INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY (LICENSING OF BANKS AS INSURANCE BROKERS) REGULATIONS, 2013

REGD. NO, D. L.-33004/99 Che Gazette of •tidia 2001 No.2001 EXTRAORDINARY 4 PART Ill—section 4 PUBLISHED BY AUTHORITY 24, 2, 1935 NEW DELHI, WEDNESDAY, JULY 24, 2013/SHARAVANA 2, 1935 19 2013 (& 2013 æi. ü.ü.ü.vr./üNqq/21/79/2013.- 1999 (1999 41) 14 26 1938 (1938 4) 42$ 1938 (1938 4) 114v qr?azå gv, 1. - (1) *rar 3267 GI/2013 (1) 2 THE GAZETTE OF INDIA : EXTRAORDINARY 1938 t; (1999 41) 25 (PART lil—SF.c. 41 (T) (S) 1999 (1999 41) 3 3tr-qRT (1) t, *taaar•, a-i7 *raal av t 3 34 t; •atra•wr 26 a•alü * # .-7jvm,• (6) t - 1934 2013 ; (2) 1938 (1938 4), 1956 (1956 31) 1972 (1972 57), 1999 (1999 41), 2002 2002 at 37 3R-ra•r 4 THE GAZETTE OF INDIA : EXTRAORDINARY [PART Ill—SEC. 4) 3.qFQT - : (a) 3-tq afii (T) era æi•äf.r h, (ED t, 3traü qaa•r; fir) Q-T QTå ä-ä*-tr (3) 1938 (1938 4) *r 64*r 3trä•f.T (50 (2) (1) 16 (3) 3CT-R•ßzrR (1) ftaå 5. - 3TlüZ7, Q-tr t, SfTQ71T 5 3@a-11€ Qar 3TQ.ET (2) Nar, (ü3TT, 42* 3•q-tTNT (5) 3i•aåa 3iataT3å 3Fta•r t; t alX av T) 3-æ*r & - 3q-c * * # 37±7 qæ•qq• 3M atr 1956 (1956 1) 6 THE GAZETTE OF INDIA : EXTRAORDINARY [PART Ill—Sc. 41 2002, 0; # s) 20 iäztr «rq•r qtra-TT 3'?8ßfr t I *2117, t 3rzra•r a•a1NT s) 3q«r 11 3TliRüT-æiR•aT atr t; OTT I (3) *rar 3@a-1T 2ßr) qr 2013 [qrq 4] qrå t, t5Tå autr qir qrq-r .nt17 I 10. - *r Orr, 11. - (1) erå t atra 7 8 THE GAZETTE OF INDIA : EXTRAORDINARY [PART IN—SEC. 4] t, 3rat : 11 * t 1938 429 3 9k 5 # .3•mhar t 90 * '77?0r * * # 3Dr O; 3%ü-ll l] 12. t - (1) 4 7 qr avi Effar, a-gr I Xzrr t, THE GAZETTE OF INDIA : EXTRAORDINARY 45 [PART Ill—sc. 4] (2) (1) 3iaz'17 .3•Fzr 16. - (1) aTtRT 25,000 25,000 100,000 Bdrzr ai 0.50% *r a@T-qtlfRa 15 30 t, (3) 5000 (4) aTF *71T, 11 17. - (1) 3-rqa•r 3TQ..ET *r a-gr 3R..ta•r a-gr 34Qzr '18. - (1) (YHBT, .3-ffR, t) 50 en@FT / (2) RF8rzr ai azaRT 25 ezraü•gr 3-TöFT-3•FßT 1 18.3.2008 æi. *rnr (3) *crRr, .312ET t t at, 19. - 11 20. - (1) 50 12 THE GAZETTEkOF INDIA : EXTRAORDINARY Q71T; [PART Ill—Sc. 4) (Nq7) I (3) aa a•rcratr (4) a-« 3•ær 21. - (1) Q-Tr qa•R'T g•alöf (2) Q-T 3-mq (ö .nra•r (v) *r a-tr alq t; (JIT) F) 3rat tat; (a) *r Qlå 13 ta-al*r ra-Tr t, æzrr, 3$fi (É*e) auT (T) (a-Tr 3TQ.ET (45) Q-IT Xzrr asr *r (3037 asr 3•iazia d; a•en (q) at t av 3i•aaia .3æ&'R t, 14 THE GAZETTE OF INDIA : EXTRAORDINARY [PART Ill—SEC. 4] 22. - (1) ai azrrq *a-rr - (i) 3raa•r (ii) (iii) ga•rv RaqUT; (iv) ezrQ•rzr : * * 12.37&i (3MäT 1 * mér t) * * * ..31& 0m; (2) 31taT-9Tt7 (qléé .341t a@T- •Qtr aTQ71T I (4) afra 3iqr (5) ür Ravi, 3F.ra•r 3-1Fzr 37 qa•RT (6) Karr Ravi, ai 3rat I 15 23. - (1) ai 31 30 20 3@a-1T3-å earn, F, æ:ntr I 31 I 24. - zrö gurr* 25. - (1) *71T, (i) 3æ*r (ii) nra•r Qa•ä7, (iii) 37 av t 3F..ßT (iv) qan-r I (2) 3iaaia 2013 I 26. - (1) t zrt qaT @17T-Q2å, e--?ra-o.r I 16 .THE GAZETTE OF INDIA : EXTRAORDINARY (ii) (iii) ü7T; agr na•r [PART Ill—SEc. 4] 27. - (1) 26 tr a•rqztr, (3) 3F.ra•r 3Fzr at-qi, .3F-.raT av 31?-raT (6) nra•T fitra-TUT 28. - atra-TUT 90 Ill—aug 4] 29. - (1) etraw•r g&ltr qa•RT 30. - (1) uratT-Qzå 3R-ra•r .nra•r atra-TOT at 26 26 3-i•aia I * * (77é$ 1956 (1956 1) 226 # 8; 3-TÄQQGT 31. - (1) 3R.RT 3T@GzrR, 1938 (1938 4), 1999 (1999 41) Cid) g — 3 17 THE GAZETTE OF INDIA : EXTRAORDINARY 11 18 32. [PART Ill—Sw 41 t; 3TQRT BART 3•T9.RT t; Rax@rzff a-gr t; atr t; 3-rq-a•r 3T2RT t 3F;r 3q«r 11 ($) 3•T2ßT *r (e) a-gr fi7T•, fila-vr qtrHT I (2) 37 t 3--TZET t, av qaRT 3frr- 11 3i-aå?T .3F-.raT ayr t üg#rzr öV{TZlT 36. 37

