

FAQ on IRDAI (Registration of Corporate Agents) Regulations, 2015

1. IRDAI (Registration of Corporate Agents) Regulations, 2015 issued by the Authority on Registration of corporate agents will be effective from which date?

Ans : This Regulations will come into force with effect from 01-04-2016 and these Regulations will supersede existing IRDA (Licensing of Corporate Agents) Regulations, 2002.

2. For existing Corporate Agents whose License renewal falls before 01.04.2016, are they required to renew under the new regime or will IRDAI allow renewal as per the existing Corporate Agency Regulations?

Ans : All corporate agents whose license falls due for renewal before 01.04.2016 shall be considered for renewal by the Authority as per the existing regime i.e. IRDA (Licensing of Corporate Agents) Regulations, 2002 and the license renewal will be valid up to 31.03.2016 only. In case they wish to continue their activities as corporate agents from 01.04.2016, they need to obtain fresh registration, failing which they cease to continue as corporate agents

3. What will be the status of application submitted by the corporate agents to the Authority for Fresh/Renewal of license before 01.04.2016 under the existing Regulations and pending with the Authority for final approval?

Ans : Such application shall lapse on 31st March 2016 and the corporate agent shall have to apply for re-registration under the New Regulations.

4. Whether the application under New Regulations to obtain Certificate of Registration (COR) has to be made by the applicant directly to the Authority without any involvement of insurer?

Ans.: Yes. All applications made under IRDAI (Registration of Corporate Agents) Regulations, 2015 should be submitted directly to the Authority by the applicants the online mode.

5. Capital Requirement for a Corporate Agent exclusively doing insurance intermediation – How it will affect the existing CA exclusively doing insurance business?

Ans.: As per the New Regulations, a Corporate Agent exclusively doing insurance intermediation should have a minimum share capital or contribution of Rupees Fifty Lakh and it should be maintained a net worth of Rupees Fifty Lakh at all times.

The Existing Corporate Agents exclusively doing insurance intermediation, also will have to be compliant with New Regulations before applying for obtaining Certificate of Registration in order to carry out their activities continuously w.e.f. 01.04.2016.

6. In the event the Existing CA does not apply for fresh Registration under the New Regulations, can they continue to function under 2002 regulation till the validity period of their CA license?

Ans.: NO. The existing Corporate Agents, who wish to function on or after 01.04.2016, have to obtain Certificate of Registration under the New Regulations.

7. Whether submitting Board approved open architecture policy is mandatory even if the corporate agent wishes to have single tie-up or is required only for multiple tie-up?

Ans.: Yes. Every corporate agent shall file, at the time of seeking registration, with the Authority, a Board or its equivalent Approved Policy on the manner of soliciting and servicing insurance products. The Policy, amongst others, shall include the approach to be followed by the corporate agent in having single or multiple tie-ups, the partners in the tie-ups, the business mix, the type of products sold, grievance redressal mechanism and reporting requirements.

8. Who would be conducting the training and examination for POs/Specified Persons?

Ans.: The Insurance Institute of India will conduct the training and examination will be conducted by NSE IT as per the existing practice. In case of any change in this, the same will be notified by the authority from time to time in the portal.

9. What is the procedure of transfer of Specified Persons? How is such transfer to be effected on the IRDAI portal?

Ans.: Every SP/PO desiring to transfer his/her certificate to the other corporate agent shall do so only after obtaining No Objection Certificate (NOC) from the transferor corporate agent as per the procedure prescribed in the Regulation 7. In case the transferor corporate agent fails to issue NOC within 30 days of the date of application, it will be deemed that the NOC is issued and they do not have any objection for the proposed transfer.

10. Post 1st April, 2016, is there any requirement for insurer to conduct onsite inspection of CAs?

Ans : NO. As per Regulation 27, the Authority has the power to inspect the records of a Corporate Agent and performance of its activities anytime and in case of any deficiency observed, the Authority may take appropriate disciplinary action. The procedure applicable for the Inspection and the Audit of a Corporate Agent are mentioned in Schedule IV of these Regulations.

11. What about the status of circulars/guidelines issued earlier?

Ans.: From 01.04.2016, these Regulations will supersede the Regulations/Guidelines issued prior to 01.04.2016 with respect to Licensing of Corporate Agents.

