

The Insurance Regulatory And Development Authority (Licensing Of Insurance Agents) Regulations, 2000

UNION OF INDIA

India

The Insurance Regulatory And Development Authority (Licensing Of Insurance Agents) Regulations, 2000

Rule

THE-INSURANCE-REGULATORY-AND-DEVELOPMENT-AUTHORITY-L of 2000

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14.

/667In exercise of the powers conferred by sub-section (6) of section 42 and clauses (k), (l), (m) (n), (o) and (p) of sub-section (2) of section 114-A of the Insurance Act, 1938 (4 of 1938), the Authority in consultation with the Insurance Advisory Committee, hereby makes the following regulations, namely:-

1. Short title and commencement .-(1) These regulations may be called The Insurance Regulatory and Development Authority (Licensing of Insurance Agents) Regulations, 2000.

(2)They shall come into force on the date of their publication in the Official Gazette.

2. Definitions .-(1) In these regulations, unless the context otherwise requires,-

(a)"Act" means the Insurance Act, 1938 (4 of 1938);(b)"approved institution" means an institution engaged in education and/or training particularly in the area of insurance sales service and marketing approved and notified by the Authority;(c)"Authority" means the Insurance Regulatory and Development Authority established under the provisions of section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);(d)"composite insurance agent" means an insurance agent who holds a license to act as an insurance agent for a life insurer and a general insurer;(e)"corporate agent" means a person other than an individual as specified in clause (i);(f)"designated person" means an officer normally in charge of marketing operations, as specified by an insurer and authorised by the Authority to issue or renew licenses under these regulations;(g)"examination body" means an Institution, which conducts pre-recruitment tests for insurance agents and which is duly recognised by the Authority;(h)"license" means a certificate of license to act as an insurance agent issued under these regulations;(i)"person" means-(i)an individual;(ii)a firm; or(iii)a company formed under the Companies Act, 1956 (1 of 1956), and includes a banking company as defined in clause (4-A) of section 2 of the Act;(j)"practical training" includes orientation, particularly in the area of insurance sales, service and marketing, through training modules as approved by the authority;(k)"proposal form" means an application for purchase of an insurance product which shall be the basis of insurance contract;(l)"prospect" means a potential purchaser of an insurance product;(m)"recognized Board or Institution" means such board or institution as may be recognised by any State Government or the Central Government.(2)All words and expressions used herein and not defined but defined in the Insurance Act, 1938 (4 of 1938), or in the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), shall have the meanings respectively assigned to them in those Acts.

3. Issue or renewal of license .-(1) A person desiring to obtain or renew a license (hereinafter referred to as "the applicant") to act as an insurance agent or a composite insurance agent shall proceed as follows:-

(a)the applicant shall make an application to a designated person-(i)in Form IRDA-Agents-VA, if the applicant is an individual;(ii)in Form IRDA-Agents-VC, if the applicant is a firm or a company:Provided that the applicant, who desires to be a composite insurance agent, shall make two separate applications.(b)The fees payable by the applicant to the Authority shall be as specified in regulation 7.(2)The designated person may, on receipt of the application alongwith the evidence of payment of fees to the Authority, and on being satisfied that the applicant,-(i)possesses the qualifications as specified under regulation 4;(ii)possesses the practical training as specified under regulation 5;(iii)has passed the examination as specified under regulation 6;(iv)has furnished the application complete in all respects;(v)has the requisite knowledge to solicit and procure insurance business; and(vi)is capable of providing the necessary service to the policy-holders, grant or renew, as the case may be, a license in Form IRDA-Agents-VB, alongwith identity card in Form IRDA-Agents-VZ:Provided that in the case of a corporate agent, the identity card shall be on Form IRDA-Agent-VY:Provided further that such identity card from one life insurer and such identity

card from one general insurer shall be provided to the applicant seeking license to act as a composite insurance agent: Provided further that in the case of a firm or a company, all of his partners or directors, as the case may be, shall fulfil the requirements of sub-clauses (i) to (iii): Provided further a license issued in accordance with this regulation shall entitle the applicant to act as insurance agent for one life insurer or one general insurer or both. (3) [The designated person shall grant or renew the license within a period of 3 months from the date of application. (4) The designated person shall, if the consideration of the application is likely to get delayed within 60 days of the receipt of the application, inform the applicant the reasons for such a delay, and the likely time it would take to do so.]

4. Qualifications of the applicant .-The applicant shall possess the minimum qualification of a pass in 12th Standard or equivalent examination conducted by any recognised Board/Institution, where the applicant resides in a place with a population of five thousand or more as per the last census, and a pass in 10th Standard or equivalent examination from a recognised Board/Institution if the applicant resides in another place.