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3iaafi7 ælva•rPrar qarr er Q-IT a•rX "Itr qvr t; *7ff; (q) qn€r 3.iaa'17 alter, 3iaz'17 Xzrr t; 31 era} aqT Q. aft *71T,• t, t Q-IT (3TFv *r (Q')uv atra atff t I zrR *71T; *71T; THE GAZETTE OF INDIA : EXTRAORDINARY [PART lil—SEC. 4] (3) .3F-.RT 3-FQ.IT a-gr t arar qan-r t 8. - *Thr CBT, *JIT; (T) RÄIzra *r *71T; 3TQ7tr; *-ä7ff,• GTV; 33 (q) 31Fi t, avi q•rmr; (g) *rar (ir)uv (B)qv ür QTå Ot; aTr a•aü at 4N•rQ71T 10.7•a'N'fl - (tra•r 2000 tan, F)uv atr t; t t, *fir (Er)uv taT t 3R..ra•r atr (S) 3R.ra•r qr matr; 3267 Go}' -5 34 THE GAZETTE OF INDIA : EXTRAORDINARY [PART Ill—SEC. 4] 3-1TR ai#R åztR (GT)uv aæa•asö Q-TH I q9-TR t, t asr (7T)zfi t asr 3R.ET 3•ær OTT; *71T, 12.gma--TOT - F)uv *vrr 3.fr(Afia-TUT t; qa•rq-r -fi•å t; 35 t; *a-öT æi*TäaSr t; (S) 41 t aur 3@a-1T t asr 14.47 42 3iaåa 1938 (1938 4), 1999 (1999 41), 3trätå THE GAZETI'E OF INDIA : EXTRAORDINARY [PART Ili—SEC. 41 1.1 [www.irdaindia.gov.in] I aezrær, 2013 16 3iazi7 qa•RT I 2013 3i•azi7 aTX 37 9-tr gä*-T 3•remr t I zrR t, I 3-fr (3frgae) gäf.r 1938 3•iazi-a 317ta•r I 8. (a•åæ17 ü, 3TtaT3•å 37 318. 13.*T av æi•äü 38 THE GAZETTE OF INDIA : EXTRAORDINARY [PART Ill—SEC. 4) 3 ai EQT, aqT 311t•wr, I 15.37*, Rf.ivr, #18r, 17.*ra'T æ:iatå 31Vl 2013 1. 2. 3. 4. 5. 6. 7. 8. 9. '-TR7 : t51å) I 3fiGzrær, 1938 Qrqzr-q a-a•rr I 3&Ttr a-a-RT 25 I (zrr&é Rao•r, «r 39 10.37 «r EzrQ1zr t 11.3171* ai arzr ai 10 13. 14. I 15. I THE GAZETTE OF INDIA : EXTRAORDINARY INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY NOTIFICATION Hyderabad, the 19th July, 2013 [PART Ill—SFC. 41 "urance Regulatory and Development Authority (Licensing of Banks as Insurance Brokers) Regulations, 2013 F. No. exercise of the powers conferred by Section 114A of the Insurance Act, 1936 (4 of •19U)-reäd With "ctions 14 and 26 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) and sections 42D and 42E of Insurance Act, 1938, the Authority in consultation with the Insurance Advisory Committee, hereby makes the following regulations, namely:- 1

2. Short title and commencement These regulations may be called the Insurance Regulatory and Development Authority (Licensing of Banks as Insurance Brokers) Regulations, 2013.(2) They shall come into force on the date of their publication in the Official Gazette. Dennltlons — (1) Unless the context otherwise requires, — (a) 'Act' means the Insurance Act, 1938 (4 of 1938); (b) 'Advisory Committee' means the Advisory Committee constituted under section 25 of the Insurance Regulatory and Development Authority Act (41 of 1999); (c) 'Authority" means the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of Insurance Regulatory and Development Authority Act, 1999 (41 of 1999); (d) Direct Broker' means an insurance broker who is either Direct Broker Composite, or Direct (f) (j) (k) Life or Direct Broker Non-Life 'Direct Broker Composite' means an insurance broker who for the time-being licensed by the Authority to act as such, for a remuneration carries out the functions as specified under regulation 3 in the field of life insurance and general insurance on behalf of his clients; 'Direct Broker Life' means an insurance broker who for the time-being licensed by the Authority to act as such, for a remuneration carries out the functions as specified under regulation 3 in the field of life insurance on behalf of his clients; 'Direct Broker Non-Life' means an insurance broker who for the time-being licensed by the Authority to act as such, for a remuneration-carries out the functions as specified under regulation 3 in the•fieid of general insurance on behalf of his clients; 'Enquiry Officer' means an officer of the Authority, or any other person having experience in insurance business, who is appointed by the Authority under regulation 34 to hold an enquiry against an insurance broker; 'Form' means the forms specified under these regulations; 'Inspecting Authority' means one or more of its officers appointed by the Authority to discharge the functions stated in regulation 26; 'Insurance Broker' means a person for the time-being licensed by the Authority under regulation 9, who for a remuneration arranges insurance contracts with insurance companies on behalf of his clients.

3. Ill—arg 4] Explanation: The term 'insurance broker' wherever it appears in these regulations shall be deemed to mean a direct broker; Add definition of Direct Broker (l) 'Person' means— A Scheduled Bank included in the Second Schedute to the Reserve Bank of India Act, 1934 — a general manager or equivalent cadre of the respective (m) 'Principal Officer' means licensed entity appointed exclusively to carry out the functions of an insurance broker and positioned at corporate office. (n) 'Regulations' means Insurance Regulatory and Development Authority (Licensing of Banks as Insurance Brokers) Regulations, 2013; (2) Words and expressions used and not defined in these regulations but defined in the Insurance Act, 1938 (4 of 1938), or the Life Insurance Corporation Act, 1956 (31 of, 1956) or the General Insurance Business (Nationalisation)' Act, 1972 (57 of 1972), or Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), Insurance Regulatory and Development Authority(lnsurance Brokers)

Regulations, 2002 and Insurance Regulatory and Development Authority(lnsurance Brokers) (Second Amendment) Regulations, 2002 shall have the meanings respectively assigned to them in those Acts or the rules and regulations made thereunder, as the case hay be. Functions of a direct broker —The functions of a direct broker shall include the following: 41 (a) (b) (c) (d) (f) (g) (h) (j) obtaining detailed information of the client's business and risk management philosophy; familiarising himself with the client's business and underwriting information so that this can be explained to an insurer and others; rendering advice on appropriate insurance cover and terms; maintaining detailed knowledge of available insurance markets, as may be applicable; submitting quotation received from insurer/s for consideration of a client; providing requisite underwriting information as required by an insurer in assessing the risk to decide pricing terms and conditions for cover; acting promptly on instructions from a client and providing him written acknowledgements and progress reports; assisting clients in paying premium under section 64VB of Insurance Act, 1938 (4 of 1938); the provisions of section 64 VB of the act shali continue to determine the question of assumption of risk by an insurer assisting in the negotiation of the claims; and maintaining proper records of claims; (1)An application by a person for grant of a licence as an 4.Application for grant of licence insurance broker shall be made in Form A to the Authority. The application under sub-regulation (1) shall be made for direct broker category, along with (2) the requisite fees as specified in regulation 16. (3) The applicant under sub-regulation (1) shall have obtained the prior approval of Reserve Bank of India before applying for licence to act as insurance broker