12. What are all the things that should be provided in Board Approved Policy required under Reg. 20 (1)?

Ans.: The Board or equivalent approved policy shall contain the approach to be followed by the corporate agent in having Single or Multiple tie-ups, the proposed partners in the tie-ups, the business mix, the type of products sold, grievance redressal mechanism and

the reporting requirements. The corporate agents after registration can enter into agreement with insurers for solicitation and distribution of their products and this should be disclosed to the Authority within 30 days of entering into such agreements. However, the board approved policy can be exhaustive and contain all other matter which they deem fit and necessary for registration and functioning of corporate agency.

13. With respect to Regulation No. 21 (ii) of the Regulations, Corporate Agent has to provide a certificate in format defined under Schedule VIII, which shall be duly signed by the Principal Officer and CFO of the CA. However, the format provides the same to be signed by the CEO and CFO of the CA.

Ans.: As per Reg. 21(ii) Schedule VIII can be certified by the Principal Officer and authorized signatory of the Corporate Agent.

14. What type of registers shall be maintained by the Corporate Agents and the format of the same?

In accordance with Regulation 30, every corporate agent shall maintain following registers in the prescribed formats.

Register of Client Details:

Name of the Client; Contact Address; Mobile Number; Policy Type; Policy Number; Premium Amount; Date of Commencement; Plan and Term; Sum Assured; Renewal details

Register of Complaints:

Name of the Complainant; Nature of Complaint; Date of Complaint; Policy Number; SP details; Action taken details.

Register of Specified Persons/Authorized Verifiers:

Name; Address; Telephone NO.; Photograph; Date of Commencement of employment; Date of leaving service; Monthly Remuneration.

15. Can a specified person work for more than one insurer?

Ans : Yes, as per Reg. 3, Corporate Agents may have arrangements with a maximum of three life, three general and three health insurers to solicit, procure and service their insurance products and the Specified Person can work for all the insurer/s with whom they have tied up, provided the Specified Person has certificate for the respective line of business (Life/General/Health). Eg: Specified Person (SP) having certificate to act as SP for Life business can work for life insurers only with whom CA is tied up.

16. As per Annexure 2, applicant has to submit Organization Chart giving a complete picture of the company's activities like underwriting, risk assessment, claims settlement, marketing, accounts, back office etc. Is it necessary to include Departments viz. Underwriting, Claims Settlement and Risk Assessment?

Ans.: NO. It is not required as the corporate agents are not handling any such kind of activities viz., underwriting, risk assessment, claims settlement.

17. As per A. (e) of Annexure 2, details of infrastructure along with supporting evidence thereof like ownership/lease agreement papers with regard to office space/ equipment/ trained manpower, etc. for the registered office and the branch offices at various locations are to be submitted. Is it required to be submitted by all the Banks, NBFCs and Listed Companies?

Ans.: No. Listed Companies, Banks and NBFCs are exempted from submitting the supporting evidence as mentioned above. CA need to furnish a generic undertaking signed by authorized signatories providing such information.

18. With respect to Annexure 2 A (f) of the Regulations – projection 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. Is it required to be submitted by all types of corporate agents?

Ans.: No. These requirements are to be complied with those CA's who have been incorporated exclusively for the purpose of insurance intermediation. In respect of other corporate agents and banks the annual report/s with detailed information on expense, profit and loss and balance sheet are to be submitted.

19. Is it required to file separate applications for obtaining the Certificate of Registration to act as Composite Corporate Agent i.e. Life Insurance/General Insurance/Health Insurance as the case may be?

Ans.: NO. It should be clearly mentioned whether it is for Life/General/Health or for Composite.

20. As per Reg. 14 (iv) the corporate agent has to take adequate steps for redressal of grievances of its clients within 14 days of receipt of such complaints and keep the Authority informed about the number, nature and other particulars of the complaint. Whether such complaints need to be logged in Insurer's grievance redressal system as well which is integrated with IGMS?

Ans.: The complaints received by the Insurer should be logged in their grievance redressal system as well which is integrated with IGMS. However, both CA and the Insurer should have their internal mechanisms to consolidate all the complaints received at both ends & resolve the complaints with fair resolution to the Policyholder.