5. Practical training .-(1) The applicant shall have completed from an approved institution, at least, [fifty hours]practical training in life or general insurance business, as the case may be, which may be spread over [one to two weeks] [Substituted by Notification No. IRDA/Reg/2/39/2007, dated 8.10.2007 (w.e.f. 1.11.2007).], where such applicant is seeking license for the first time to act as insurance agent:

Provided that the applicant shall have completed from an approved institution, at least, [seventy-five hours] [Substituted by Notification No. IRDA/Reg/2/39/2007, dated 8.10.2007 (w.e.f. 1.11.2007).] practical training in life and general insurance business, which may be spread over [two to three weeks] [Substituted by Notification No. IRDA/Reg/2/39/2007, dated 8.10.2007 (w.e.f. 1.11.2007).], where such applicant is seeking license for the first time to act as a composite insurance agent. (2) Where the applicant, referred to under sub-regulation (1), is-(a)an Associate/Fellow of the Insurance Institute of India, Mumbai;(b)an Associate/Fellow of the Institute of Chartered Accountants of India, New Delhi;(c)an Associate/Fellow of the Institute of Costs and Works Accountants of India, Calcutta;(d)an Associate/Fellow of the Institute of Company Secretaries of India, New Delhi;(e)an Associate/Fellow of the Actuarial Society of India, Mumbai;(f)a Master of Business Administration of any Institution/University recognised by any State Government or the Central Government; or(g)possessing any professional qualification in marketing from any Institution/University recognised by any State Government or the Central Government, he shall have completed at least, [twenty-five hours] [Substituted by Notification No. IRDA/Reg/2/39/2007, dated 8.10.2007 (w.e.f. 1.11.2007).] practical training from an approved institution: Provided that such applicant shall have completed from an approved institution, at least [thirty-five hours] [Substituted by Notification No. IRDA/Reg/2/39/2007, dated 8.10.2007 (w.e.f. 1.11.2007).] practical training in life and general insurance business, where such applicant is

seeking license for the first time to act as a composite insurance agent.(3)An applicant, who has been granted a license after the commencement of these regulations, before seeking renewal of license to act as an insurance agent, shall have completed, at least twenty-five hours practical training in life or general insurance business, as the case may be, from an approved institution:Provided that such applicant before seeking renewal of license to act as a composite insurance agent shall have completed from an approved institution, at least, fifty hours' practical training in life and general insurance business.

6. Examination .-The applicant shall have passed the pre-recruitment examination in life or general insurance business, or both, as the case may be, conducted by the Insurance Institute of India, Mumbai, or any other examination body.

7. Fees payable .-(1) The fees payable to the Authority for issue or renewal of license to act as insurance agent or a composite insurance agent shall be rupees two hundred and fifty.

(2)The additional fees payable to the Authority, under the circumstances mentioned in sub-section (3) of section 42 of the Act, shall be rupees one hundred.

8. Code of conduct .-(1) Every person holding a license, shall adhere to the code of conduct specified below:

(i)Every insurance agent shall,-(a)identify himself and the insurance company of whom he is an insurance agent;(b)disclose his license to the prospect on demand;(c)disseminate the requisite information in respect of insurance products offered for sale by his insurer and take into account the needs of the prospect while recommending a specific insurance plan;(d)disclose the scales of commission in respect of the insurance product offered for sale, if asked by the prospect;(e)indicate the premium to be charged by the insurer for the insurance product offered for sale;(f)explain to the prospect the nature of information required in the proposal form by the insurer, and also the importance of disclosure of material information in the purchase of an insurance contract;(g)bring to the notice of the insurer any adverse habits or income inconsistency of the prospect, in the form of a report (called "Insurance Agent's Confidential Report") alongwith every proposal submitted to the insurer, and any material fact that may adversely affect the underwriting decision of the insurer as regards acceptance of the proposal, by making all reasonable enquiries about the prospect;(h)inform promptly the prospect about the acceptance or rejection of the proposal by the insurer;(i)obtain the requisite documents at the time of filing the proposal form with the insurer, and other documents subsequently asked for by the insurer for completion of the proposal;(j)render necessary assistance to the policy-holders or claimants or beneficiaries in complying with the requirements for settlement of claims by the insurer;(k)advise every individual policy-holder to effect nomination or assignment or change of address or exercise of options, as the case may be, and offer necessary assistance in his behalf, wherever necessary;(ii)No insurance agent shall-(a)solicit or