5. Application to conform to the requirements -An application, not complete in ell respects and not conforming to the instructions specified in the Form A and these regulations, shall be rejected. Provided that, before rejecting any "such application,. the applicant shell be given a reasonable opportunity to complete the application in all respects and rectify the errors, if any. [The documentation & procedural requirements for obtaining fresh broker license is annexed to these regulations at Annexure-I.] 6. Furnishing of information, clarification and personal representation — (1) The Authority may require an applicant to furnish any further information or clarification for the purpose of disposal of the application, and, thereafter, in regard to any other matter as may be deemed necessary by the Authority. NE GAZETTE OF INDIA : EXTRAORDINARY tPAkT ill*EC. 4] 7. (2) The. applicant or its principal, officer shall, if so required, appear before the Autiority for. a personal representation in connection with an application. Consideration of application . _ (1) The Authority. while considering an application for grant of a licence shall take into: account; all matters relevant to the carrying out of the funcüons by insurance broker. (2) Without prejudice to the dbove, •the Aüthority in particular, shall take into account the folloWing, namely:- a) whether the applicant is not suffering from any of the disqualifications specified. under. sub-section (5) of section 42 D of the Act; b) whether the applicant has the necessary infrastructure, such as, adequate offce space, equipment and trained manpower to effectively. discharge his activities; c) whether the applicant has in his employment a minimum of two persons who •have the necessary qualifications specified .1in. clause (f) below and experience to •conduct the business of insurance broker, d) • 'Whether any person, directly-or-indirectly connected with the applicant, has been refused in the past the grant of a licence by the Authority, For the purposes of this sub-clause,. the expression "directly, or a. Explanation : indirectly connected? means in thecåse of a firm or a company or a bodycorpotate; an associate, a subsidiary, an interconnected undertaking or a group company of the åpplicant- It is hereby clarified that these terms shall have the same meanings as aScribed to them in the Companies Act, 1956 (1' of 1956) or The Competition Act, 2002, as the case may be. e) whether the applicant fulfills the deposit requirements as specified in regulation 20;. f) whether the principat officer of the applicant has received at least one hundred hours. of theoretical and practicai:training from an institution recognized by the Authority. from time to time,and has passed an examination, at the end of the period of training mentioned above, conducted by . the National Insurance- Academy, Pune or any . other examining body recognised by the Authority. Prov_ided that where the principal officer of the applicant is an Associate/ Fellow of the Insurance Institute of India, Mumbai; or Associate(Fellow of the Cll, London; or Associate/ Fellow of the Institute of Actuaries of India; or any post graduate qualification of the -Institute of Insurance and Risk Mahagement,. Hyderabad; the theoretical and practical training from an institution recognised by -the Authority from time to time according to a syllåbus.approved by the Authority shall be fifty hours. g) whether the principal officer has not violated the code of conduct as specified in Schedule.ll to these regulations; h) the applicant is allowed to do insurance broking in addition to theirrnain objects;and i) the

Authority is of the opinion that the grant of licence will be in the interest of policyholders. Anyemployee reSponsible for soliciting and procuring insurance business onbehalf of an insurance broker shall also have to fulfill the requirements mentioned in sub-regulation above arid a list of such employees need to be provided to the•Authority and acknowledged byit. 8

9. Requirements of Capital—(1)' There is no requirement of capital för insurance broking business for entities, licensed under the IRDA(Licensing. of banks. as Insurance brokers)Regulation 2013 a) the applicant shali be permitted to carry on the business of an insurance broker as licensed under these regulations in addition to their main objects. b) the calculation of non-lndian- interest in the applicant company shall be as per the limits applicable to banking sector as decided from time to time by Government of India I ReseNe Bank of India. Procedure for licensing — The Authority on being satisfied that the applicant fulfills ali tw cohditionS specified: for . the grant- of licence, shall grant a licence in Form, Bond. send-an intimation thereof to the applicant mentioning the category for which the Authoiity has:grahted the licence. The licence shall be issued subject to the insurance broker adhering to, the conditions and the codeof conduct as specified by the Authority from time to time. [qvi IO. 11. 12. 43 Validity of licence— A licence once issued shall be valid for, a period of three years tomh- 'date of its iisue.• unless the same is suspended or cancelled pursüant to these regulations. Renewal of licence HI)An insurance broker may, within thirty days before the expiry of tw licence, make an application in Form A to the Authority for renewalof licence. Provided however that if the application reaches the Authority later than that period but before tte actuat expiry of the current licence, an additional fee of rupees one hundred only shall be payable by the applicant to the Authority. Provided further that the Authority may for sufficient reasons offered in writing by the applicant tor a delay not covered by the previous proviso, accept an application for renewal aner the date of the expiry of the •licence on a payment of an additional fee •of seven hundred and my rupees only by the applicant. (2) Principal Officer and employees responsible for soliciting insurance business of an insurance:,• broker before seeking a renewal of licence, shall have completed, at teåst twenty five hours ot theoreticaland practical training, imparted by an institution recognized by the Authority from time to time. (3) The application: for a renewal, under sub-regulation (1) shall be dealt, with in the same manner as is specified under regulation 7. (4) The Authority, on being satisfied that the appiicant fulfills all -the conditions specified for a renewal of the licence, shall renew the licence in' Form B fora period of three years and send intimation to that effect to the applicant. [Explanation: where a br_oker has submitted a renewal application in tems of regulation 11 and the applicant does not suffer from any of the disqualifications specified in sub-section 3 and 50f section 42D of the Insurance Act, 1938 and that IRDA has not-taken any adverse action against the said. company as on the date of renewal and/or on the date of receipt of the renewal application, the Authority may issue a lettertö the said broker for continuafion Of its functions for the next 90 days (w.e.f date. of due renewal) if the. license is not renewed.from the due date of renewal on time.- If there are any other administrative reasons or any further delay in the renewal of the license, Authority may inform to the brok6r for such continuation of its business. It is made clear that the insurers shall not withhold remuneration of the broking companies during the period such a continuation letter issued. by the IRDA.] [The documentation & procedural requirements for obtaining renewal broker license is annexed to these regulations at Annexure-I'.] Procedure where a licence is not granted — (1) Where an application for grant of •a licence under regulation 4 or of a renewal thereof under regulation 11, does not satisfy the conditions set out in regulation 7, the Authority may refuse to grant thelicence. Provided that no application shall be rejected unless the applicant has been given a reasonable opportunity of being heard. (2) (3) (4) (5) The refusal to grant a licence shall be communicated by the Authority within thirty days of such refusal to the applicant stating. therein the grounds on which the application has been rejected. Any applicant, if-aggrieved, by the decision of the Authority, may apply within a period of. thirty days from the däte of receipt of such intimation, •to the Chairman of the Authority fora reconsideration of its decision. The Chairman of the. Authority shall consider such: an application and communicate his decision thereon to the applicant in writing within six weeks of the receipt thereof. In case the license issued under regulation 9 is cancelled/surrendered or refused to renew for thecasons specified, the applicant has to wait for applying afresh for a period of ope 44 13. u