21. As the regulations requires mapping of all policies to SP's for business sourced by them, how shall the mapping be done for cases wherein the policies are purchased directly by the Policyholders online?

Ans.: For the policies purchased by the policyholders through online will be treated as DIRECT BUSINESS and the corporate agency code can be tagged.

22. The Regulations prescribes for intimation to the Authority on opening / closure of Branches? However, it is silent on the timelines within which the intimation is to be

given? How frequently the intimation is to be given and is there any specific format for the same?

Ans.: It should be informed immediately to the Authority as and when the opening and closure of the branches along with the details of the name/s of the specified persons attached to that Branch.

23. The Regulations prescribes for filing of half yearly return and grievance return in the prescribed format? However, the format has not been prescribed by the Authority? We wanted to check if there is any prescribed format for both half yearly return and grievance return?

Ans : All these formats are made available in the Corporate Agency Portal.

24. Is there any time frame within which the Corporate Agent needs to have tie up with the Insurer?

Ans.: As per Reg. 23 (a) Corporate Agents registered under these regulations shall have to enter into arrangements with insurers for distribution of their products. These arrangements shall have to be disclosed to the Authority within 30 days of entering into such arrangements. The minimum period of such arrangement shall be for one year.

25. As per Reg. 7 (2) (g) the Principal Officer/Director(s)/Partner(s)/Specified Persons has to submit Fit and Proper based on the statement in Annexure 1 of these regulations. Is it necessary to upload the Fit and Proper in Annexure 1 from all the above?

Ans.: The applicant has to collect the Fit and Proper in Annexure from all the above and upload the same in respect of the Principal Officer and Director(s) or Partner(s). The Fit and Proper collected from Specified person/s should be preserved by the Corporate Agent and it should be made available to the Authority during inspection.

26. What are all the Returns/Certificates to be submitted to the Authority? By the Corporate Agent:

- 1) As per Reg. 20 (2), the corporate agents have to furnish **half-yearly** returns to the Authority insurer-wise business placed separately in respect of life, general and health insurance, in the formats specified by the Authority, before 31st October and 30th April every year
- 2) As per Reg. 21 (ii), where the insurance is sold as an ancillary product along with a principal business product, the corporate agent or its shareholder or its associates shall not compel the buyer of the principal business product to necessarily buy the insurance product through it. The Principal Officer and CFO (or its equivalent) of the corporate agent shall file with the Authority a certificate in the format given in the Schedule VIII on **half-yearly** basis, certifying that there is no forced selling of an insurance product to any prospect.

By the Corporate Agent and Insurer:

- 3) As per Reg. 31 (3), every insurer who is engaging the services of a corporate agent shall file with the Authority a certificate, separately for all such corporate agents, in the format given in the Schedule VIA to be signed by the CEO and CFO. A similar certificate from the Principal Officer and CFO (or its equivalent) of the corporate agent specifying the commission/ remuneration received from the insurer shall be filed with the Authority as given in Schedule VIB

27. Payment of Fees: -

The various fees viz. Non Refundable Fee, Registration Fee, Specified Person/ Authorized Verifier Fee and other fees can be remitted through **Bill Desk**.

Corporate Agents are allowed to make the payment by NEFT as per bank details given below;

Bank A/c NO. : **860120110000681**

Beneficiary : **INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (IRDAI)**

IFSC Code : **BKID0008601**

Name of the Bank & Branch : **Bank of India, Basheerbagh, Hyderabad**

Non-Refundable Application Fee – ₹ 10,000

Registration Fee for issue of Certificate of Registration (COR) – ₹ 25,000

Renewal Fee for Renewal of COR – ₹ 25,000

Fee for issue of Certificates for Principal Officer/Specified
Person/Authorized Verifier – ₹ 500 each.

Fees done through Bill Desk will be automatically updated in the corporate agents account. If the payments are done through NEFT, the corporate agents have to submit the details along with the UTR Number in the portal (under “**Web Wallet Receipt Entry/Offline Payment**”) which will be approved by Authority and credited to the web wallet account of the corporate agents.

NB: for further queries, please send mail to tsnaik@irda.gov.in.