procure insurance business without holding a valid license;(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 insurance agent;(f)offer different rates, advantages, terms and conditions other than those offered by his insurer;(g)demand or receive a share of proceeds from the beneficiary under an insurance contract;(h)force a policy-holder to terminate the existing policy and the effect a new proposal from him within three years from the date of such termination;(i)have, in case of a corporate agent, a portfolio of insurance business under which the premium is in excess of fifty per cent. of total premium procured, in any year, from one person (who is not an individual) or one organisation or one group of organizations;(j)apply for fresh license to act as an insurance agent, if his license was earlier cancelled by the designated person, and a period of five years has not elapsed from the date of such cancellations;(k)become or remain a director of any insurance company;(iii)Every insurance agent shall with a view to conserve the insurance business already procured through him, make every attempt to ensure remittance of the premiums by the policy-holders within the stipulated time, by giving notice to the policy-holder orally and in writing.

9. Cancellation of license .-The designated person may cancel a license of an insurance agent, if the insurance agent suffers, at any time during the currency of the license, from any of the disqualifications mentioned in sub-section (4) of section 42 of the Act, and recover from him the license and the identity card issued earlier.

10. Issue of duplicate license .-The Authority may issue a duplicate license replace a license lost, destroyed, or mutilated on payment of a fee of rupees fifty.

11. Non-application to existing insurance agents .-Nothing contained in regulations 4 to 6 of these Regulations shall apply to the existing agents before the commencement of these Regulations.

12. [

From the date of coming into force of the Insurance Regulatory and Development Authority (Licensing of Corporate Agents) Regulations, 2002, the Insurance Regulatory and Development Authority (Licensing of Insurance Agents) Regulations, 2000 or any part thereof applying to corporate agents shall cease to have an effect, except as respects things done or omitted to be done thereunder.]FORM IRDA-AGENTS-VA(See regulation 3)Insurance Regulatory And Development Authority (Licensing Of Insurance Agents) Regulations, 2000APPLICATION FOR A LICENCE/RENEWAL OF LICENCE TO ACT AS AN INSURANCE AGENTTOThe Insurance Regulatory and Development Authority,Department of Licensing,New Delhi.Dear Sirs,I request that -(a)a licence to act as an insurance agent*/a composite insurance agent* may be granted to

(1)Name: [] [] [] [] [] [] [] [] [] [] [] [] (2)Father's/Husband's Name [] [] [] [] [] [] [] [] [] [] [] []
[] [] (3)Full Address:House No. : [] [] [] [] [] [] [] [] Street: [] [] [] [] [] [] [] [] [] [] [] []
[] [] [] Town:[] [] [] [] [] [] [] [] [] [] [] [] District:: [] [] [] [] [] [] [] [] [] [] [] []
[] [] [] State: : [] [] [] [] [] [] [] [] [] [] [] [] Pin Code: : [] [] [] [] Telephone
No. [] [] [] [] [] ---[] [] [] [] [] (STDCode -- Number):(4)Date of Birth: Day- Month-Year [] []
[-] [-] [-] [] [] [] (5)Title :State 1 if are Mr., 2 Mrs., 3 Miss: [] (6)If you everheld a Licence, state No.
and date of expiry, otherwise say "Nil".(a)Licence Number: [] [] [] [] [] [] [] [] (b)Date of
Expiry: Day- Month-Year [] [] [-] [-] [-] [] [] (7)Ifyou apply for licence to work for a life
insurer,state 1, for a general insurer, state 2, for both state 3 in the box. [] (8)If you arean applicant
from a rural place,state 1, inthe box. [] (9)Educational Qualifications.State 1, if youpassed Class X ; 2:
Class XII; 3: Graduate;

(10) Give particulars of pass in pre-recruitment test conducted by the Insurance Institute of India or any examination body:

(a) Name of Examination Body: []

(b) Candidate's Number: []

(c) Centre of Examination: []

(d) Date of Passing: [] [] -[] [] -[] [] [] [] (Day-Month-Year)

(11) Give particulars of Practical Training completed from an approved institution.

(a) Training Hours completed: []

(b) Name of Training Institute: []

(c) Candidate's Number: []

(d) Centre (Place) of Training: []

(e) Starting Date of Training: [] [] -[] [] -[] [] [] [] (Day-Month-Year)

(a)I have not been found to be of unsound mind by a court of competent jurisdiction;(b)I have not been found guilty of criminal misappropriation or criminal breach of trust or cheating or forgery or an abetment of or attempt to commit any such offence by a court of competent jurisdiction;(c)I have not been found guilty of or to have knowingly participated in or connived at any fraud, dishonestly or misrepresentation against an insurer or an insured in the course of any judicial proceeding relating to any policy of insurance or the winding up of an insurance company or in the course of an investigation of the affairs of an insurer; and(d)I have not violated the code of conduct specified under Regulation 8 of Insurance Regulatory and Development Authority (Licensing of Insurance Agents) Regulations, 2000).

