d):</p> <p>(e) Organizational structure. Reporting relationships of the IIO to the holding company</p> <p>(f) Planned infrastructure at the proposed office</p>	

<b>15</b>	Details of payment of fee		
<b>16</b>	Details of any additional capital to be infused, if applicable		
<b>17</b>	<b>Particulars of Previous Application:</b> Has the applicant ever applied for license in International Financial Services Centre to carry out insurance business? If so, give particulars.		

18. Details of shareholders of insurance intermediary: [Please give full name, address, percentage of holding in the paid up capital of the intermediary, Occupation, Qualifications and Experience, Number of shares held and Percentage of share capital in the company] Please attach separate sheets if necessary. Details of persons holding more than 1% of the issued capital of the applicant and promoters are to be given in separate statements.

Full Name [first, middle, surname]/Name of the Corporate	Date of Birth/Date of incorporation	Address with Telephone Nos., Fax Nos., E-mail	Qualifications*	Experience*	Present occupation*	No. of equity shares and percentage of total holding	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Mr./Ms.							

\*Columns 4 to 6 may be left blank for corporate shareholders.

### Section B: Regulatory Compliance in the home country

<b>19</b>	Name, Address and contact details of the Regulatory Authority in the country of domicile where the applicant is registered, if applicable		
<b>20</b>	<b>Certificate of Authorization</b> Provide a certificate of authorization granted by the Regulatory or Supervisory Authority of the country of incorporation to set up an IIO, if applicable.		Annexure -
<b>21</b>	Professional Indemnity policy requirements in home country, if applicable		
<b>22</b>	Minimum capital requirements prescribed by home country regulator		
<b>23</b>	Capital maintained by the applicant for five years preceding the date of application		

### Section C: IIO Business Strategy

<b>24</b>	<b>Geographic Spread:</b> Give the addresses of the administrative office		Annexure -
<b>25</b>	<b>Market Research and Analysis</b> The applicant may have undertaken some form of market analysis to ascertain the market potential. The applicant may furnish full description of the research, along with the conclusions reached		Annexure -
<b>26</b>	<b>Types of services to be offered</b>		Annexure -

	The applicant may give detail of the category of intermediary services that it will offer to the Indian and other markets. Also, the business plan of the applicant for next 3 years.		
27	<p><b>Information Technology</b></p> <p>Full description should be provided for the following:</p> <ul style="list-style-type: none"> <li>• Areas in which IT infrastructure will be employed.</li> <li>• The degree to which the systems will be used for policyholder servicing.</li> <li>• The degree of interconnectivity of the systems.</li> <li>• A description of how the I/T systems will be used to develop the required Management Information Systems.</li> <li>• Extent of procedures and operations which will remain manual.</li> </ul>		Annexure -
28	<p><b>Recruitment and Training</b></p> <p>Different areas of the company require personnel with different skill sets. Some of the special technical skills would require special focus. The company may submit a detailed write-up on its plans to impart technical skills and knowledge locally and how to ensure compliance with experience and training requirements specified by Authority.</p>		Annexure -
29	<p><b>Internal Controls</b></p> <p>The company will need to establish a set of procedures and norms for various activities. The manner in which these will be monitored should be described.</p>		Annexure -
30	<p><b>Expenses of Administration</b></p> <p>The proposed expenses for administration</p>		Annexure -
31	<p><b>Technical skills</b></p> <p>The technical skills of the people who will work in the branch and plan for imparting knowledge for skill upgradation at local level.</p>		Annexure -
32	<p><b>Conclusion</b></p> <p>In conclusion, please discuss the viability of the operations. Any special issues or concerns should also be indicated</p>		

**Certification**

I, the undersigned, solemnly declare that the facts and information given in this application form on behalf of the Applicant Company, are true and that the projections and estimations are based on reasonable assumptions.

Place :

Date :

Signature of the Authorised Person (his/her designation with Seal)

- **English Translation:** If any of the document which is not in English, a certified English translation is required. The English translation to be certified “true copy” by the insurance supervisory authority in country of the applicant or an external legal counsel.

**Format for providing comments / suggestions**

**Proposed IFSCA (Insurance Intermediary) Regulations, 2021**

Inputs / Comments suggested by:

<b>Page No. of Draft Regu.</b>	<b>Reg. No.</b>	<b>Sub-Regu No. /Para No.</b>	<b>Comments / Suggestions</b>	<b>Rationale</b>