15. THE GAZETTE OF INDIA : EXTRAORDINARY [PART Ill—SEC. 4] year from the date of such cancellation/surrender or rejection of renewal of license for cönsideration of the Authority. Effect of

refusa" to grant licence — Any applicant, whose application for grant of a licence under regulation 4 or of a renewal thereof under regulation 11 has been refused by the Authority, shall, on and from the date of the receipt of the communication under regulation 12(2) cease to act as an insurance broker. He, "owever, shall continue to be liable to provide services in respect of contracts already entered into through him. Such a service shall continue only upto the period of expiry of those current contracts, details of which shall be disclosed to the Authority on receipt of the communication under regulation 12. assue cf a duplicate \icence — (1) In the event of a, licence being lost or destroyed or mutilated, an insurance broker shall submit to the Authority an application alongwith a fee of rupees one thousand requesting for the issue of a duplicate licence and with a dectaration giving full details regarding the issue of the licence and its loss or destruction or mutilation. (2) The Authority, after satisfying itself that the original licence has been lost, destroyed or mutilated, shall issue a duplicate licence in Form B with an endorsement thereon that it is a duplicate one. Action against a person acting as an insurance broker without a valid licence— (1) Notwithstanding and without prejudice to initiation of any criminal proceedings against any person, who acts as an insurance broker without holding a valid licence issued under these regulations, the Authority may invoke against such a person penal action under the Act or any other. law for the time being in force (2) Where the person falling under sub-regulation (1), is a company or firm or body corporate, without prejudice to any other proceedings which may be taken by the Authority against the company or firm or body corporate, every director, manager, secretary or other officer of the company or body corporate, and every panner of the firm, who is knowingly a party to such a contravention shall also be liable to be proceeded against

16. Payment of fees and the consequences of failure to pay fees —(1) Every insurance broker shall at the time of application of license pay non-refundable application fees as shown below: Cate o of Insurahce broker Amount of licence fee a able Direct broker Rs.25,OOO (2) Every Insurance broker shall pay annual fees as set out below: Category of insurance Amount of licence fee payable per annum broker Direct broker A sum calculated at the rate of 0.50% of remuneration earned in the preceding financial year subject to minimum of Rs.25,OOO and maximum of Rs. 100,000. 170 The annual licence fee as specified above shall be paid before the expiry of 15 days from the finalization •of the annual audited accounts of the broker•or 30th Sep whichever is earlier. (3) Every insurance broker shall pay a renewal .fee of Rs5000 (Rupees Five thousand only) alongwith the application for renewal of license. (4) The fees shall be payable by an Account Payee draft in favour of "The Insurance Regulatory and Development Authority" payable at Hyderabad. (5) Where an insurance broker fails to pay the annual fees payable under sub-regulation (2), the Authority may suspend the licence, whereupon the insurance broker shall cease to carry on business for the period during which the suspension subsists. Remuneration — (1) No insurance broker shall be paid or contract to be paid by way of remuneration (including royalty or licence fees or administration charges or such other compensation), an amount exceeding the limits as specified/notified by the Authority in the circulars/regulations issued in this behalf. 45 18, 19

20. Explanation: No brokerage can be paid in respect of an insurance where agency commission is payable and likewise, no agency commission can be paid in respect of an insurance where brokerage is payable.(2) The settlement of accounts by insurers in respect of remuneration of brokers shall be done on a monthly basis and it must be ensured that there is no cross settlement of outstanding balances. Cei'\ng on business from single client — (1) The business of the insurance broker shall be carried in such a manner •that, not more than 50 percent of the premium (quantum; receipts, etc. as the case may be) shall emanate from any one client. Note: For the purposes of this regulation, the term "client" shall include, in the case ofa firm or a company, an associate or a subsidiary or a group concern under the same management. (2) Not more than 25 per cent of the insurances handled by the insurance _broker in any financial year is placed with the insurance company within the promoter group separately for life and for general insurance business. In addition, the other terms and conditions as envisaged in memorandum on Corporate Houses Promoting Insurance Broking Companies in addition to doing insurance business issued vide circular no.063/lRDA/Memo/07-08 dated 18.3.2008 are also applicable to applicants licensed under•these regulations. (3) The decision of the Authority as to whether a company, a business or an organisation is under the same management shell be final. Code of conduct — in Schedule 11. Every insurance broker shall abide by the Code of Conduct as specified Deposit requirements — (1) Every insurance broker shall before the commencement of his business, deposit and keep deposited with any

scheduled bank a sum of Rs.50 lakhs; (2) The deposit shall have a lien with IRDA (3)The fixed deposit shall not be released to him unless the prior permission of the Authority is obtained; (4) Every insurance broker shall furnish to the Authority as and when called upon to do so a statement certified by the Bank in which such fixed deposit is kept

21. Pnfessional indemnity insurance —(1), Every insurance broker shall take out and maintain and continue to maintain a professional indemnity insurance cover throughout the validity of the period of the licence granted to him by the Authority. Provided that the Authority shall in suitable cases allow a newly licensed insurance broker to produce such a guarantee within fifteen months from the date of issue of original licence. (2) The insurance cover must indemnify an insurance broker against (3) (a) any error or omission or negligence on his part or on the part of his employees and directors; (b) any loss of money or other property for which the broker is legally liable in consequence of any financial or 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 brokers' employees or former employees. The indemnity cover — (a) Shall be on a yearly basis for the entire period of licence; (b) shalt not contain any terms to the effect that payments of claims depend upon the insurance broker 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 an indemnity insurance cover not fully conforming to the above requirements shall be permitted by the Authority in special cases for reasons to be recorded by it in writing. 46 (4) (5) (6) THE GAZETTE OF INDIA : EXTRAORDINARY [PART Ill—SEC.• 4) Limit of indemnity any one claim and in the, agmate for me year in tte case' of insurance. brokers shall be me times remuneration nceived -frorn tw broking operations at tte end of eveM financial. year subject to a minimum limit of lakhs and a maximum of rupeesfiRy cmres. The un-insured excess in respect of each claim shall not exceed five percent of the capitai employed by tie insurance broker in the business. The insurance policy shait be obiined from any registered insurer in India who has .reed to — pmvide the insurance broker with an annual certificate containing tte neme and addM8, including the licence number of tte insurance broker, he policy number, the limit of indemnity, he excess and the name of he insurer as evidence that the cover meets he requirements of the Authority; (b) send a duplicate cerificate to the Authority at tte time the certificate is issued to the insurance broker ; and (c) inform the insurer immedi&ly of any case of voidance, non-renewal or cancellatiom of cover mid•tem. (7)Evety Insurance broker shall— (a) iftrm immediately he Authority should any cover be cancelled or voided or if any policy is. not renewed; (b) inform immediately tte insurer in writing of any claim made by or against it (c) advise immediately. the -insurer of all circumstances or #currences bet may give rise to a claim und& the policy ; and (d) advise the Authority as soon as an insurer has notified that it intends to decline indemnity in respect of a claim under tte policy

22. Maintenance of books of account, •cords, etc.— (1) Every insurance broker shall prepare every accounting year a separab books of accounts br their insurance broking operations a balance sheet or a statement of affairs as at the end of uch accounting period; a profit and loss account for that period; a statement of cash/fund now; additional statements on insurance broking business as mey be "quired by the Authority. For purposes of this regulation the accounting year shall be a period of 12 months (or less whete a business is staned after 1 April) commencing on the first day of the April of an year and ending on the day of March of the year following, and the accounts shall be maintained on accrual basis. (3) (4) (5) (6) These books of accounts have to be audited separately by a •qualified Chartered Accountant. Every insurance broker shall submit to the Auhority, a copy of tie audited financial statements as stated in sub-regulation (1) alongwith the auditor's report thnon within ninety days from the close of the accounting year alongwiththe remarks or obsergations of tte auditors, if any, on -the conduct. of the business, state of accounts, etc., and a suitable explanation on -such observations shall be appended to such accounts fled with tie Authority. Every insurance broker shall, within ninety days from tte date of the Auditor's report take stepsto rectify any deficiencies, made out in the auditors repon and infom he Authority accordingly. Al tte books of account, sitements, document, etc., shall be maintained at tme head • omce ot the insurance broker or such other branch. omce as nay be designated bynim and notified to the Authority, and shall be availabie bn all working deys to such omcers of the Authority, authorised in his behalf by it for an inspection. All the -books and documenb. staments, contract notes etc., referred to in his regulation and

maintained by the insurance broker shall be retained for a period of a&ast ten years from the end of tte year to which ttey relate

23. Submission of half-yearly results —Every insurance broker shall before 31* October and 30b April each year fumish to the Authority a half-yearly un- audited financial statement 47 24. 25. 26. 27. 28. @ntaining details of performance, financial position, etc., atongwit•t a declaration confiming the • deposit requirements in accordance with t'e provisions of regulation 20. (2) Failure to comply. wih the regulation of sub-regulation (1) will tead to an action, in accordance wifr the provisions of regulation 31 being taken against the insurance broker. Internal control and systems — Every insurance broker shall ensure that a proper system of intemal audit is practised in business and that his internal contols and systems are adequate for tte size, nature and complexity of his business. Disclosures to the Authority — (1) An insurance broker shall disclose to the Authority, as and when required by it, in any event not later than thirty days of a requisition, the folbwing information, namely— (i) his responsibilities witl regard to tie placement of an insurance contract; (ii) any change in me inbrmation or particulars previously furnished, which have a bearing on the licence granted to it; (iii) the names of the clients whose insurance portfotio he manages or has managed; (iv) any other requirement specified by the Authority from time to time. (2) Insurance Brokers licensed under these regulations shall be required to fumish information to the Authority in the forms specified in Insurance Regülatory and Development Authority(lnsurance Brokers) (Second Amendment) Regulations, 2013. Authority's right to Inspect — (1) The Authority may appoint one or more of its officers as an "inspecting authority" •to undertake inspection of the premises of the insurance broker to ascertain and see how the business is carried oh , and also to inspect the books of accounts, records and documents of tie insurance broker for any of the purposes specifiéd in sub-regulation (2). (2) The purposes referred to in sub-regulation (1) may be as follows, namely : — to ensure that the books of account are being maintained in the manner required • to ensure that the provisions of the Act, rules, regulations are being complied with; to investigate the complaints received from any insured, any insurer, other insurance brokers,or any other person on any matter having a bearing on the activities of the insurance broker; and to investigate the affairs of the insurance• broker suomotu in the, interest .of proper development of insurance business orin policy holders' interest. Notice before inspection — (1) Before undertaking an inspection under regulation 26, the Authority shall give a notice of ten days to an inurance broker for that purpose. (2) (3) (4) (5) Notwithstanding -anything contained in sub-regulation (1), where the Authority is satisfied .that in the interests of the policyholders no such notice shall begiven. •it may, for reasons recorded in writing, direct that the inspection of the affairs of the insurance broker be taken up without such notice. The. insurance broker shall allow the inspecting author!ty- to have full, access io- the premises occupied by such insurance broker or by any other person on his behalf and also extend all facilities for examining books, records, documents and computer data in the possession of the insurance broker. The inspecting authority, in the course of inspection, shall be entitled to examine or record statements of any principal officer or employee of the insurance broker and have the powers to seize or make copies of documents/ records. It shelt be the duty of every such person to give tothe ins•pecting authority all assistance in connection with the inspection which the insurance broker may reasonably be expected to give. Failure to comply with the. requirements of the Authority in this regard or failure to cooperate with the inspecting officers shall result in suspension of licence. Submiision of repon to the Authority —-.The inspecting authority shall submit an inspection report to the Authority within 90 days of the completion of the inspection. 48 29. 31

33. THE GAZETTE OF INDIA I SEXTRAORDINARY [PART 4] Communication of findings, etc.—(l) The Authority shall, after consideration of the inspection report, communicate its findings to the insurance broker and give him a reasonable opportuhity of being heard before any action is taken by the Authority on thé findings of the inspecting authority. (2) On receipt of the explanation, if any, from the insurance broker, the Authority may direct the insurance broker to take such measures as the Authority may deem fit. —(1) The Authority may appoint a chartered accountant or an 30. Appointment of investigator actuary or any qualified and experienced individual in the field of insurance to investigate the books of accounts or the affairs of the insurance broker. Provided that the person so appointed shall have the same powers of the inspecting authority as are méntioned in regulation 26 and the obligations of the insurance broker in regulation 26 shall be applicable to the investigation under this regulation. Explanation- For the purposes of this regulation the expression "chartered accountant" shall have the same

meaning as given in Section 226 of the Companies Act, 1956 (1 of 1956), and the expression 'actuary' shall mean a member of the Institute of Actuaries of India. (2)The expenses and costs of such an investigation shall be recovered by the Authority from the insurance broker whose affairs had been caused to be investigated. Cancellation or suspension of iicence with notice — (1) The licence of an insurance broker may be cancelled or suspended after due notice and after giving him a reasonable opportunity of being heard if he — (a) (b) (c) (d) (h) (j) (k) violates the provisions of the Insurance Act, 1938 (4 of 1938), Insurance Regulatory And Development Authority Act, 1999 (4T of 1999) or rules or regulations, made thereunder; fails to furnish any information relating to his activities as an insurance broker as required by the Authority; furnishes wrong or false information; or conceals or fails to disclose material facts in the application submitted for obtaining a licence; does not submit periodical returns as required by the Authority; does not co-operate with any inspection or enquiry conducted by the Authority; fails to resolve the complaints of the policy holders or fails to give a satisfactory reply' to the Authority in this behalf; indulges in rebates or inducements in cash or kind to a client or any of the Client's directors or other employees or any person acting as an introducer; is found guilty of misconduct or his conduct is not in accordance with the Code of Conduct specified in Schedule 11; fails to pay the fees or the reimbursement of expenses under these regulations; violates the conditions of licence; does not carry out his obligations as specified in the regulations; if the principal officer does not acquire practical training and pass the examination within the stipulated period as specified in regulation 7. (2) In the circumstances where the Authority feels that the establishment of an insurance broker- is only to divert funds within a group of companies or their associates, it can after due enquiries made by it cancel the licence granted to the insurance broker. Cancellation or suspension of licence without notice — The licence of ah insurance broker may be cancelled or suspended without notice, if he — (a) violates any one. or more of the requirements under the code of conduct specified in Schedule 11; (b) is found guilty of fraud, or is convicted of a criminal offence; (c) commits such 'defaults, which require immediate action in the opinion of the Authority,. provided that the Authority has communicated the reasons for the cancellation in writing; (d) the insurance broker has not commenced the business within six months of being granted a licence. Manner of making order of cancellation/suspension with notice— The licence of an insurance broker shall not be cancelled unless an enqUiry has been held in acdordance with the procedure specified in regulation 34. 41 a..Tr« : 34. 35. 36. 37. Männer of holding enquiry before suspension or cancellation — (1)For the purpose of holding an enquiry under regulation 33, the Authority may appoint an enquiry officer; (2) (3) (4) (5) (6) (7) the enquiry officer shall issue to the insurance broker a notice at the registered office or the principa! place of business of the insurance broker, as the case may be, calling for such information as he considers necessary for the condüct of an enquiry; the insurance broker may, within fifteen days from the date of receipt of such a notice, furnish to the enquiry officer a reply together with copies of documentary or other evidence retied on by him or sought by the enquiry officer; the enquiry officer shall, give a reasonable opportunity of hearing to the insurance broker to enable him to make submissions in support of his reply made under sub- regulation(3); the insurance broker may either appear in person or through any person duly authorised by him to present its case; if it is considered necessary, the enquiry officer may require the Authority to present its case through one of its officers; and the enquiry officer shall, after taking into account all relevant facts and submissions made by the insurance broker, submit a report to the Authority within 90 days of the completion of the enquiry proceedings. Show-cause notice and order — (1) On receipt of the report from the enquiry officer, the Authority shall consider it and issue a show-cause notice to the insurance broker if the contents of the report warrant a suspension or cancellation of the licence granted to him. Provided that no such notice is required, in case the provisions of regulation 32 are attracted. (2) The insurance broker shall within twenty-one days of the date of receipt of the show cause notice send a reply to the Authority. (3) The Authority after considering the reply to the show cause notice shall, as soon as possible, but not later than thirty days from the receipt of the reply, pass such an order as it deems fit. Provided, however, where the insurance broker on serving of the notice under this regulation fails to furnish any reply within the stated period, the Authority may after the expiry of such time proceed to decide the case ex parte. (4) The Authority shall send a copy of the order made under clause (3) to the insurance broker. Publication of order of suspension or cancellation — The order of cancellation or suspension of the licence made under sub-regulation (3) of regulation 35, shall be published in one of the daily newspapers in the English länguage and one newspaper in the regional

language as the Authority may consider fit. Effect of cancellation or suspension of licence— (1) On and from the date of suspension or cancellation of the licence, the. insurance broker, shall cease to act as an insurance broker. (2) An insurance broker however shall continue to service the contracts already concluded through him for a period of six months within which suitable arrangements shalt be made by him for having the contracts attended to by another licensed insurance broker. (3) The Authority in such an event may pass such an order as it thinks fit for the disposal of the deposit of the insurance broker made under regulation 20

38. General —(1) From the date of commencement of these regulations no person can function as a broker or an insurance intermediary unless a licence has been granted to him by the Authority under these regulations. 50 THE GAZETTE OF INDIA : EXTRAORDINARY (2) Any disputes arising between an insurance broker and an insurer or any other person either in the course of his engagement as an insurance broker or otherwise may be referred to the Authority by the person so affected; and on receipt of the complaint or representation, the Authority may examine the complaint and if found necessary proceed to conduct an enquiry or an inspection or an investigation in terms of these regulations. (3) Any dispute arising out of insurance transactions, the jurisdiction of the Authority shall prevail and the laws applicable to the insuranee contracts shall be enforced and informatiön in this regard shall be furnished to the Reserve Bank of India. T. S. VIJAYAN, Chairman [ADVT. 111/4/161/1 3/Exty.] SCHEDULE I FORM A [See regulations 4 and 111 Insurance Regulatory And Development Authority Licensing of Banks as Insurance Brokers Regulations, 2013 APPLICATION FOR GRANT OF LICENCE/RENEWAL OF LICENCE Instructions for filling up the

form: 2. 3. 4

5. It is important that before this application form is filled in, the regulations made by the Authority are studied carefully. Applicants must submit a duly completed application form together with all appropriate, supporting documents to the Authority. Application for licence will be considered only if it is complete in all respects. Applicants should sign the applications themselves. Information which needs to be supplied in more details may be given on separate sheets which should be attached.to the application form. NAME OF THE APPLICANT ADDRESS CATEGORY APPLIED FOR CONTACT ADDRESS TELEPHONE NO FAX NO E-mail : Direct Broker(Life)/Direct Broker(Composite) Broker(Non-life)/Direct PARTICULARS OF THE APPLICANT 1.1 1.2 Name of the Applicant (A) Address —Head Office / Registeréd Office. Pin code: E-mail : 51 Telephone No: Fax No (B) Attach Addresses of Branch Offices where Broking Insurance Business is to be commenced (C) New branch locations where Broking Insurance Business is started subsequently should be communicated to the Authority from time to time. (D) Name and Designation df the Principal Officer E

2. Prior Approval of the RBI to apply for licence to act as Insurance Broker. Business Information: 2.1 List of major shareholders (holding 5% and above of applicant directly or along with associates- applicable only to limited companies) Share holding as on: Name of shareholder No. of Shares held 2.2 Name Particulars of all Directors:- Qualification Experience in Insurance services and related areas % age of total paid up capital of the company Directorship in other Any other information companies 2.3 Name and activities of associate companies/concerns Name of Address Company/Concern Type of activity handled Nature of Interest of Promoter/ Director Nature and interest of applicant company 52 THE GAZETTE OF INDIA : EXTRAORDINARY' [PART HI—SEC. 4] Whether any one or more persons of the associate companies/ concerns are interested in the applicant's business. 2.4Name and address of the Statutory auditors 3. 3.1 3.2 3.3 Name BUSINESS INFORMATION Three years business plan document with projected volume of activities and income (including anticipated) for which licence sought is to be specifically given. Enclose details Organization Chart separately showing functional responsibilities to be enclosed. Particulars of Key Management Personnel Qualification Details of experience in Date of Functional areas insurance broking/ appointment insurance consulting/risk management and other services: (History, major events and present activities (Experience outside India may also be indicated): 3.4 Any other information considered relevant to the nature of services rendered by the applicant

4. FINANCIAL INFORMATION Please attach Audited Annual returns of the last three financial years. Where unaudited reports are submitted, give reasons

5. OTHER INFORMATION , IF ANY 5.1 Details of all settled and pending disputes: Nature of dispute Name of the party Pending/settled 5.2 Details, if any of any economic offences by the applicanV Directors, or key managerial Personnel in the last three years. 53 5.2 Details of regulatory actions taken against the applicant by any regulatory body. DECLARATION THIS DECLARATION IS TO BE SIGNED BY TWO OF THE DIRECTORS. • IMe hereby apply for licence. • IMe have gone through the Insurance Regulatory and Development Authority (Licensing of Banks as Insurance Brokers) Regulations, 2013 and em/are satisfied that l/ We am/ are eligible to apply for the insurance broker's licence. IMe state that Me have truthfully and fully answered the questions above and provided all the information which might reasonably be considered relevant for the purposes of my/our licence. IIWe declare that the information supplied in the application

form is complete and correct. IWe undertake that IMe 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 earned by me/us during the licence period. IIWe undertake to service the run-Off business on the books at the time of cancellation or non renewal of licence. IIWe declare that Ilwe do not possess an insurance agent licence under section 42 of the Act. For and on behalf of (Signature and Name of Applicant {Block Letters}) Place: Date; 8 (Signature and Name of Applicant {Block Letters}) THE GAZETTE OF INDIA : EXTRAORDINARY Insurance Regulatory And Development Authority (Licensing of Banks as Insurance Brokers) Regulations, 2013 FORM B [see regulations 9& 111 LICENCE [PART Ill—Sc. 4] In exercise of .the powers conferred by sub-section (1) of section 42D of the Insurance Act, 1938 (4 of 1938) the Authority hereby grants a licence to to act as (Mention details of category) under that Act. Licence Code for the insurance broker is broker 2. 3 4 This licence shall be valid from to This licence is subject to the Act, Insurance Regulatory and Development Authority Act, 1999 (4 of 1999) and Insurance Regulatory and Development Authority (Licensing of Banks as Insurance Brokers) Regulations, 2013 and shall not be construed to be in compliance with or in conformity to any other Act, rules or regulations. Place : By Order Date For and on behalf of Insurance Regulatory and Development Authority 55 1. 2. 3

4. SCHEDULE 11 Insurance Regulatory Ahd Development Authority (Licensing of Banks as Insurance Brokers) Regülations, 2013 CODE OF CONDUCT [see regulation 191 Every insurance broker shall follow recognised standards of professional conduct and discharge his functions in the interest of the policyholders. Conduct in matters relating to clients relationship— Every insurance broker shall: (a) conduct its dealings with clients with utmost good faith and integrity at ali .times; (b) act with care and diligence; (c) ensure that the client understands his relationship •with the broker and on whose behalf the broker is acting; (d) 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; (e) take appropriate steps to maintain the security of confidential documents in their possession; (f) hold specific authority of client to develop terms; (g) understand the type of client it is dealing with and the extent of the client's awareness of risk and insurance; (h) 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; (i) obtain written mandate from client to represent the client to the insurer; 0) avoid conflict of interest. (k) Obtain necessary documents required under KYC norms Conduct In matters relating to Sales practices— Every insurance broker shall: — (a) Confirm that it is a member of the Insurance Brokers Association of India or such a body of (b) (c) (d) (f) (g) (h) (j) brokers as approved by the Authority which has a memorandum of understanding with the Authority; confirm that he does not employ agents or canvassers to bring in business; identify itself and explain as soon as possible the degree of choice in the products that are on offer; ensure that the client understands the type of service it can offer; ensure that the policy proposed is suitable to the needs of the prospective client; give advice. only on those matters in which it is knowledgeable and seek or recommend other specialist for advice when necessary; not make inaccurate or unfair criticisms of any insurer or any member of the Insurance Brokers Association of India or member of such body of brokers as approved by the Authority; 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; state the period of cover for which the quotation remains valid if the proposed cover is not effected immediately; 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; and explain the procedures to follow in the event of a loss. Not to indulge in any sort of money laundering activities. Conduct In relation to furnishing of information— Every insurance broker shall: — (a) ensure that the consequences of' non-disclosure and inaccuracies are pointed out to the prospective client; (b) avoid influencing the prospective client and make it clear that all the answers or statements given are the latter's -own responsibility. 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; 56 5. 6. 7. 8

9. THE GAZEITE OF INDIA : EXTRAORDINARY [PART Ill—SEC. 4] (c) explain to the client the importance of disclosing all subsequent changes that might affect the insurance throughout the duration of the policy; and (d) disclose on behalf of its client all material facts within its knowledge and give a fair

presentation of the risk. Conduct In relation to explanation of Insurance contract— Every insurance broker shall: (a) (c) (d) (e) (f) provide the list of insurer(s) participating under the insurance contract and advise any subsequent changes thereafter; 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; quote terms exactly as provided by insurer; 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; provide the client with prompt written confirmation that insurance has been effected. If the final policy wording is not included with this confirmation, the same shall be forwarded as soon as possible; aotiW changes to the terms and conditions of any insurance contract and give reasonable 'notice before any changes take effect; (gyadvise its clients of any insurance proposed on their behalf whiCh will be effected with an insurer outside India, where permitted, and, if appropriate, of the possible risks involved; and - Conauct In relation to renewal of policies — Every insurance broker shall:— (a) 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; (b) 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; (c) ensure that renewal notices contain a requirement for keeping a record (including copies of leters) of all iMormation supplied to the insurer for the purpose of renewal of the contract; (d) ensure that the client receives the insurers renewal invitation wetl in time before the expiry date. Conduct in relatlon to claim by client— Every insurance broker shall: — (a) explain to its clients their obligation to notify claims promptly and to disclose all material facts and advise subsequent developments as soon as possible; (b) 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; (c) give prompt advice to the client of any requirements concerning thedaim; (d) 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; (e) advise the client without delay of the insurers decision or otheMise of a claim; and give all reasonable assistance to the client in pursUing his claim. Provided that the insurance broker shall not take up recovery assignment on a policy contract which has not been serviced through him or should not work as a claims consultant for a policy which has not been serviced through him. Conduct In relation to receipt of coinplaints = Every insurance broker shall:— (a) ensure that letters of instruction, policies and renewal documents contain details of complaints handling procedures; (b) accept complaints either by phone or in writing; (c) 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; (d) ensure that response letters are sent and inform the complainant of what he may do if he is unhappy with the response; (e) ensure that complaints.are dealt with at a suitably senior level; (f) have in place a system for recording and monitoring complaints. Conduct in relation to documentation — Every insurance broker shall:— (a) ensure that any documents issued comply with all statutory or regulatory requirements from time to time in force; 57 10. 11. 12. (b) send policy documentation without avoidable delay, (c). make available, with policy documentation, advice that the documentation shall be read carefully and retained by the client; (d) 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; (e) acknowledge receipt of all monies received in connection with an insurance. policy; (f) ensure that they reply is sent promptly or use its best endeavours to obtain a prompt reply to all correspondence; (g) ensure that all written terms and conditions are fair in substance and set out, clearly and in plain language, client's rights and responsibilities; and (h) 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. Conduct in matters relating to advertising — Every insurance broker shall conform to the relevant provisions of the Insurance Regulatory and Development Authority (Insurance Advertisements and Disclosure) Regulations, 2000, and :— (a) ensure that statements made are not misleading or extravagant; (b) where appropriate, distinguish between contractual benefits which the insurance policy is bound to provide and non-contractual benefits which may be provided; (c) ensure that advertisements shall not be restricted to the policies of one insurer, except where the reasons for such restriction are fully explained with the prior approval of that insurer; (d) ensure

that advertisements contain nothing which is in breach of the law nor omit anything which the law requires; (e) ensure that advertisement does not encourage or condone defiance or breach of the law; (f) ensure that advertisements contain nothing which is likely, in the light of generally prevailing standards of decency and propriety, to cause grave or widespread offence or to cause disharmony; (g) ensure that advertisements are not so framed as to abuse the trust of clients or exploit their tack of experience or knowledge; (h) ensure that all descriptions, claims and comparisons, which relate to matters of objectively ascertainable fact shall be capable of substantiation. Conduct in matters relating receipt of remuneration— Every insurance broker shall:— (a) disclose whether in addition to the remuneration prescribed under these regulations, he proposes to charge the client, and if so in what manner; (b) advise the client in writing of the insurance premium and any fees or charges separately and the purpose of any related services; (c) if requested by a client, disclose the amount of remuneration or other remuneration it receives as a result of effecting insurance for that client. This will include any payment received as a result of securing on behalf of the client any service additional to the arrangement of the contract of insurance; and (d) advise its cliénts, prior to effecting the insurance, of their intention to make any deductions from the amount of claim collected for a client, where this is a recognised practice for the type of insurance concerned. Conduct in relation to matters relating to training — Every insurance broker shall: (a) Ensure that its staff are aware of and adhere to the standards expected of them by this code; (b) ensure that staff are competent, suitable and have been given adequate training; (c) ensure that there is a system in place to monitor the quality of advice given by its staff; (d) ensure that members of staff are aware of legal requirements including the law of agency affecting their activities; and only handle classes of business in which they are competent; (e) draw the attention of the client to Section 41 of the Act, which prohibits rebating and sharing of commission. 58 13. 14

15. THE GAZEHE OF INDIA : EXTRAORDINARY [PART Ill—SEC. 4] Every insurance broker shall display in every office where it is canying •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. An insurance broker as defined in these regulations shall not act as an insurance agent of any insurer under section 42 of the Act. Every insurance broker shall abide by the provisions of the Insurance Act, 1938 (4 of 1938), Insurance Regulatory And Development Authority Act 1999(41 of 1999), rules and regulations made there under which may be applicable and relevant to the activities carried on by them as insurance brokers. Annexure-I 1.1 Documentation & Procedural requirements for obtaining Fresh Broker License A. Submission of Completed Application

1. Submission of relevant information as required •in the FORM A format.available on the IRDA website [www.irdaindia.gov.in]

forming part of the application format should be signed by two directors.B. Documents I Requirements

1. Remittance of requisite fee as per category of insurance broker applied by demand draft payable at Hyderabad , as prescribed under regulation 16 of IRDA (Licensing of Banks as Insurance Brokers) Regulations, 2013

2. Steps should be undertaken by the applicant to ensure compliance of the training requirements as specified in regulation 7 (2) (F). Training requirement as specified under section 7 (2) (F) of the IRDA (Licensing of Banks as Insurance Brokers) Regulations, 2013 is a requirement to be complied with before any application could be considered for grant of license

3. One Principal Officer has to be there in a broking company fulfilling the requirements as per Regulation 7

4. Information on whether any person associäted with the applicant company in his capacity as Directors/shareholder/promoter/key management personnel Or employees is holding any insurance agency or insurance surveyor's license. If yes, the complete details thereof. As per the regulations, no agent or surveyor can work as a broker. The applicant should take steps to cancel the agencies and submit documentary proof of the same to the Authori!y

5. Detailed CV of all the directors highlighting their past and present activities

6. Detailed CV's and attested copies of testimonials of the educational qualifications of the principal officer and key management personnel

7. Principal Officer to submit an affidavit, duly nötarized certifying to the effect that that the applicant (directors, principal officer, key management personnel and employees of the company) are not suffering from any of the disqualifications specified under sub-section 42 D of the Insurance Act, 1938.59 8. 9. 11. 14. 16

17. List of all shareholders (current as well as proposed) of the applicant company. List of employees who will be responsible for soliciting and procuring insurance business along. with their qualifications and the details of bank branches where insurance business is solicited

10. Details of statutory auditors. Furnish the, Board Resolution passed by it/them in Applicant

12. Submit the audited annual report, balance sheet for the last three years

13. Clarification on how the applicant company proposes to deal with its existing customers/ business/liabilities once it enters the field of insurance broking. 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

15. Organization chart giving a complete picture of the company's activities like IT, underwriting, risk assessment, claims settlement, marketing, accounts, back office etc. List of experienced personnel inducted from general and life 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 of the people, so selected, to the Authority. Bring on record any other information which is relevant to the nature of services rendered by the applicant for the growth and promotion of insurance business

18. Any other requirements as deemed necessary by the authority.C. Personal Presentation The applicant after fulfilling the given requirements is required to appear before the Authority for a presentation of business plans in connection with the application. The above list of documents/requirements is indicative only and not exhaustive. The additional documents will be advised based on the category of license applied, pattern of shareholding, any other compliance matter required as per IRDA (Licensing of Banks as Insurance Brokers) Regulations, 2013 and views of the Authority. THE GAZETTE OF INDIA : EXTRAORDINARY Annexure 2 DOCUMENTS TO BE ATTACHED WITH RENEWAL APPLICATION BY INSURANCE BROKERS 1. Form-A (Application form) duly filled in

2. Renewal checklist duly signed by a Director and the Principal Officer of the Company

3. DD towards renewal fee

4. Affidavit duty notarized in compliance of Sec.42D of the Insurance Act, 1938

5. Undertakings executed by the Principal Officer

6. Renewal training certificate for 25 Hrs.undergone by the Principal Officer

7. Shareholding pattern of the company duly certified by the CA

8. Organization Structure & Chart

9. Details of Corporate Office along with list of bank branches where insurance business is solicited

10. List of employees who solicit and procure business on behalf of the compeny

11. Business Plan and Projections including Revenue and Expenditure for next three years

12. Business premium figures and list of top 10 clients for last three years

13. Copy of Fixed Deposit receipt along with letter from Bank confirming lien

14. Copies of Professional Indemnity insurance policies for last three years

15. Copies of previous three years annual reports along with cash flow statements

16. Any other document specific to the applicant. Printed by the Manager, Govemment of India Press, Ring Road, Mayapuri, New Delhi-1 10064 and Published by the Controller of Publications, Delhi-1 10054.