4. I have made the payment of licence fee of rupees two hundred and fifty and for which I enclose the documentary evidence.

5. #I enclose the following documents in support of the educational qualification, pre-recruitment test, and the practical training.

(a).....(b).....Place.....Date.....Yours faithfully,.....Signature of applicant(* Strike out portion not required.)(# not applicable to the applicants seeking licence for the first time.).NOTES AND INSTRUCTIONS

1. An individual can apply for only one licence which will entitle him to solicit or procure insurance business of any class and to act as an insurance agent for one life insurer, one general insurer, or both.

2. The application should be filled in, as far as possible, in Hindi language or English language.

3. Any correction or alteration made in any answer to the questions in the application should be initialled by the applicant.

4. An applicant must be at least 18 years of age on the date of the application. If required the applicant shall furnish proof of age.

5. An applicant shall furnish the proof of educational qualification, pass in the pre-recruitment test conducted by the Insurance Institute of India, Mumbai or an examination body approved by the Insurance Regulatory and Development Authority, and completion of practical training from a training institution approved by the Insurance Regulatory and Development Authority, along with the application. This is not applicable where the applicant is an absorbed agent.

6. The fees payable by an applicant is rupees two hundred and fifty.

7. The name and the licence No. given in the application are identical with those shown in the last licence held. If there is any subsequent change in the name, the reasons for the same should be stated furnishing documentary evidence for the same.

8. The application should reach the designated person before the expiry of licence held by the applicant but not more than three months before such expiry. If the application does not reach the designated person at least 30 days before the date on which the last licence ceases to be in force, an additional fee of one hundred rupees should be payable. In this connection please also refer to the provisions of sub-sections (3) and (3A) of section 42 of the Insurance Act, 1938.

9. If the applicant desires to work for a life insurer or a general insurer or both, as the case may be, he should enclose the documentary evidence of the relevant pass in the pre-recruitment test and the completion of the relevant practical training.

FORM IRDA-AGENTS-VB(See regulation 3)Insurance Regulatory And Development Authority (Licensing Of Insurance Agents) Regulations, 2000.INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY, NEW DELHI LICENCE NO. [] [] [] [] [] [] [] [] LICENCE TO ACT AS AN INSURANCE AGENT UNDER PART II OF THE INSURANCE ACT, 1938 (IV OF

1938.

)Name of Insurance Agent*/Composite Insurance Agent*:.....Address:Having paid the prescribed fee and having made the necessary declaration is hereby authorised to act an insurance agent for three years from.....for procuring or soliciting insurance business of one life insurer*/one general insurer*/both*.(*strike out portion not required)Place.....Date.....for Insurance Regulatory and Development Authority Designated Person:.....Signature of Licence holder:This licence is not valid unless it bears a facsimile of the signature of the chairperson of the Insurance Regulatory and Development Authority and the initials of a person authorised by him in this behalf, the signature of the licence holder and the identity card(s). The licence holder should put his signature as soon as licence is received. Notes. - 1. If it is desired to renew this licence for a further period the procedure laid down in Regulation 3 of Insurance Regulatory And Development Authority (Licensing Of Insurance Agents) Regulations, 2000, shall be followed, and application for renewal should reach the Designated Person before the licence expires. In this connection attention is also invited to the provisions of sub-sections (3) and (3-A) of section 42 of the Insurance Act, 1938.

2. This licence authorises the licence holder to act as an agent for the insurance business specified thereunder, and therefore no identifying mark or note of any description by which the identity of an insurer might be established should be placed on the licence.

3. No correction in this licence will be valid unless initialled by the Insurance Regulatory and Development Authority or a person authorised by him in this behalf.

4. The attention of the licence under regulation 8 Of Insurance Regulatory and Development Authority (Licensing Of Insurance Agents) Regulations, 2000 holder is drawn to the code of conduct specified , and any violation of code of conduct may result in cancellation of licence.

FORM IRDA-AGENTS-VC(See regulation 3)Insurance Regulatory And Development Authority (Licensing Of Insurance Agents) Regulations, 2000APPLICATION FROM A FIRM OR COMPANY FOR A LICENCE/RENEWAL OF LICENCE TO ACT AS AN INSURANCE AGENTTOThe Insurance Regulatory And Development Authority,Department of Licensing,New DelhiDear Sir,It is requested that -(a)*a licence to act as an insurance agent*/a composite insurance agent* may be granted to our Firm/Company;(b)*our licence bearing number.....and expiry date.....may be renewed for a further period of three years.

2. It is hereby declared that particulars given below are true and that the licence for which our Firm/Company apply will be used only by our Firm/Company for soliciting or procuring insurance business.

(1)Name: [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] (2)Full Address:House No. : [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] Street: [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] Town: [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] District: : [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] State : : [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] Pin Code: : [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] Telephone No. [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] (STD Code --Number): [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] [] (3)(i)(In the case of a Firm) the names of all the partners therein:(ii)(In the case of a Company) the names of the Directors:(4)Whether the Partnership Deed*/Memorandum of Association* contains as main objects the carrying on of soliciting or procuring insurance business as an insurance agent. (Please enclose a certified copy of the Partnership Deed*/Memorandum of Association*)(5)The date from when the licence should be effective:(6)If you apply for licence to work for a life insurer, state 1, a general insurer, state 2, for both, state 3 in the box.

3. It is further declared that-

(a)any partner of our Firm*/any Director of our Company* has not been found to be of unsound mind by a court of competent jurisdiction;(b)any partner of our Firm*/any Director of our Company* has not been found guilty of criminal misappropriation or criminal breach of trust or cheating or forgery or an abetment of or attempt to commit any such offence by a court of competent jurisdiction;(c)any partner of our Firm*/any Director of our Company* has not been found guilty of or to have knowingly participated in or connived at any fraud, dishonestly or mis-representation against an insurer or an insured in the course of any judicial proceeding relating

to any policy of insurance or the winding up of an insurance company or in the course of an investigation of the affairs of an insurer;(d)any partner of our Firm*/any Director of our Company* has not violated the code of conduct specified under Regulation 8 of Insurance Regulatory and Development Authority (Licensing of Insurance Agents) Regulations, 2000;(e)the application in Form IRDA-Agents-V for each partner of our Firm*/each Director of our Company* has been enclosed along with this form;(f)any partner of our Firm*/any Director of our Company* is not a minor.

4. The payment of licence fee of rupees two hundred and fifty has been made and for which the receipt is enclosed.

5. The documents in support of the educational qualification, pre-recruitment test, and the practical training, in respect of all partners of our Firm*/all Directors of our Company* have been enclosed along with this form.

Place.....Date.....Yours faithfully.....Signature of applicant(* Strike out portion not required.)Notes. - 1. The application should be filled in, as far as possible, in Hindi language or English language.

2. Any correction or alteration made in any answer to the questions in the application should be initialled by the applicant.

3. The fees payable by an applicant is rupees two hundred and fifty.

4. The name and the licence No. given in the application are identical with those shown in the last licence held. If there is any subsequent change in the name, the reasons for the same should be stated furnishing documentary evidence for the same.

5. The application should reach the designated person before the expiry of licence held by the application but not more than three months before such expiry. If the application does not reach the designated person at least 30 days before the date on which the last licence ceases to be in force, an additional fee of one hundred rupees should be payable. In this connection please also refer to the provisions of sub-sections (3) and (3-A) of section 42 of the Insurance Act, 1938.

6. If the Firm or Company desires to act as an insurance agent or a composite insurance agent , as the case may be, the documentary evidence of the relevant pass in the pre-recruitment test and the completion of the relevant practical training of partners of the Firm or directors of the Company should be enclosed.

7. In case of a Firm, the signatory to the application (being a partner) should enclose a certified copy of the resolution of Board of Directors authorising him to make the application.

FORM IRDA-AGENTS-VZ(See regulation 3)Insurance Regulatory And Development Authority
(Licensing Of Insurance Agents) Regulations, 2000INDIVIDUAL INSURANCE AGENT'S
IDENTITY CARD

Photo Agent's Licence No.:

Name of the Agent:

Father's/Husband's Name:

Office of the Insurer with whom the agent is attached:

Agent'ssignature

The holder of this card is authorised to sell our insurance products, as per our terms and conditions.

Male/FemaleIssued
on:

Signature of Designated PersonName of Insurer (With Seal)

Valid up to:
born on:

(Please see on the reverse)

Address and telephone numbers of the Insurer;

(If required to be contacted by any one in connection with the holder of this card):

Address and telephone numbers of the Agent: